

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Sokmalena Crosby, et al. v. American Custom Meats, LLC
(San Joaquin Sup. Ct. Case No. STK-CV-UOE-2018-0012196)

Subject to the Court's approval, the Parties have entered into this Agreement pursuant to the terms and conditions in this Joint Stipulation of Class Action and PAGA Settlement Agreement ("Agreement") between the Plaintiffs Sokmalena Crosby and Israel Bahena ("Plaintiffs") individually and on behalf of the Settlement Class, and Defendant American Custom Meats, LLC ("Defendant").

I. DEFINITIONS

1. "Action" represents all causes of action, claims, and allegations in the Second Amended Complaint filed in *Sokmalena Crosby, et al. v. American Custom Meats, LLC*; San Joaquin Sup. Ct. Case No. STK-CV-UOE-2018-0012196) The "Action" includes all claims and allegations in Plaintiffs' June 26, 2020 letter to the Labor and Workforce Development Agency (the "LWDA Letter").
2. "Agreement" or "Settlement Agreement" is the instant Joint Stipulation of Class Action and PAGA Settlement Agreement.
3. "Class" is defined as all current and former hourly paid non-exempt employees of Defendant in California at any time during the Class Period from September 28, 2014 through August 2, 2020.
4. "Class Counsel" means Edwin Aiwarzian of Lawyers *for* Justice, P.C. and Heather Davis and Amir Nayebdadash of Protection Law Group, LLP
5. "Class Counsel Award" means an award of attorneys' fees, expenses and costs granted to Class Counsel and paid from the Maximum Settlement Amount.
6. "Class Data" means information regarding Class Members that Defendant will collect from its electronic records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include for each Class Member their full name, last known address, last known telephone number, and Social Security number; as well as information sufficient to allow the Settlement Administrator to calculate the number of "Workweeks" for all Class Members during the Class Period.
7. "Class Members" means members of the Class.
8. "Class Period" means the time period from September 28, 2014 through August 2, 2020.
9. "Class Representatives" means the named Plaintiffs in this Action: Sokmalena Crosby and Israel Bahena.

10. “Class Representative Service Award” or “Service Award” means the amount that the Court authorizes to be paid to the Class Representatives from the Maximum Settlement Amount, which is in addition to each Class Representative’s Individual Settlement Payment.
11. “Court” means the Superior Court for the State of California, County of San Joaquin.
12. "Defendant" shall mean American Custom Meats, LLC and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.
13. “Defense Counsel” or “Counsel for Defendant” shall mean Michael J. Nader of Ogletree, Deakins, Nash, Smoak & Stewart, P.C., 500 Capitol Mall, Suite 2500, Sacramento, CA 95814.
14. “Effective Date” shall be the later of the following: (a) If no objections to the settlement are pending, then the date the Court enters judgment granting Final Approval; (b) If an objection to the settlement is filed, then the date when the time expires to file an appeal of the Court’s grant of Final Approval of settlement; or (c) if an objection is filed, as well as a timely Notice of Appeal of the Court’s grant of Final Approval of settlement, then the date the appeal is finally resolved, with the final approval unaffected.
15. “Final Approval Order” means the Court’s order granting final approval of the Settlement.
16. “Settlement Class” is defined as all current and former hourly paid non-exempt employees of Defendant in California at any time during the Class Period who do not request to be excluded from the Settlement Agreement.
17. “Individual Settlement Payment” (“**ISP**”) means the amount payable from the Net Settlement Amount to each Settlement Class Member.
18. “Maximum Settlement Amount” or (“**MSA**”) means the maximum sum to be paid by Defendant pursuant to this Settlement, which is five hundred ninety-five thousand dollars (\$595,000). The MSA shall include all payments contemplated by this Settlement Agreement, including but not limited to all ISPs, the Service Awards to the Class Representatives, the Class Counsel Award, the PAGA Penalties Fund, the Settlement Administration Costs, and any award of costs or reimbursements to Class Counsel. The MSA shall not include the Defendant’s corporate payroll tax obligation.
19. “Net Settlement Amount” or (“**NSA**”) means the MSA minus the Service Awards, the Class Counsel Award (including costs and fees), the LWDA’s portion of the PAGA Penalties Fund, and the Settlement Administration Costs.
20. “Notice ” means the Notice of Class Action and PAGA Settlement in a form substantially similar to the form attached as **Exhibit 1** (the “Notice”);

21. “PAGA” means the California Labor Code Private Attorneys General Act of 2004. Cal. Lab. Code §§ 2698-2699.5.
22. “PAGA Penalties Fund” is the amount of fifty-five thousand dollars (\$55,000) allocated for the settlement of claims arising under PAGA. The PAGA Penalties Fund shall be allocated as follows: twenty-five percent (25%) shall remain part of the NSA and will be allocated to participating Settlement Class Members on a pro rata basis as defined herein. Seventy-five percent (75%) of the PAGA Penalties Fund will be deducted from the MSA and distributed to the LWDA pursuant to Cal. Lab. Code § 2699(i).
23. “Parties” means the Plaintiffs and Defendant collectively, and “Party” shall mean either Plaintiffs or Defendant, individually.
24. “Payment Ratio” means the respective Qualified Workweeks for each Settlement Class Member divided by the total Qualified Workweeks for all Class Members.
25. “Plaintiffs” shall mean the named Plaintiffs in this Action: Sokmalena Crosby and Israel Bahena.
26. “Preliminary Approval Date” means the date the Court enters an order granting preliminary approval of the Settlement Agreement.
27. “Preliminary Approval Order” means the Order Granting Preliminary Approval.
28. “Qualified Settlement Fund” means the fund set up by the Settlement Administrator into which the NSA shall be deposited and disbursements from it shall be made.
29. “Qualified Workweeks” means the number of Workweeks (as defined herein) for each Settlement Class Member within the Class Period.
30. “Released Claims” by Settlement Class Members means all causes of action and claims that were alleged in the Action or reasonably could have been alleged based on the facts and legal theories contained in Action, including claims alleged under Labor Code Sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1021.5, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, 2699, and 2699.3 and alleged violations of related provisions of IWC Wage Orders, including all of the following claims for relief: (i) any and all claims for alleged unpaid wages including, but not limited to, claims for minimum wage, overtime, double-time, seventh day pay, the failure to pay for all hours worked (off the clock claims), and the failure to pay for all hours worked at correct rates, including under an alternative workweek schedule, as well as claims that nondiscretionary bonuses and other incentive pay were allegedly not included in the regular rate of pay; (ii) any and all claims alleging the failure to timely pay wages during employment and after the termination of employment (iii) failure to maintain required payroll records, (iv) any and all claims for meal period violations including, but not limited to, claims for late, short, interrupted and/or missed meal periods and/or the failure to pay premium wages therefor; (v) any and all claims for rest break violations including but not limited to, claims for late, short, interrupted and/or missed rest breaks and/or the failure to pay premium wages therefor; (vi) any and all claims for improper or inaccurate itemized wage statements including, but not limited to, claims for injuries

suffered therefrom; (vii) any and all claims for unreimbursed expenses, including, but not limited to, personal cell phone and internet services; (viii) any and all claims for statutory penalties premised on the facts, claims, or legal theories described herein or in the Action, or that reasonably could have been raised in the Action based on the facts, legal theories, and causes of action alleged in the Action, including waiting time penalties under Labor Code Section 203 and wage statement penalties under Labor Code Section 226(e); (ix) any and all civil penalties under the Labor Code Private Attorneys General Act of 2004, Labor Code Section 2698 et seq. (“PAGA”) premised on the facts, claims, or legal theories described herein and in the Action, including, but not limited to, Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1021.5, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800, 2802, 2699, and 2699.3 ; and (x) any and all claims under the Business & Professions Code (including Section 17200 et seq.) premised on the facts, claims, or legal theories described herein and in the Action, or that reasonably could have been raised in the Action, and other equitable relief, liquidated damages, punitive damages, or penalties arising from the foregoing alleged claims; and any other benefit claimed on account of the allegations asserted in the Action (collectively, the “Released Claims”). The period of the Released Claims shall extend to the limits of the Class Period. The res judicata effect of the Judgment will be the same as that of the Released Claims.

31. “Released Parties” means Defendant as defined herein.
32. “Request for Exclusion” refers to a formal request to be excluded from the Settlement Agreement as described in the “Requests for Exclusion” section herein.
33. “Response Deadline” means forty-five (45) days after the Settlement Administrator mails Notices to Class Members, and the last date on which Class Members may submit requests for exclusion or objections to the Settlement Agreement.
34. “Settlement Agreement” means this Joint Stipulation of Class Action and PAGA Settlement Agreement.
35. “Settlement Administrator” means ILYM Group, Inc.
36. “Settlement Administration Costs” means the \$9,960 in costs to be paid to the Settlement Administrator from the MSA for administration of this Settlement.
37. “Settlement Class” is defined as all Class Members who do not submit a timely and valid request for exclusion from the Settlement Agreement.
38. “Settlement Class Members” (“SCM”) shall mean all members of the Settlement Class. SCMs will be bound by the terms of this Agreement, including the Released Claims, and any final judgment entered in this Action.
39. “Workweek” means the seven consecutive days starting on and including Monday through and including Sunday (a “week”) during which time the Class Data reflects that a given SCM worked any amount of time, and does not include weeks when an SCM was on PTO, a leave of absence, jury duty, or the like for the entire week.

II. RECITALS

40. Class Certification. The Parties stipulate and agree to certification of the Settlement Class for the purposes of this Settlement Agreement only. Should the Settlement Agreement not obtain Court approval and become final and effective, class certification shall immediately be set aside and the Settlement Class immediately decertified. The Parties' stipulation to class certification as part of the Settlement Agreement shall not be considered in connection with the issue of whether a class should be certified in this Action, and shall not be admissible in any such proceeding other than in the context of this Settlement Agreement.
41. Procedural History. On September 28, 2018, Plaintiff Crosby filed a Complaint, *Sokmalena Crosby et al v. American Custom Meats LLC*, STK-CV-UOE-2018-0012196, California Superior Court, County of San Joaquin. On December 11, 2018, Plaintiffs filed a first amended complaint ("FAC") adding Plaintiff Israel Bahena. On June 3, 2020, the Parties participated in a mediation with Jeff Ross, Esq., an experienced wage and hour class and PAGA action mediator. On or about June 4, 2020, as a result of the mediation, the Parties signed a Memorandum of Understanding of Settlement (the "MOU"). Pursuant to the terms of the MOU, Plaintiffs filed an LWDA Letter on June 26, 2020, and have filed a Second Amended Complaint adding a cause of action under PAGA.
42. Benefits of Settlement Agreement to Settlement Class Members. Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to litigate this Action through trial and potential appeals. Plaintiffs have also taken into account the uncertainty and risk of the outcome of further litigation and arbitration, and the difficulties and delays inherent in such proceedings. Plaintiffs and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendant's defenses, and the difficulties in establishing damages for Class Members. Thus, Plaintiffs and Class Counsel have determined that the terms set forth in this Settlement Agreement are fair, adequate and reasonable, and in the best interests of the Settlement Class Members.
43. Defendant's Reasons for Settlement Agreement. Defendant has concluded that further defense of this Action would be protracted and expensive for all Parties. Substantial amounts of Defendant's time and resources have been, and unless this Settlement Agreement is completed, will continue to be devoted to the defense of the Action. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Settlement Agreement. Defendant firmly contends that it is not liable for any of Plaintiffs' claims, but has agreed to settle along the terms set forth in this Settlement Agreement to fully resolve the Action.
44. Class Members' Claims. The Class Representatives claim that their allegations have merit in regards to the putative Class Members. Defendant claims that the Released Claims have no merit. This Settlement Agreement is a compromise settlement of disputed claims. The monies paid in this Settlement Agreement are genuinely disputed and the Parties agree that the provisions of Labor Code section 206.5 do not apply to this Settlement Agreement. Nothing in this Settlement Agreement or its exhibits, and no action taken to carry out this

Settlement Agreement may be construed or used as an admission by or against the putative Class Members or Class Counsel as to the merits of the claims asserted.

III. TERMS OF SETTLEMENT AGREEMENT

45. Settlement Agreement Consideration by Defendant. Defendant shall pay the MSA in the total amount of five hundred ninety-five thousand dollars (\$595,000.00). Except for any employer-side payroll taxes due on the Settlement Class Members Individual Settlement Payments (ISP), or as set forth in paragraph 46 below, Defendant shall not be required to pay more than the MSA.
46. MSA Modification. Defendant has represented that as of June 3, 2020, there were 22,774 qualifying workweeks during the Class Period. Should the qualifying workweeks worked by the Class Members as of the date of the June 3, 2020 mediation, increase by more than 10% of the amount reported by Defendant (i.e., be more than 25,051 workweeks), the Parties agree that the MSA shall increase on a pro-rata basis equal to the percentage increase in the number of workweeks worked by the Class Members above ten percent (10%). For example, if the actual number of workweeks on June 3, 2020 is 11% more than reported, or 25,279 workweeks, the MSA will increase by one percent (1%) to \$600,950. The Settlement Administrator shall review the Class Data and confirm the total number of qualifying workweeks from September 28, 2014 to June 3, 2020 and certify that number to the Parties after Preliminary Approval is granted.
47. Release by Participating Settlement Class Members. Following the funding of the MSA, and in exchange for the consideration set forth in this Agreement, the Settlement Class Members shall release the Released Parties from the Released Claims for the Class Period.
48. General Release of Claims By the Named Plaintiffs. Following the funding of the MSA, in exchange for the consideration in this Settlement Agreement, Plaintiffs, for themselves and their heirs, successors and assigns, hereby waive, release, acquit and forever discharge the Released Parties from any and all Released Claims as well as any and all claims, actions, charges, complaints, grievances and causes of action, of whatever nature, whether known or unknown, which exist or may exist on Plaintiffs' behalf as of the date they sign this Settlement Agreement, including but not limited to, any and all tort claims, contract claims, claims for unpaid wages, wrongful termination claims, disability claims, benefit claims, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance, including, but not limited to, claims for violation of the Fair Labor Standards Act, the California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq.. Plaintiffs expressly waive and relinquish any and all claims, rights or benefits they may have under California Civil Code § 1542, which provides as follows: **"A general release does not extend to claims that the creditor or releasing**

party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.” Plaintiffs may later discover claims or facts in addition to, or different from, those which they know or believe to exist, but they expressly agrees to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist at the time they sign this Settlement Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiffs’ employment with Defendant. The Parties further acknowledge, understand and agree that this Settlement Agreement would not have been finalized without this representation and commitment from the Plaintiffs. Plaintiffs’ released claims do not include claims for unemployment insurance, disability, social security, and workers’ compensation (except for claims pursuant to Labor Code Sections 132a and 4553).

49. Conditions Precedent: This Settlement Agreement will become final and effective only upon the occurrence of all of the following events: (a) the Court enters an order granting preliminary approval of the Settlement Agreement; (b) the Court enters an order granting final approval of the Settlement Agreement and a Final Judgment; and (c) The occurrence of the Effective Date..
50. Nullification of Settlement Agreement. In the event that this Settlement Agreement is not finally approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the claims as described herein, then (a) this Settlement Agreement shall be void and inadmissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; (b) the conditional class certification for settlement purposes shall be void and not admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and (c) none of the Parties to this Settlement Agreement will be deemed to have waived any claims, objections, defenses or arguments in the Action, including with respect to the issue of class certification.
51. Certification of the Settlement Class. The Parties stipulate to conditional class certification of the Settlement Class for the Class Period for purposes of the Settlement Agreement only, and to agree that the Plaintiffs shall be appointed as Class Representatives, and that Edwin Aiwanian of Lawyers *for* Justice, P.C. and Heather Davis and Amir Nayebeddash of Protection Law Group, LLP shall be appointed Class Counsel.
52. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments in this Agreement, and SCMs are not relying on any statement or representation by the Parties in this regard. SCMs understand and agree that they will be responsible for the payment of any taxes assessed on the ISPs they receive.
53. No Tax Advice. Neither Class Counsel nor Defendant’s Counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

54. Preliminary Approval Motion. Class Counsel shall file with the Court a Motion for Order Granting Preliminary Approval and supporting papers, which shall include this Settlement Agreement. Class Counsel shall provide a courtesy draft of these papers to defense counsel at least three (3) business days before filing the documents.
55. Settlement Administrator. By accepting the role as Settlement Administrator, the Settlement Administrator is bound to all of the terms, conditions and obligations described in this Settlement Agreement. Among these obligations, the Settlement Administrator shall have sole and exclusive responsibility for: (a) calculating the Qualified Workweeks, Payment Ratio, and the ISP for each Settlement Class Member; (b) processing and mailing payments to the Class Representatives, Class Counsel, the LWDA, and the SCMs; (c) printing and mailing the Notices to the Class Members as directed by the Court; (d) receiving and reporting objections, opt outs, Requests for Exclusion, and Notices of Objection; (e) deducting all legally required taxes from the ISPs and distributing tax forms; (f) processing and mailing any tax payments to the appropriate state and federal taxing authorities; (g) providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement Agreement; and (h) obtaining a certified Spanish translation of the Notice (i) other tasks that the Parties mutually agree on, or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of its duties. Defendant and their Counsel shall have no responsibility for validating or ensuring the accuracy of the Settlement Administrator's work. Plaintiffs, Class Counsel, Defendant and Defense Counsel shall not bear any responsibility for errors or omissions in the calculation or distribution of the ISPs or any other distribution of monies contemplated by this Settlement Agreement.
56. Notice Procedure.
- a. Class Data. The Class Data shall be confidential. The Settlement Administrator shall not provide the Class Data to Class Counsel or Plaintiff or any third party, or use the Class Data for any purpose other than to administer this Settlement Agreement. Defendant shall provide the Settlement Administrator with the Class Data to prepare and mail the Notices to the SCMs. This shall take place within twenty (20) calendar days after the Preliminary Approval Date. Defendant shall contact the Settlement Administrator in advance of the hearing on preliminary approval to receive written assurances that they will not use the data other than to administer the Settlement.
 - b. Notices.
 - i. The Notice of Class Action and PAGA Settlement Agreement mailed out to Class Members (the "Notice") shall be in a form substantially similar to the form attached as **Exhibit A**. The Notice shall inform Class Members to notify the Settlement Administrator if their addresses changes following the mailing of the Notice. The Notice shall include the release to be given by each SCM in exchange for the ISP.

- c. The Notice shall also provide each SCM's starting and ending dates of employment during the Class Period, and the number of Qualified Workweeks and each SCM's estimated ISP calculated by the Settlement Administrator. Notice By First Class U.S. Mail. After receiving the Class Data from Defendant as provided herein, the Settlement Administrator shall mail copies of the Notice in English and Spanish to all Class Members via regular First Class U.S. Mail within fourteen (14) days of receipt of the data. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database and/or similar database(s) to update and correct any known or identifiable address changes.
- d. Undeliverable Notices. Any Notices returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by lawful use of standard skip tracing techniques, and shall then perform a re-mailing if another mailing address is identified by the Settlement Administrator. If any Notices sent to SCMs currently employed by Defendant are returned to the Settlement Administrator as non-delivered and no forwarding address is provided, the Settlement Administrator shall notify Defendant. Defendant will request that the currently employed SCM provide a corrected address to the Defendant to forward to the Settlement Administrator. Class Members who received a re-mailed Notice shall have their Response Deadline extended fifteen calendar (15) days from the original Response Deadline.
- e. Disputes Regarding ISPs. SCMs will have the opportunity, should they disagree with the estimated number of Qualified Workweeks stated on their Notice, to provide documentation and/or an explanation to show contrary employment dates. Such disputes and any supporting evidence must be submitted prior to the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any ISP under the terms of this Settlement Agreement, and that determination shall be binding upon the SCM and the Parties.
- f. Disputes Regarding Administration of Settlement Agreement. Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement Agreement will be resolved by the Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

g. Requests for Exclusion.

- i. The Notice shall include an explanation that Class Members who wish to exclude themselves from the Settlement Agreement must submit a written Request for Exclusion by the Response Deadline. The written Request for Exclusion must state that the Class Member has decided to exclude oneself from the Settlement Agreement and (1) must contain the name, address, and the last four digits of the Social Security number and/or Employee ID number of the person requesting exclusion; (2) must be signed by the Class Member; (3) must be postmarked by the Response Deadline and returned to the Settlement Administrator at the specified address; and (4) contain a typewritten or handwritten notice stating in substance: “I wish to opt out of the Settlement Agreement of the class action lawsuit entitled *Sokmalena Crosby, et al. v. American Custom Meats, LLC* (San Joaquin Sup. Ct. Case No. STK-CV-UOE-2018-0012196). I understand that by requesting to be excluded from the Settlement Agreement, I will not receive any money from the Settlement Agreement described in this Notice.”
- ii. The Request for Exclusion will not be valid if it is not timely submitted, or if it is not signed by the Class Member, or if it does not contain the name and address of the Class Member. The date of the postmark on the return mailing envelope for the Request for Exclusion shall be the exclusive means used to determine whether the Request for Exclusion was timely submitted. Class Members who fail to submit a valid and timely written Request for Exclusion on or before the Response Deadline shall be Settlement Class Members (“SCMs”) who are bound by all terms of the Settlement Agreement, and any final judgment entered in this Action.
- iii. Any Class Member who requests to be excluded from the Settlement Agreement will not be entitled to any recovery under the Settlement Agreement and will not be bound by its terms or have any right to object, appeal or comment on it. Nothing in this Settlement Agreement can be construed as a waiver of any defense that Defendant or the Released Parties have or could assert against anyone who timely serves a Request for Exclusion.
- iv. No later than five (5) business days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a final list of the Class Members who have timely submitted written Requests for Exclusion.
- v. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit Requests for Exclusion from the Settlement Agreement.

h. Objections.

- i. The Notice shall state that SCMs who wish to object to the Settlement Agreement must mail to the Settlement Administrator a written statement of objection (“Notice of Objection”) by the Response Deadline. The postmark date of the mailing shall be deemed the exclusive means for determining that a Notice of Objection was served timely. The Notice of Objection must be signed by the SCM and state the case name and number, the name and address of the SCM, the last four digits of the SCM’s Social Security number and/or Employee ID number, the basis for the objection.
- ii. SCMs may also appear at the Final Approval Hearing in order to have their objections heard by the Court regardless of whether they previously submitted a written objection.
- iii. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage SCMs to object to the Settlement Agreement or appeal from the Order and Final Judgment.
- iv. Class Members who submit a written Request for Exclusion are not entitled to object to the Settlement Agreement.
- v. The Settlement Administrator shall send all objections to Class Counsel and Defense Counsel. Class Counsel will be responsible for filing the Notices of Objection with the Court in advance of the Final Approval Hearing. Plaintiffs and/or Defendant may file oppositions to Notices of Objection no later than nine (9) court days prior to the date of the Final Approval/Settlement Agreement Fairness Hearing.
- vi. Defendant shall not be responsible for the fees, costs, or expenses incurred by Plaintiffs, Class Counsel, or SCMs arising from or related to any objection to the Settlement Agreement or related to any appeals thereof.

57. Funding and Allocation of the Maximum Settlement Amount. Upon satisfaction of the preconditions described in this Settlement Agreement, and pursuant to the timeline and instructions below, Defendant will deposit the MSA into a Qualified Settlement Fund to be established by the Settlement Administrator.

- a. Funding Due Date. No later than twenty (20) calendar days after the Effective Date, Defendant shall provide the MSA and all funds necessary to cover employer-side payroll taxes to the Settlement Administrator to fund the Settlement Agreement.
- b. Individual Settlement Payments. ISPs shall be paid from the NSA and shall be paid pursuant to the following formula:

- i. Calculation of Individual Settlement Payments (“ISPs”). Using the Class Data, the Settlement Administrator will calculate the total Qualified Workweeks for all SCMs. The respective Qualified Workweeks for each SCM will be divided by the total Qualified Workweeks for all SCMs, resulting in the Payment Ratio for each individual SCM. Each SCM’s Payment Ratio will then be multiplied by the NSA to calculate each SCM’s estimated ISP. The ISP will be provided only to the individual SCM. Each ISP will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.). The ISP checks will include an endorsement confirming that by cashing the check, each SCM is releasing the Released Claims.
- ii. Tax Allocation. The Settlement Administrator will be responsible for issuing to SCMs an IRS Form W-2 for any amounts deemed "wages" and an IRS Form 1099 for the portions allocated to non-wage amounts, including penalties and interest. For tax purposes, each ISP shall be allocated as follows: (a) 20% as wages subject to IRS Form W-2 reporting and applicable taxes/withholdings; and (b) 80% as non-wage income, penalties, and interest for which an IRS Form 1099 will be issued.
- iii. Mailing. ISPs shall be mailed by regular, First Class, U.S. Mail to each SCM no later than fourteen (14) days after Defendant provides funds to the Settlement Administrator for disbursement under this Settlement Agreement.
- iv. Uncashed Checks. Any checks issued to SCMs shall remain valid and negotiable for one hundred and eighty (180) days after the date they are issued. The Settlement Administrator will mail a reminder notice to those SCMs who have not cashed their checks after one hundred twenty (120) days.. In the event that an ISP check has not been cashed within one hundred and eighty (180) days, then such funds, plus any accrued interest, will be tendered to the Controller of the State of California to be held pursuant to California Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those Class Members who did not cash their checks until such time that they claim their property. The Settling Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to SCMs, whether or not all SCMs cash their Settlement Checks.. Therefore, Defendant will not be required to pay any interest on this amount. The Settlement Administrator shall prepare a report regarding the extent of unclaimed funds, and the report shall be presented to the Court by Class Counsel.

- c. Class Representative Service Awards (“Service Awards”). Defendant agrees not to oppose or object to the following Class Representative Service Awards in exchange for each Class Representative’s General Release of claims, including the Released Claims, and for their time, effort and risk in bringing and prosecuting this matter. The Service Awards shall be in addition to each Class Representative’s ISP as an SCM: up to five thousand dollars (\$5,000.00) for each Class Representative.
 - i. The Settlement Administrator shall pay the Service Awards to each Class Representative from the MSA no later than fourteen (14) days after Defendant provides the MSA to the Settlement Administrator. Any portion of the requested Service Awards that is not awarded to a Class Representative shall become part of the NSA.
 - ii. The Settlement Administrator shall issue an IRS Form 1099 - MISC to each Class Representative for the Service Award. Each Class Representative shall be solely and legally responsible to pay any and all applicable taxes on the Service Award and shall hold harmless Defendant and the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Service Award.
 - iii. If the Court reduces or does not approve the requested Service Award, Plaintiff shall not have the right to revoke the Settlement Agreement, which shall remain binding.
- d. Class Counsel Award.
 - i. In consideration for settling the Action and for all Released Claims to the Released Parties, as well as the General Release of claims by the Class Representatives, Class Counsel shall be entitled to receive an award of attorneys’ fees not to exceed \$208,250, plus actual costs and expenses as supported by declaration not to exceed \$35,000.00. These amounts will be issued out of the MSA.
 - ii. Class Counsel, Plaintiffs and the SCMs will not apply to the Court for any additional payment of attorney fees and costs, or for an increase in the MSA. The Parties agree that, over and above the Court-approved Class Counsel Award, each of the Parties, including all SCMs, shall bear their own fees and costs, including, but not limited to, those related to the investigation, filing, or prosecution of the Action; the negotiation, execution, or implementation of this Settlement Agreement; and/or the process of obtaining, administering, or challenging an Order Granting Preliminary Approval and/or Final Approval.

- iii. Any portion of the requested Class Counsel Award that is not awarded to Class Counsel shall be part of the NSA and shall be distributed to SCMs as provided in this Settlement Agreement.
 - iv. The Settlement Administrator shall pay the Class Counsel Award to Class Counsel from the MSA no later than fourteen (14) days after Defendant provides the MSA to the Settlement Administrator..
 - v. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Class Counsel Award. The Settlement Administrator shall issue an IRS Form 1099 - MISC to Class Counsel for the payment.
 - vi. In the event that the Court reduces or does not approve the requested Class Counsel Award, Plaintiff and Class Counsel shall not have the right to modify or revoke the Settlement Agreement and the Settlement Agreement will remain binding.
- e. PAGA Penalties Fund. Fifty-five thousand dollars (\$55,000) shall be allocated from the MSA for the release of claims for civil penalties under the Private Attorneys General Act of 2004. The Settlement Administrator shall pay seventy-five percent (75%) of the Fund, or \$41,250, to the California Labor and Workforce Development Agency (the "PAGA Payment") no later than fourteen (14) days after Defendant provides the MSA to the Settlement Administrator. Twenty-five (25%) of the remaining amount of the \$50,000 payment, or \$13,750, will remain in the NSA and distributed as described in this Settlement Agreement. Class Counsel will take all action required by California Labor Code section 2699(l).
 - f. Settlement Administrator Costs. The Settlement Administrator shall be paid for the costs of administration of the Settlement Agreement from the MSA. Based upon estimates received, the Settlement Administrator Costs shall not exceed \$9,960. The Settlement Administrator shall be paid the Settlement Administrator Costs after Defendant provides funds to the Settlement Administrator for disbursement under this Settlement Agreement.
58. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, the execution of necessary documents and to take such other action as may be reasonably necessary to implement the terms of this Settlement Agreement. Defendant shall provide Plaintiff an executed copy of this agreement within seven (7) days of finalizing the terms of this agreement to ensure the prompt approval of the proposed settlement. As soon as practicable after execution of this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and Defense Counsel, take all necessary steps to secure the Court's Preliminary and Final Approval of this Settlement Agreement. The Parties also agree to cooperate in the Settlement Administration process. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship

with the Settlement Administrator that could create a conflict of interest. Class Counsel will also notify Defense Counsel if subpoenaed or upon receipt of any other request for documents or information regarding any other lawsuit filed, or potential lawsuit, against the Released Parties that covers or includes any SCMs and the Released Claims.

59. Preliminary Approval Hearing. Plaintiff shall obtain a hearing before the Court to request the preliminary approval of the Settlement Agreement, and the setting of a date for a Final Approval/Settlement Agreement Fairness Hearing. The Preliminary Approval Order shall provide for the Notice of Class Action and PAGA Settlement (the “Notice”) to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval Hearing, Plaintiff shall submit this Settlement Agreement and the proposed Notice. Plaintiff shall provide drafts of all papers filed in support of preliminary approval to Defense Counsel at least three (3) business days before filing the documents.
60. Final Approval Motion. After the expiration of the Response Deadline, Plaintiff shall file with the Court a Motion for Order Granting Final Approval and Entering Judgment, requesting final approval of the Settlement Agreement and a determination of the amounts payable for the Service Awards, the Class Counsel Award, the PAGA Payment, and the Settlement Administration Costs. Plaintiff shall provide drafts of these papers to Defense Counsel at least three (3) business days before filing the documents.
 - a. Declaration by Settlement Administrator. The Settlement Administrator shall submit a declaration in support of Plaintiffs’ motion for final approval of this Settlement Agreement detailing the number of Notices mailed and re-mailed to Class Members, the number of undeliverable Notices, the number of timely requests for exclusion, the number of Notices of Objections received, the amount of the average ISP, the Settlement Administration Costs, and any other information as the Parties mutually agree on, or that the Court orders the Settlement Administrator to provide.
 - b. Final Approval Order and Judgment. The Parties shall present an Order Granting Final Approval of Class Action and PAGA Settlement Agreement to the Court for its approval, and Judgment thereon consistent with the terms and conditions of this Settlement Agreement.
61. Review of Motions for Preliminary and Final Approval. Class Counsel will provide an opportunity for Defense Counsel to review the Motions for Preliminary and Final Approval prior to filing with the Court. The Parties and their counsel will cooperate and use their best efforts to effect the Court’s approval of the Motions for Preliminary and Final Approval of the Settlement Agreement, and entry of Judgment. The parties shall collaborate in good faith regarding the language of the Motions for Preliminary and Final Approval and Plaintiffs shall consider but shall not be obligated to accept revisions suggested by Defendant to the moving papers.
62. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement Agreement, pending the Final Approval/Settlement Agreement Fairness Hearing to be conducted by the Court,

and that the time within which to bring this action to trial under California Code of Civil Procedure Section 583.310 shall be extended from the date the Memorandum of Agreement was signed by all parties on June 4, 2020, until the Agreement is revoked and the stay is lifted.

63. Nullification of Settlement Agreement. In the event that the Court does not grant final approval, or the Court does not enter a final judgment as provided herein, or the Settlement Agreement does not become final for any other reason, this Settlement Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning. In such a case, the entire MSA shall be returned to the Defendant; the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any costs already incurred by the Settlement Administrator shall be paid by equal apportionment among the Parties. This Agreement and its terms, and the communications, negotiations, and settlement discussions related to the Action, shall be inadmissible and treated as confidential to the fullest extent allowed by law. In the event an appeal is filed from the Court's final judgment, or any other appellate review is sought, administration of the Settlement Agreement shall be stayed pending final resolution of the appeal or other appellate review.
64. Defendant's Option To Terminate Settlement. If, after the Response Deadline and before the Final Approval Hearing, the number of Class Members who submitted timely and valid written requests for exclusion from the Settlement is at least ten percent (10%) of all Class Members, Defendant shall have, in its sole discretion, the option to terminate this Settlement and its stipulation to class certification. If Defendant exercises the option to terminate this Settlement, Defendant shall: (a) provide written notice by certified mail to Class Counsel prior to the Final Approval Hearing and no later than seven (7) calendar days after receiving notice from the Settlement Administrator of the number of Class Members who have submitted timely and valid requests for exclusion; (b) pay all Settlement Administration Costs incurred up to the date or as a result of the termination; and (c) the Parties shall proceed in all respects as if this Agreement had not been executed.
65. No Unalleged Claims. Plaintiffs and Class Counsel represent that, as of the date of execution of this Settlement, they are not currently aware of any: (a) unalleged claims in addition to, or different from, those which are finally and forever settled and released against the Released Parties by this Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendant, except such facts and theories specifically alleged in the Action. Plaintiffs and Class Counsel further represent that, other than the claims alleged in the Action, they have no plans to assert any other claims against Defendant in any judicial, administrative, or arbitral forum. Plaintiffs and Class Counsel further represent that they do not know of or represent, and are not seeking to represent, any persons other than Plaintiffs who have expressed any interest in pursuing litigation or seeking any recovery against Defendant. The Parties further acknowledge, understand and agree that this representation is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation. Nothing in this Paragraph will be construed as a restraint on the right of any counsel to practice.

66. No Effect on Employee Benefits. Amounts paid to the Plaintiffs or other SCMs pursuant to this Settlement Agreement shall not be deemed pensionable earnings or have any effect on the eligibility for, or calculation of, any employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the Plaintiffs or SCMs.
67. Exhibits and Headings. The terms of this Settlement Agreement include the terms set forth in the attached Exhibits. The descriptive headings of any paragraphs or sections of this Settlement Agreement are inserted for ease of reference only and do not constitute a part of this Settlement Agreement.
68. Amendment or Modification. With Court approval, this Settlement Agreement may be amended or modified by a written instrument that is signed by counsel for all Parties or their successors-in-interest.
69. Entire Settlement Agreement. This Settlement Agreement and its exhibits constitute the entire Settlement Agreement among the Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Settlement Agreement or its exhibits other than the representations, warranties and covenants contained and memorialized in the Settlement Agreement and its exhibits.
70. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate actions needed by this Settlement Agreement to effectuate its terms. The person signing this Settlement Agreement on behalf of Defendant represents and warrants that they are authorized to sign this Settlement Agreement on behalf of Defendant. Plaintiffs represent that they are authorized to sign this Settlement Agreement and that they have not assigned, transferred, or encumbered any claim, or part of a claim, demand, cause of action or any rights herein released and discharged or covered by this Settlement Agreement to any third-party.
71. Binding on Successors and Assigns. The provisions of this Settlement Agreement shall run in perpetuity. This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties.
72. California Law Governs. All terms of this Settlement Agreement and its exhibits, and any disputes arising hereunder shall be governed by and interpreted according to the laws of the State of California.
73. Counterparts. This Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Settlement Agreement shall exchange among themselves copies or originals of the signed counterparts.
74. This Settlement Agreement Is Fair, Adequate and Reasonable. The Parties believe that this Settlement Agreement is a fair, adequate and reasonable Settlement Agreement of this Action and have arrived at this Settlement Agreement after extensive arm's-length negotiations, taking into account all relevant factors, present and potential. The Parties further agree that this Settlement Agreement shall not be construed in favor of or against any party by reason of

the extent to which any party or their counsel participated in the drafting of this Settlement Agreement.

75. Jurisdiction of the Court. The Parties agree that, pursuant to California Code of Civil Procedure Section 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Settlement Agreement and all orders and judgments entered in connection to it, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the Settlement Agreement and all orders and judgments entered in connection to it.
76. Publicity. Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except as may be strictly required to effectuate the terms of the Settlement, including the filing of the Motions for Preliminary and Final Approval, necessary communications with putative Class Members to effectuate the Settlement, necessary communications with the Settlement Administrator to effectuate the Settlement, disclosure to the Labor and Workforce Development Agency (LWDA) to effectuate the Settlement, or any other communications that may be necessary to effectuate the preliminary and final approval of the settlement. For the avoidance of doubt, this section includes Plaintiffs and Class Counsel's agreement not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement, including the filing of the Motions for Preliminary and Final Approval, necessary communications with putative Class Members to effectuate the Settlement, necessary communications with the Settlement Administrator to effectuate the Settlement, disclosure to the Labor and Workforce Development Agency (LWDA) to effectuate the Settlement, or any other communications that may be necessary to effectuate the preliminary and final approval of the Settlement. However, Class Counsel may disclose the name of the Parties in this action, the venue/case number, and settlement details available in the public record, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions.
77. Waiver of Certain Appeals. The Parties agree to waive all appeals from the Court's final approval of the Settlement Agreement, unless the Court modifies the Settlement Agreement.
78. Denial of Liability. The Parties expressly recognize that the making of this Settlement Agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. The Settlement and any related statements, discussions, communications, or materials cannot be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or

enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

79. Notice of Settlement Agreement to LWDA. Class Counsel shall provide notice of this Settlement Agreement to the Labor Workforce Development Agency ("LWDA") as required by Labor Code Section 2699(1)(2).
80. IN WITNESS WHEREOF, this Joint Stipulation of Class Action and PAGA Settlement Agreement and Release of Claims is voluntarily executed by the Parties and their attorneys as of the dates noted.

IT IS SO AGREED:

Dated: 09/23/2020



Sokmalena Crosby, Plaintiff

Dated: 09/23/2020



Israel Bahena, Plaintiff

Dated: 9/23/2020



Heather Davis
PROTECTION LAW GROUP, LLP
Attorney for Plaintiffs
Approved for Section 76, and as to form only for the remaining sections.

Dated: 9/23/2020



Edwin Aiwarzian
LAWYERS FOR JUSTICE
Attorney for Plaintiffs
Approved for Section 76, and as to form only for the remaining sections.

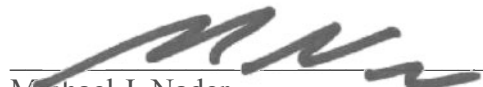
Dated: 9/21/2020

DocuSigned by:

8248642F81B74FE

Gus Contrakis
As authorized agent for Defendant

Dated: 9/21/2020



Michael J. Nader
OGLETREE, DEAKINS, NASH,
SMOAK & STEWART
Attorney for Defendant
Approved as to form only

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Crosby et al. v. American Custom Meats, LLC
San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-0012196

**THIS IS A COURT-AUTHORIZED NOTICE.
IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY ABOUT YOUR LEGAL RIGHTS.**

To: All current and former hourly paid non-exempt employees of Defendant American Custom Meats, LLC in California at any time during the period from September 28, 2014, through August 2, 2020.

GENERAL INFORMATION

1. Why did I get this notice?

The Court has preliminarily approved a settlement of the lawsuit, *Crosby et al. v. American Custom Meats, LLC*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-0012196 (the “**Lawsuit**”). The Settlement is on behalf of a proposed Class, defined as: All current and former hourly paid non-exempt employees of Defendant American Custom Meats, LLC in California at any time during the period from September 28, 2014, through August 2, 2020 (the “**Class Period**”).

You received this notice because the records of American Custom Meats, LLC (“**Defendant**” or “**ACM**”) show that you worked for ACM as a non-exempt employee in California at some time during the Class Period, and thus you may be a member of the Class (“**Class Member**”). This notice explains the Lawsuit, the settlement, your legal rights, the benefits available for you, your eligibility for benefits, and how you obtain them.

2. What is this Lawsuit about?

The Lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiffs allege that Defendant failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees overtime or pay minimum wages for all time worked, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“**PAGA**”). The Lawsuit claims that Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, inter alia, damages, penalties and restitution. Defendant denies the allegations in the Lawsuit and contends that it complied with the law. The Court has not made a ruling on the merits of the case.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Plaintiffs), sue on behalf of people who appear to have similar claims (in this case all individuals who have been employed by Defendant in the state of California as hourly paid non-exempt, employees at any time from September 28, 2014 through August 2, 2020). All these people are referred to here as Class Members. One court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Lawsuit is before the San Joaquin County Superior Court (the “**Court**”).

4. **How do I know if I am part of the settlement?**

You are part of the Settlement, and a Class Member, if you were employed by Defendant as an hourly paid non-exempt employee in the state of California at any time from September 28, 2014 to August 2, 2020.

5. **Do I have a lawyer in this case?**

The Court has appointed Class Counsel listed below to represent your interests in this case:

PROTECTION LAW GROUP LLP Heather Davis, Esq. 237 California Street El Segundo, California 90245 Telephone: (424) 290-3095	LAWYERS FOR JUSTICE P.C. Edwin Aiwarzian, Esq. 410 Arden Ave, Suite 203 Glendale, CA 91203 Telephone: (818) 265-1020
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6. **What is the settlement amount and how will the Individual Settlement Payment be calculated?**

The Settlement provides that Defendant will pay a maximum of Five Hundred and Ninety-Five Thousand Dollars (\$595,000) (“**Maximum Settlement Amount**”). The “Net Settlement Amount” is the portion of the Class Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion (“**Settlement Class Members**”). The Net Settlement Amount is the Maximum Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed thirty-five percent (35%) of the Class Settlement Amount or Two Hundred and Eight Thousand Two Hundred and Fifty Dollars (\$208,250);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Thirty-Five Thousand Dollars (\$35,000);
- C. **Service Payments to the Class Representatives** in an amount not to exceed Five Thousand Dollars (\$5,000) each.
- D. **Settlement Administration Costs** which are currently estimated to be Nine Thousand Nine Hundred and Sixty Dollars (\$9,960).
- E. **PAGA Payment to the LWDA** of Forty-One Thousand Two Hundred and Fifty Dollars (\$41,250). This represents 75% of the \$55,000 allocated to PAGA penalties, the remainder of which will be included in the Net Settlement Amount and distributed to participating Class Members.

The portion of the Net Settlement Amount that you are eligible to claim (“**Individual Settlement Payment**”) will be determined on a pro rata basis, based on the number workweeks you worked in California as an hourly paid non-exempt employee for Defendant during the Class Period (“**Workweeks**”).

Your Settlement Payment will be apportioned as twenty percent (20%) for wages and eighty percent (80%) for penalties and interest. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee and will be reported on a W-2 Form. Employer-side payroll taxes will be paid separately. The penalties and interest portions of each Settlement Payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

7. **How much will my Individual Settlement Payment be?**

You worked XXX Workweeks from September 28, 2014 through August 2, 2020. Your estimated Settlement Payment is \$XXX.XX. The amount of your Settlement Payment may change depending on the number of timely and valid Requests for Exclusions submitted in the Settlement, if any. This amount is only an estimate. The actual Individual Settlement Payment you receive may be slightly more or less than the estimated amount shown.

Your estimated Settlement Payment was determined based on Defendant's record of your employment between from September 28, 2014 and August 2, 2020, and is presumed correct.

8. What do I do if I think the calculation of my workweeks are wrong?

If you dispute the accuracy of Defendant's records as to the number of weeks worked during the periods described above you must contact the Settlement Administrator and provide any documentation you have supporting such dispute. Submission of these documents must be postmarked before [45 calendar days from the date of mailing]. All disputes regarding your Workweeks will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all disputes will be final. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]

[Address]

[Telephone No.]

HOW CAN I GET A PAYMENT?

9. How do I get my Individual Settlement Payment?

You do not need to do anything to get your Individual Settlement Payment after the Court approves the Settlement. You must notify the Settlement Administrator of any change or correction in your contact information. **It is your responsibility to keep the Settlement Administrator informed of any change in your address.**

10. What am I giving up to get an Individual Settlement Payment?

Unless you exclude yourself, you remain in the Class, which means you will not be able to sue or be part of any other lawsuit against the "Released Parties" for any of the "Released Claims" in this Lawsuit. Specifically, you will be giving up or "releasing" the "Released Claims" described below:

"Released Claims" means all causes of action and claims that were alleged in the Lawsuit or reasonably could have been alleged based on the facts and legal theories contained in Lawsuit against the Released Parties, including all of the following claims for relief: (i) any and all claims for alleged unpaid wages including, but not limited to, claims for minimum wage, overtime, double-time, seventh day pay, the failure to pay for all hours worked (off the clock claims), and the failure to pay for all hours worked at correct rates, including under an alternative workweek schedule, as well as claims that nondiscretionary bonuses and other incentive pay were allegedly not included in the regular rate of pay; (ii) any and all claims alleging the failure to timely pay wages during employment and after the termination of employment (iii) failure to maintain required payroll records, (iv) any and all claims for meal period violations including, but not limited to, claims for late, short, interrupted and/or missed meal periods and/or the failure to pay premium wages therefor; (v) any and all claims for rest break violations including but not limited to, claims for late, short, interrupted and/or missed rest breaks and/or the failure to pay premium wages therefor; (vi) any and all claims for improper or inaccurate itemized wage statements including, but not limited to, claims for injuries suffered therefrom; (vii) any and all claims for unreimbursed expenses, including, but not limited to, personal cell phone and internet services; (viii) any and all claims for statutory penalties premised on the facts, claims, or legal theories described herein or in the Lawsuit, or that reasonably could have been raised in the Lawsuit based on the facts, legal theories, and causes of action alleged in the Lawsuit, including waiting time penalties under Labor Code Section 203 and wage statement penalties under Labor Code Section 226(e); (ix) any and all civil penalties under the Labor Code Private Attorneys General Act of 2004, Labor Code Section 2698 et seq. ("PAGA") premised on the facts, claims, or

legal theories described herein and in the Lawsuit, including, but not limited to, Labor Code sections 210, 226.3, 1197.1, 558, and 2699; and (x) any and all claims under the Business & Professions Code (including Section 17200 et seq.) premised on the facts, claims, or legal theories described herein and in the Lawsuit, or that reasonably could have been raised in the Lawsuit, and other equitable relief, liquidated damages, punitive damages, or penalties arising from the foregoing alleged claims; and any other benefit claimed on account of the allegations asserted in the Lawsuit (collectively, the **“Released Claims”**). The release of these claims covers the period from September 28, 2014 through August 2, 2020.

“Released Parties” shall mean American Custom Meats, LLC and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. **How do I exclude myself from the Settlement?:**

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Claims, then you must submit a Request for Exclusion in conformity with the requirements described here. If you exclude yourself, you will not receive a Settlement payment.

To exclude yourself from the Settlement, you must submit a signed written Request for Exclusion. The statement must be signed and must include (1) your name, (2) address, (3) the last four digits of your social security number or employee ID number, and (4) a statement that you wish to be excluded from the settlement similar to the following: “I wish to be excluded from the Settlement in *Sokmalena Crosby, et al. v. American Custom Meats, LLC.*, San Joaquin Superior Court Case No. STK-CV-UOE-2018-0012196. I understand that by requesting to be excluded from the Settlement Agreement, I will not receive any money from the Settlement Agreement described in this Notice.”

The written Request for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone.

[Settlement Administrator]

[Address]

[Telephone No.]

Requests for exclusion which are postmarked or fax-stamped after the Response Deadline may not be accepted.

12. **If I don’t exclude myself, can I sue ACM for the same thing later?**

No. Unless you submit a Request for Exclusion, you give up the right to sue Defendant and Released Parties for the Released Claims. If you have a pending lawsuit involving Released Claims, speak to your lawyer immediately.

13. **How do I tell the Court that I don’t like the Settlement?**

If you are a Class Member, you can object to the Settlement and give your reasons for why you think the Court should not approve it. The Court will consider your views. To make a written objection, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must be signed and must include your full name, address, the name of this case and case number (provided above), the last four digits of your social security number or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on [DATE] if you wish to make an objection even if you do not submit a written objection.

14. What is the difference between objecting and being excluded?

Objecting is telling the Court that you do not like something about the Settlement. You may only object if you remain a Settlement Class Member. Excluding yourself is telling the Court that you do not want to be a Settlement Class Member. If you exclude yourself, you cannot object.

THE COURT'S FINAL APPROVAL HEARING

15. When and where will the Court decide whether to approve the Settlement?

The Court will hold the Final Approval Hearing at [redacted] a.m./p.m. on [redacted], 2020], at the San Joaquin County Superior Court located at 180 E Weber Ave, Stockton, CA 95202 in Department 10D.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

16. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend if you wish. You may also retain your own lawyer at your expense to attend on your behalf.

17. How will I learn if the settlement is approved.

A notice of final judgment will be posted on the Settlement Administrator website located at [www.\[redacted\].com](http://www.[redacted].com).

18. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Net Settlement Amount, and you will release the Released Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or any of the Released Parties about the Released Claims.

GETTING MORE INFORMATION

19. Who may I contact if I have questions about the Settlement?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by contacting the Settlement Administrator or Class Counsel or by reviewing the Settlement Agreement and other documents filed in this matter online by entering the case number above on the Court's website: <https://cms.sjcourts.org/fullcourtweb/civilCase.do>.

Please **do not** contact the clerk of the Court, the Judge, or ACM's managers, supervisors, or their attorneys for information.

ADDITIONAL IMPORTANT INFORMATION

20. ACM supports the Settlement and will not retaliate in any manner whatsoever against any Class Member, whether they choose to stay in the Class as a Settlement Class Member and receive an Individual Settlement Payment, or request to be excluded from the Settlement, or object to the Settlement.

21. It is your responsibility to ensure that the Settlement Administrator has your current mailing address and telephone number on file, as this will be the address to which your Individual Settlement Payment installments will be sent.

- 22. Individual Settlement Payment checks must be cashed soon after receipt.** If the Settlement is approved you will be mailed your Individual Settlement Payment. The check will remain valid for 180 days after the date it is issued. If you do not cash the check sent for your Individual Settlement Payment within 180 days, these funds will be sent to the California State Controller and held by the State Controller's Office Unclaimed Property Fund on your behalf.