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the general public.

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Attorneys for Defendant,
CENTRAL VALLEY EGGS, LLC

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN**

STEPHANY CARRILLO, on behalf of herself
and all others similarly situated, and on behalf
of the general public,

Plaintiff,

vs.

CENTRAL VALLEY EGGS, LLC, a
Delaware Limited Liability Company and
DOES 1 through 10, inclusive.

Defendants.

Case No. BCV-20-102565

**PRIVATE ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT AND
RELEASE**

PAGA First Amended Complaint Filed:
December 30, 2020

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release ("Settlement
Stipulation") is made and entered into by and between STEPHANY CARRILLO, on behalf of
herself and all others similarly situated, and the State of California, ("Plaintiff" or the "PAGA
Employees") and CENTRAL VALLEY EGGS, LLC ("Defendant"). Plaintiff and Defendant are
collectively referred to herein as the "Parties" and may be individually referred to as a "Party." This
Settlement Stipulation is contingent on the review and approval of the of the court as required under

1 California Labor Code section 2699(1)(2). This Settlement Stipulation is made in consideration of
2 the following facts:

3 **RECITALS**

4 **A. WHEREAS**, on November 02, 2020, Plaintiff filed the original Complaint, and on
5 December 30, 2020, Plaintiff filed the operative First Amended Complaint ("FAC") in the
6 representative action entitled *Stephany Carrillo, on behalf of herself and all others similarly*
7 *situated, and on behalf of the general public v. Central Valley Eggs, LLC*, alleging PAGA violations
8 pursuant to Labor Code § 2698 *et seq.* ("PAGA") for alleged violations of Labor Code §§ 226.7,
9 512, 558, 510, 1194, 1194.2, 226(a), (e), and 201-203 (the "Lawsuit"). Plaintiff exhausted her
10 administrative remedies under PAGA by giving notice to the California Labor & Workforce
11 Development Agency ("LWDA") of the alleged Labor Code violations and the facts and theories to
12 support such violations. Defendant denies all of the allegations in the Lawsuit and in the LWDA
13 notice, and denies that it has committed any misconduct, statutory or regulatory violation,
14 wrongdoing, or any other actionable conduct.

15 **B. WHEREAS**, the Parties engaged in formal and informal discovery prior to engaging in
16 mediation inasmuch as Defendant took Plaintiff's deposition, Defendant provided substantial data
17 concerning PAGA Employees, relevant policies and handbooks, and a randomized sampling of
18 records from employee during the during the period of November 2, 2019 through June 28, 2021
19 (hereinafter called the "PAGA Period") consisting of over 2,700 records. Both Parties conducted
20 independent analysis of the records engaging outside and/or in-house experts to conduct analyses of
21 the records to assess potential liability as well as assess strengths and weaknesses of the case.

22 **C. WHEREAS**, the Parties negotiated with the understanding that between November 02,
23 2019, and June 28, 2021, there are 229 PAGA Employees covering 11,645 workweeks, and that if
24 the number turns out to be significantly larger, the Parties have included as part of the Settlement
25 Stipulation a mechanism for automatic augmentation.

26 **D. WHEREAS**, the Parties understand, acknowledge, and agree that this Settlement
27 Stipulation constitutes a compromise of the claims asserted in the Lawsuit and that it is the desire
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1 and intention of the Parties to effect a final and complete resolution of such claims that Plaintiff, the
2 State, and all aggrieved employees have against Defendant arising under PAGA. The Parties further
3 acknowledge that this Settlement Stipulation is an arms-length negotiated compromise between
4 them, and that it is intended to settle all disputes arising under PAGA that were alleged or could
5 have been alleged based on the facts alleged in the FAC. The Parties recognize that there is inherent
6 significant risk in litigation inasmuch as Defendant denies and disputes any and all of Plaintiff's
7 alleged claims and allegations and further denies that Plaintiff and PAGA Employees have been
8 injured in any way cognizable under applicable law, and even if there was a determination of liability
9 against Defendant, the court retains the ability to "award a lesser amount than the maximum civil
10 penalty" pursuant to California Labor Code sections 2699(e)(1).

11 **E. WHEREAS**, following a full-day mediation with Scott Radovich on June 28, 2021, the
12 Parties believe and agree that this Settlement Stipulation provides for a fair, adequate, and
13 reasonable resolution of the Representative PAGA Claim, and have arrived at the settlement in
14 extensive, arm's length negotiations, taking into account all relevant factors, present and potential.

15 **F. WHEREAS**, California Labor Code section 2699(l)(2) requires Court approval of a
16 settlement of any action filed under PAGA.

17 **G. WHEREAS**, the Parties understand that upon entry of the Court's final order approving
18 this settlement, Plaintiff, the State, and any and all current and former non-exempt employees of
19 Defendant during the PAGA Period ("PAGA Employees"), will release Defendant and its present
20 and former owners, officers, directors, members, managers, shareholders, agents, parents,
21 subsidiaries, affiliates, employees, insurers, operators, partners, joint ventures, consultants,
22 attorneys, successors or assigns (all of the foregoing are referred to as the "Releasees"), from
23 violations of the California Labor Codes which are alleged or could have been alleged based on the
24 facts in the Lawsuit filed by Plaintiff, brought under the Private Attorneys General Act of 2004
25 (hereinafter referred to as the "Released Claims"), that Plaintiff further releases Defendant from the
26 underlying Labor Code violations, and that execution of this Settlement by the Plaintiff (which
27 includes any heirs, successors, assigns and relatives by blood or marriage, of Plaintiff) is intended
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1 to effect a release by each PAGA Employee of Defendant during the PAGA Period and is intended
2 to include PAGA claims alleged in the Lawsuit, as well as any claim for fees or costs, which shall
3 be paid solely from the common fund created by this settlement.

4 **H. WHEREAS**, the Parties understand Lawsuit will be dismissed with prejudice upon entry
5 of an order by the Court approving the settlement, although the Court will retain jurisdiction of the
6 case pursuant to CCP § 664.6 to enforce the terms of this Agreement and approval order.

7 **I. WHEREAS**, the Parties intend to submit this agreement to respectfully request that after
8 reviewing the following Settlement Stipulation, the Court approve the same pursuant to California
9 Labor Code section 2699(l)(2).

10 **AGREEMENT**

11 NOW THEREFORE, in consideration of and exchange for the promises, covenants, and
12 releases contained in the Agreement and the other valuable consideration described herein, the
13 sufficiency of which is hereby acknowledged by the Parties, the Parties subject to the Court's review
14 and approval pursuant to California Labor Code section 2699(l)(2), mutually agree as follows:

15 **1. DEFINITIONS:**

16 1.1. **"Claims Administrator"**: a qualified administrator with experience in PAGA
17 administration including calculation and distribution of PAGA payments mutually agreed to by the
18 Parties, which is the entity that will be selected by the Parties to perform functions related to and
19 administration of the settlement contemplated by this Settlement Agreement as described herein.

20 1.2. **"Defendant"**: Central Valley Eggs, LLC.

21 1.3. **"Lawsuit"**: *Carrillo v. Central Valley Eggs, LLC*, Kern County Superior Court
22 Case No. BCV-20-102565.

23 1.4. **"LWDA"**: California Labor & Workforce Development Agency

24 1.5. **"Effective Date"**: The date the Court enters an order approving the settlement.

25 1.6. **"LWDA Payment"**: The 75% of the Settlement Sum after deducting Plaintiff's
26 attorney's fees and costs, the Service Payment and the Claims Administrator payment.

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1 1.7. **"PAGA"**: Private Attorneys General Act of 2004, California Labor Code section
2 2698, *et seq.*

3 1.8. **"PAGA Employees"** or **"Plaintiff"**: Stephany Carrillo, on behalf of herself and all
4 others similarly situated, and the State of California.

5 1.9. **"PAGA Employee Fund"**: The 25% of the Settlement Sum after deducting
6 Plaintiff's attorney's fees and costs, the Service Payment and the Claims Administrator payment.

7 1.10. **"PAGA List"**: A list of all current and former non-exempt employees
8 employed by Defendant during the PAGA Period.

9 1.11. **"PAGA Period"**: November 02, 2019, through June 28, 2021.

10 1.12. **"Released Claims"**: Claims under PAGA that were asserted or could have been
11 asserted in Plaintiff's Lawsuit based on the facts alleged, which include civil penalties under PAGA
12 for violations of Labor Code §§ 226.7, 512, 558, 510, 1194, 1194.2, 226(a), (e), and 201-203.

13 1.13. **"Releasees"** or **"Released Parties"**: Defendant and its present and former owners,
14 officers, directors, members, managers, shareholders, agents, parents, subsidiaries, affiliates,
15 employees, insurers, operators, partners, joint ventures, consultants, attorneys, successors or assigns

16 1.14. **"Settlement Stipulation"** or **"Settlement"**: The instant Private Attorneys General
17 Act Settlement and Release.

18 1.15. **"Settlement Sum"**: The total inclusive gross sum of \$270,000.

19 2. **RELEASE**: Upon entry of an Order approving the Settlement, all PAGA Employees will release
20 all Released Claims. The Parties agree and acknowledge that, to the maximum extent permitted by
21 law, the final order entered pursuant to this Settlement Stipulation will bind all those who would be
22 bound by a judgment if the action had been brought by the LWDA, including Stephany Carrillo, the
23 LWDA, and the PAGA Employees, with respect to the recovery of civil penalties asserted or that
24 could have been asserted in the Lawsuit against the Released Parties.

25 3. **IRS 1099**: With regard to settlement payments to PAGA Employees, IRS Form 1099s will be
26 issued. Nothing in this Settlement is intended to constitute legal advice regarding federal, state,
27 and/or local tax obligations. Plaintiff Carrillo acknowledges that she has obtained no tax advice
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1 from Defendant and that neither Defendant nor its attorneys have made any representation
2 concerning the tax consequences, if any, of the Settlement Amount in this Agreement or any
3 payment to be made pursuant to this Agreement. Defendant and its attorneys have not made any
4 representation to any PAGA Employees or Plaintiff's counsel concerning the tax consequences, if
5 any, of the Settlement Amount in this Agreement or any payment to be made pursuant to this
6 Agreement.

7 **4. NOTICE**

8 4.1. No later than ten (10) days after the Effective Date, Defendant shall provide the
9 Claims Administrator with the PAGA List.

10 4.2. The PAGA List, and any other data provided by Defendant to the Claims
11 Administrator shall be treated as confidential and shall not be used by the Claims Administrator for
12 any purpose other than as permitted by the Settlement, and the Settlement Administrator shall use
13 commercially reasonable efforts to secure the data provided by Defendant at all times so as to avoid
14 inadvertent or unauthorized disclosure or use of such data other than as permitted by the Settlement
15 Stipulation.

16 4.3. The PAGA List shall state the employee's first name and last name, the last known
17 home address for each such employee, each employee's social security number, and each
18 employee's respective number of workweeks during the PAGA Period.

19 4.4. The Claims Administrator shall calculate payments due to PAGA Employees and the
20 LWDA, disburse payments as outlined in this Agreement, and other related functions to administer
21 the settlement contemplated by this Settlement Stipulation as described herein.

22 4.5. All costs incurred by the Claims Administrator in connection with the current
23 settlement, including mailing of the Notice of PAGA Settlement, whether foreseen or not, shall be
24 paid out of the Settlement Sum agreed to as described below.

25 **5. PAGA SETTLEMENT PAYMENT PROCEDURES:**

26 5.1. In exchange for the dismissal of the Lawsuit and Plaintiff's release pursuant to
27 California Labor Code § 2699 for Violations of Labor Code Sections as alleged in the Lawsuit, *et*.

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1 *seq.* (including PAGA penalties payable in part to the State of California) against the Released
2 Parties, Defendant, agrees to pay, in accordance with the terms specified below and within 45 days
3 after the Claims Administrator determines the total number of workweeks, the Settlement Sum to
4 the Claims Administrator, for the benefit of PAGA Employees, to be apportioned as set forth herein.

5 **5.1.1. ATTORNEYS' FEES:** An award to Plaintiff's Counsel of attorneys' fees
6 will be subtracted from the Settlement Sum in an amount to be set by the Court taking into
7 account the settlement award that has been made available for the PAGA employees by the
8 efforts of Plaintiff's Counsel. The amount awarded shall not exceed 33.33%. Court approval
9 of the settlement shall not be contingent on the Court's approval of attorney's fees.
10 Defendant agrees not to dispute or otherwise object to Plaintiff's request for attorney's fees
11 in an amount not to exceed 33.33% of the Settlement Sum.

12 **5.1.2. SERVICE PAYMENT TO PLAINTIFF:** The amount awarded to Plaintiff
13 Carrillo, as a service payment will be set by the Court in its discretion, not to exceed five
14 thousand dollars (\$5,000.00). This amount will be deducted from the Settlement Sum. An
15 IRS Form 1099 will be issued to Plaintiff Carrillo for her service payment. Defendant agrees
16 not to dispute or otherwise object to the Service Payment if Plaintiff requests \$5,000.00.

17 **5.1.3. ATTORNEYS' COSTS AND EXPENSES:** Plaintiff's Counsel will be
18 reimbursed from the Settlement Sum in an amount to be set by the Court for documented
19 out-of-pocket litigation costs and expenses, not to exceed fifteen thousand dollars
20 (\$15,000.00). Defendant agrees not to object or dispute costs in an amount of up to
21 \$15,000.00 for Plaintiff's Counsel's costs.

22 **5.1.4. CLAIMS ADMINISTRATOR PAYMENT:** The Claims Administrator's
23 payment will be subtracted from the Settlement Sum in an amount to be set by the Court, not to
24 exceed fifteen thousand dollars (\$15,000.00).

25 **5.1.5. PAYMENT TO PAGA EMPLOYEES:** The PAGA Employee Fund shall
26 be paid to PAGA Employees no later than fifteen (15) days following the payment of the Settlement
27 Sum to the Claims Administrator in accordance with the following formula: Each PAGA Employee
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1 shall receive a *pro rata* share of the amount of the PAGA Employee Fund. The *pro rata* share for
2 each PAGA Employee shall be calculated by the Claims Administrator by dividing the PAGA
3 Employee's number of workweeks worked during the PAGA Period by the total number of
4 workweeks worked by all PAGA Employees and multiplying that ratio by the total amount in the
5 PAGA Employee Fund. If, as a result of rounding to the nearest cent there is an amount remaining
6 in the PAGA Employee Fund, the remainder shall be included as part of the LWDA Payment.

7 5.1.6. The LWDA Payment shall be paid to the LWDA no later than fifteen (15)
8 days following the payment of the Settlement Sum to the Claims Administrator.

9 5.1.7. Settlement Checks issued to PAGA Employees pursuant to this Settlement
10 Stipulation will expire one hundred and twenty (120) days from the date they are issued by the
11 Claims Administrator. Any unclaimed funds after the one hundred and twenty (120) day period shall
12 be paid to the State's unclaimed property fund.

13 5.2. In settlement negotiation, Defendant estimated the total number of workweeks
14 during the PAGA Period to be 11,645. Should the Claims Administrator determine the actual
15 number of workweeks during the PAGA Period is more than ten (10) percent greater than 11,645
16 workweeks (i.e. 12,810 total workweeks or more), Plaintiff shall have the option to terminate this
17 Settlement within 30 days of the determination by written notice to the Defendant, whereupon this
18 Agreement will be null and void for all purposes and may not be used or introduced in further
19 litigation. If the number of workweeks is 10% or greater and 30 days passes with Plaintiff not
20 objecting, the Settlement Sum will be subject to a *pro rata* increase in excess of 10%. For example,
21 if actual workweeks is ultimately 15% higher, the Settlement Sum would increase by 5% to
22 \$283,500.

23 6. **COURT APPROVAL:** Should the Court not approve this Settlement Stipulation, the Parties
24 shall request leave and work jointly to attempt to remedy the Settlement Stipulation in order to
25 obtain the Court's approval. If despite the Parties best efforts, the Court still does not approve the
26 Settlement Stipulation, this Settlement Stipulation shall become null and void and have no force and
27 effect.

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1 **7. REPRESENTATIONS AND WARRANTIES:** In further consideration for payment of the
2 PAGA settlement amounts, Plaintiff represents and warrants that she has the right and exclusive
3 authority to execute this Settlement Stipulation. Each Party to this Settlement Stipulation also
4 represents and warrants to, and agrees with, each other Party hereto as follows:

5 7.1. Each Party has carefully read, and knows and understands the full contents of this
6 Settlement Stipulation and is voluntarily entering into this Settlement Stipulation after having
7 received independent legal advice from his or its attorneys with respect to the advisability of making
8 the settlement provided for herein and the advisability of executing this Settlement Stipulation.

9 7.2. In executing this Settlement Stipulation and in making the settlement provided for
10 herein, no Party relies or has relied on any statement, representation, omission, inducement, or
11 promise of any other Party (or any officer, agent, employee, representative, or attorney for any other
12 Party), except as expressly stated in this Settlement Stipulation.

13 7.3. Each Party to this Settlement Stipulation has investigated the facts relevant to this
14 settlement and this Settlement Stipulation, and all matters pertaining thereto, to the full extent that
15 each Party deems necessary.

16 7.4. Each separately-numbered term of this Settlement Stipulation is contractual, not
17 merely a recital.

18 7.5. Each of the Parties has participated in the drafting of all provisions of this Settlement
19 Stipulation, has had an adequate opportunity to read, review, and consider the effect of the language
20 of this Settlement Stipulation, and has agreed to its terms.

21 **8. CONFIDENTIALTY:** Plaintiff and Plaintiff's Counsel agree that they have not and will not
22 publish the Settlement Stipulation. In response to any inquiries they will state that "the case was
23 resolved with Court approval;" Plaintiff's Counsel shall not report the Settlement or its content in
24 any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff
25 or the PAGA Employees on their website, and shall not contact any reporters or media regarding
26 the Settlement, the PAGA Claims, or their content. However, Plaintiff's Counsel is authorized to
27 make a limited disclosure to the Court and the LWDA for the purposes of obtaining the approval of
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1 the settlement. This disclosure is limited to court filings and electronic submission of settlement
2 documents to the LWDA. Plaintiff and Plaintiff's counsel, or their representatives, are not permitted
3 to disseminate or publish, distribute or discuss the information provided to the Court in those filings
4 outside the filings themselves and any hearing held on those filings, unless ordered otherwise by the
5 Court.

6 9. **CHOICE OF LAW:** The rights and obligations of the Parties under this Settlement Stipulation
7 shall be construed and enforced in accordance with, and governed by, the laws of the State of
8 California. California law shall govern the interpretation of this Settlement Stipulation even if a
9 choice of law analysis under state or federal law would dictate that another forum's law be applied.

10 10. **COOPERATION:** Each Party agrees that they will abide by this Settlement Stipulation and
11 will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably
12 required to carry out the stated objectives of this Settlement Stipulation.

13 11. **SEVERANCE:** If any provision of this Settlement Stipulation is held to be invalid by a court
14 of competent jurisdiction, that provision shall be deemed severed and deleted from this Settlement
15 Stipulation, and neither that provision nor its severance and deletion shall affect the validity of the
16 remaining provisions. Notwithstanding the foregoing, no portion of any release contained herein
17 may be deemed severed or deleted from this Settlement Stipulation, except upon waiver in writing
18 by the applicable Released Party.

19 12. **NON-ADMISSION OF WRONGDOING:** The Parties agree that this Settlement Stipulation
20 does not constitute an admission of Defendant or any Released Party, of any of the matters alleged
21 in the Lawsuit or of any violation by any of them of any federal, state or local law, ordinance or
22 regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing
23 whatsoever. Neither this Settlement Stipulation nor anything in this Settlement Stipulation shall be
24 construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing the
25 Parties, subsidiaries, divisions, affiliated corporations, trustees, directors, officers, shareholders,
26 agents, attorneys, insurers, or employees.

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1 **13. ADDITIONAL TERMS:**

2 13.1. This Settlement Stipulation is binding upon and shall inure to the benefit of, the
3 Parties hereto and their respective agents, employees, representatives, officers, directors, parents,
4 subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

5 13.2. Given that all Parties hereto had the opportunity to draft, review, and edit the
6 language of this Settlement Stipulation, no presumption for or against any Party arising out of
7 drafting all or any part of this Settlement Stipulation may be applied in any action relating to,
8 connected to, or involving this Settlement Stipulation. Accordingly, the Parties hereby waive the
9 benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract
10 should be interpreted against the Party who caused the uncertainty to exist.

11 13.3. This Settlement Stipulation may be executed in counterparts. A signature by way of
12 e-mail, facsimile, or Doc-u-Sign shall serve as an original for all purposes.

13 13.4. Headings in this Settlement Stipulation are included solely for convenience and shall
14 not control the meaning or interpretation of any provision of this Settlement Stipulation.

15 **14. ENTIRE AGREEMENT:** This Settlement Stipulation sets forth the entire agreement between
16 the Parties hereto and fully supersedes any and all prior and/or supplemental understandings,
17 whether written or oral, between the Parties concerning the subject matter of this Settlement
18 Stipulation. Plaintiff acknowledged that she has not relied on any representations, promises or
19 agreements of any kind made to them in connection with their decision to accept the terms of this
20 Settlement Stipulation, except for the representations, promises, and agreements herein. Any
21 modification to this Settlement Stipulation must be in writing and signed by Plaintiff and an
22 authorized officer of Defendant.

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1 IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private
2 Attorneys General Act Settlement Agreement and Release subject to court review and approval, as
3 of the date set forth below.

4 7/23/2021

5 Dated: JULY ____, 2021

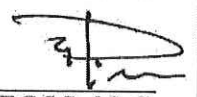
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Plaintiff STEPHANY CARRILLO, on behalf
of herself and all others similarly situated, and
on behalf of the general public and the State of
California

9 Dated: JULY ____, 2021

8-2-21


Defendant CENTRAL VALLEY EGGS, LLC

By: Controller

14 APPROVED AS TO FORM AND CONTENT:

17 Dated: ~~JULY~~ August 5, 2021

OTKUPMAN LAW FIRM, ALC

DocuSigned by:


018FE032D1FA4AD

ROMAN OTKUPMAN
Attorneys for STEPHANY CARRILLO, on
behalf of herself and all others similarly
situated, and on behalf of the general public

23 Dated: August ~~JULY~~ 03, 2021

SAGASER, WATKINS & WIELAND, PC


IAN B. WIELAND
CHRISTOPHER M. RUSCA
Attorneys for CENTRAL VALLEY EGGS,
LLC