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16 *herself, all aggrieved employees, and the State of*
17 *California as a Private Attorney General*

18 [Additional counsel listed on next page]

19 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
20 **FOR THE COUNTY OF LOS ANGELES**

21 ANNA VALDEZ, an individual, on behalf of
22 herself, all aggrieved employees, and the State
23 of California as a Private Attorneys General,

24 Plaintiffs,

25 vs.

26 HUY FONG FOODS, INC., a California
27 corporation and DOES 1-50, inclusive,

28 Defendants..

Case No. 20STCV43037

[Assigned to Hon. Christopher K. Lui, Dept. 76]

**JOINT STIPULATION RE: PAGA
SETTLEMENT**

Action Filed: November 9, 2020

Trial Date: None set

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9 HUY FONG FOODS, INC.

1 IT IS HEREBY STIPULATED, by and between Plaintiff Anna Valdez (“Plaintiff”) on behalf
2 of herself and other aggrieved employees, on one hand, and Defendant Huy Fong Foods, Inc.
3 (“Defendant” or “Huy Fong”) on the other hand, that the matter of *Anna Valdez v. Huy Fong Foods,*
4 *Inc.*, Los Angeles Superior Court Case No. 20STCV43037 (the “Action”), is hereby settled pursuant
5 to the terms and conditions set forth in this Settlement Agreement. Subject to the approval of the Court,
6 the claims alleged in this Action are hereby compromised and settled pursuant to the conditions set
7 forth in this Joint Stipulation of PAGA Settlement (“Agreement” or “Settlement” or “Settlement
8 Agreement”), and that the Court shall make and enter an order and judgment approving this settlement
9 subject to the definitions, recitals, and terms set below which are an integral part of this Settlement
10 Agreement.

11 **DEFINITIONS**

12 The following terms, as used throughout this Agreement, are defined as follows:

13 1. “Action” means the legal action pending in the Superior Court of Los Angeles entitled
14 *Anna Valdez v. Huy Fong Foods, Inc.*, Case No. 20STCV43037.

15 2. “Aggrieved Employee(s)” means all non-exempt employees who have been, or
16 continue to be, employed in California by Huy Fong at any time during the PAGA Period, who were
17 not employed as temporary employees hired through a Temporary Services Employer as defined by
18 Cal. Labor Code §201.3.

19 3. “Agreement” or “Settlement” or “Settlement Agreement” means this Joint Stipulation
20 regarding PAGA Settlement and Release.

21 4. “Complaint” means the operative Complaint on file in the Action with the Court.

22 5. “Court” means the Superior Court for the State of California, County of Los Angeles.

23 6. “Defendant” or “Huy Fong” means Huy Fong Foods, Inc.

24 7. “Defendant’s Counsel” refers to Constangy, Brooks, Smith and Prophete (including
25 Joanna MacMillan and Kelsey Link).

26 8. “Enhancement Award” means the amount approved by the Court to be paid to the
27 Plaintiff in recognition of the time and effort expended as the PAGA representative, which is in
28 addition to any Individual Settlement Amount paid to Plaintiff as an Aggrieved Employee.

1 9. “Effective Date” means the latest of the following dates: (1) the date the Court enters
2 an order dismissing the Action; (2) sixty-five (65) days after the Court enters an order approving this
3 Settlement; or (3) if the LWDA files an objection to this Settlement, the date there is a final resolution
4 of the objection or appeal.

5 10. “Gross Settlement Amount” means the maximum gross sum of Five Hundred Twenty-
6 Five Thousand Dollars (\$525,000) to be paid by Defendant.

7 11. “Individual Settlement Amount” means an individual Aggrieved Employee’s
8 allocation of the PAGA Penalties Fund.

9 12. “LWDA” means the California Labor and Workforce Development Agency.

10 13. “Net Settlement Amount” means the 25% of the PAGA Penalties Fund that is
11 distributed amongst the Aggrieved Employees.

12 14. “Notice” means the notice that will be sent to each Aggrieved Employee along with
13 his/her individual pro rata share of the PAGA Penalties Fund after the Effective Date occurs and
14 Defendant has funded the Gross Settlement Amount. The proposed Notice is attached hereto as
15 **Exhibit A**. The proposed Notice shall be sent with an accompanying Spanish and simple Chinese
16 translation to each Aggrieved Employee.

17 15. “PAGA” means Private Attorneys General Act of 2004, California Labor Code section
18 2698 *et seq.*

19 16. “PAGA Letter” means the notice Plaintiff filed with the LWDA on August 28, 2020
20 alleging that Defendant subjected Plaintiff and other current and former non-exempt employees of
21 Defendant within the State of California to certain violations of the California Labor Code, including
22 sections 200, 201, 202, 203, 204, 204(a), 218, 218.5, 226, 226(a), 226.7, 510, 512, 558, 1174, 1194,
23 1194.2, 1197, 1197.1, 1197.2, 1198, 1199, and 2699, Wage Orders 1, 1-2001 4 (B), and 9, and Title
24 8 of the California Code of Regulations section 3202, premised upon Defendant’s alleged failure to
25 compensate its non-exempt employees for all hours worked, failure to pay all minimum and overtime
26 wages, failure to provide, authorize, and/or permit meal and rest breaks (or pay premiums in lieu
27 thereof), failure to provide cool-down rest periods, failure to keep and provide complete and accurate
28

1 wage statements, failure to provide safe working conditions, failure to timely pay all wages due upon
2 termination, and failure to maintain accurate and complete payroll records.

3 17. "PAGA Penalties Fund" means the Gross Settlement Amount less the Attorneys' Fees
4 and Costs, Enhancement Award, and Settlement Administrator Costs.

5 18. "PAGA Period" means August 28, 2019 to November 5, 2022.

6 19. "Parties" means Plaintiff and Defendant.

7 20. "Plaintiff" means Plaintiff Anna Valdez.

8 21. "Plaintiff's Counsel" refers to the Koul Law Firm (including Nazo Koulloukian) and
9 Law Offices of Sahag Majarian II (including Sahag Majarian).

10 22. "Plaintiff's Attorneys' Fees" means the amount approved by the Court to be paid to
11 Plaintiff's Counsel for an award of attorneys' fees in an amount not to exceed the gross sum of One
12 Hundred Eighty-Three Thousand Seven Hundred Fifty Dollars (\$183,750.00) (35% of the Gross
13 Settlement Amount)

14 23. "Plaintiff's Litigation Costs" means the amount approved by the Court to be paid to
15 Plaintiff's Counsel for an award for reimbursement of litigation costs and expenses incurred by
16 Plaintiff's Counsel in connection with the Action that is currently estimated not to exceed the
17 combined gross sum of Twenty Thousand Dollars (\$20,000).

18 24. "Released Claims" means Plaintiff, the LWDA, and any other representative, proxy, or
19 agent thereof, including, but not limited to, any and all Aggrieved Employees, are forever barred from
20 pursuing any action against the Released Parties under the California Labor Code Private Attorneys
21 General Act of 2004 ("PAGA"), Labor Code section 2698, *et seq.*, based on or arising out of violations
22 of Labor Code sections alleged in the Action or the PAGA Letter, and claims that could have been
23 asserted in the Action based upon the facts alleged in Plaintiff's Complaint or the PAGA Letter
24 through the end of the PAGA Period. The Released Claims include, but are not limited to, claims
25 under the PAGA for civil penalties for alleged violations of Labor Code §§ 200, 201, 202, 203, 204,
26 204(a), 218, 218.5, 226, 226(a), 226.7, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1197.2,
27 1198, 1199, and 2699, Wage Orders 1, 1-2001 4 (B), and 9, and Title 8 of the California Code of
28 Regulations section 3202; and claims for attorneys' fees, costs, or interest resulting therefrom.

25. “Released Parties” means Defendant, and all of its respective past, present, and future parent companies, subsidiaries, divisions, concepts, related or affiliated companies, and clients, and all of their respective past, present, and future shareholders, officers, directors, employees, agents, principals, representatives, attorneys, accountants, partners, investors, administrators, insurers, predecessors, successors and assigns and all persons acting under, by, through, or in concert with any of them, and any individual or entity that could be liable for any of the Released Claims mentioned herein during the PAGA Period.

26. “Settlement Administrator” means CPT Group, Inc., or any other third-party settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement.

27. "Settlement Administration Cost" means the amount approved by the Court to be paid to the Settlement Administrator to cover the costs of the settlement administration process in an amount currently estimated at Six Thousand Dollars (\$6,000.00), but not to exceed Eight Thousand Dollars (\$ 8,000.00).

BACKGROUND OF THE ACTION

1. Plaintiff worked at Huy Fong from approximately December 10, 2018 to May 11, 2020 as a non-exempt employee in the California facility. While Plaintiff's last date of employment was May 11, 2020, her last working day was on March 26, 2020.

2. On August 28, 2020, Plaintiff filed a notice with the LWDA alleging that Defendant subjected Plaintiff and other current and former non-exempt employees of Defendant within the State of California to certain violations of the California Labor Code, including sections 200, 201, 202, 203, 204, 204(a), 218, 218.5, 226, 226(a), 226.7, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 1199, and 2699, Wage Orders 1, 1-2001 4 (B), and 9, and Title 8 of the California Code of Regulations section 3202, premised upon Defendant's alleged failure to compensate its non-exempt employees for all hours worked, failure to pay all minimum and overtime wages, failure to provide, authorize, and/or permit meal and rest breaks (or pay premiums in lieu thereof), failure to provide cool-down rest periods, failure to keep and provide complete and accurate wage statements, failure to

1 provide safe working conditions, failure to timely pay all wages due upon termination, and failure to
2 maintain accurate and complete payroll records.

3 3. Plaintiff filed the operative representative action Complaint under the PAGA in Los
4 Angeles Superior Court on November 9, 2020, which alleged the following Labor Code violations:
5 (1) Failure to Pay Overtime; (2) Failure to Pay Minimum Wage; (3) Failure to Provide Meal Breaks;
6 (4) Failure to Provide Safe Working Conditions; (5) Failure to Provide Rest Breaks and Cool-Down
7 Rest Periods; (6) Failure to Timely Pay All Wages Owed; and (7) Failure to Provide Accurate Itemized
8 Wage Statements.

9 4. On November 5, 2022, the Parties and their counsel participated in a private mediation
10 session before Lynn Frank, an experienced and well-respected mediator. At the conclusion of the
11 November 5, 2022 mediation the Parties, by and through their counsel, reached an agreement to
12 resolve the Action on a PAGA-wide basis. The Parties memorialized the terms of their agreement in
13 a Memorandum of Understanding on November 5, 2022. This Agreement formalizes the settlement
14 agreement reached by the Parties.

15 5. The Parties have conducted a detailed and comprehensive investigation of the claims
16 asserted against Defendant and of the applicable law. The Parties engaged in informal discovery to
17 prepare for mediation, which included: (a) analysis by the Parties of certain records, data, and policies
18 pertaining to Plaintiff, Aggrieved Employees, and the claims asserted in the Action; (b) research of
19 the law applicable to Plaintiff's claims and Defendant's affirmative defenses, as well as the damages
20 alleged by Plaintiff; (c) exchange, examination, and analysis of information, documents, and records
21 relating to Defendant's policies and Plaintiff's claims for wage and hour violations; and (d)
22 consideration of information disclosed at and in connection with mediation.

23 6. The Plaintiff and Plaintiff's Counsel recognize the uncertainty and risk of the outcome
24 of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Plaintiff's
25 Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted
26 in the Action, and the defenses thereto. Based on the foregoing, Plaintiff and Plaintiff's Counsel have
27 determined that the settlement set forth in this Agreement is fair, adequate, and reasonable settlement,
28 and that it is in the best interest of the Aggrieved Employees. Based on their discovery and

1 investigation, Plaintiff's Counsel has determined that the settlement is well within the range of
2 reasonableness. The settlement embodied and documented in this Agreement is the product of
3 extensive, arms-length negotiations, and is not the product of collusion. Likewise, Defendant has
4 concluded that any further defense of this Action would be protracted and expensive. Substantial
5 amounts of time, energy, and resources have been, and will continue to be, devoted to the defense of
6 the Action unless this settlement is made. therefore, Defendant has agreed to settle, in the manner and
7 upon the terms set forth in this Agreement, in order to fully and finally resolve the claims asserted in
8 the Action.

9 7. Defendant has denied and continues to deny each of the claims asserted by Plaintiff in
10 this Action, as referenced in Paragraph 1, above. Defendant has asserted and continues to assert
11 defenses to Plaintiff's claims and has expressly denied and continues to deny any wrongdoing
12 whatsoever. Neither this Agreement nor any action taken to carry out the Settlement may be construed
13 as an admission by Defendant of any fault, wrongdoing, or liability whatsoever

14 **SETTLEMENT TERMS**

15 A. Court Approval of this Agreement. In accordance with California Labor Code section
16 2699(1)(2), the Parties will present this Agreement to the Court for its review and approval via
17 stipulation or a noticed motion.

18 B. Delivery of Agreement to the LWDA. As required by California Labor Code section
19 2699(1)(2), Plaintiff will cause this Agreement to be submitted to the LWDA at the same time that
20 this Agreement is submitted to the Court for approval.

21 C. Scope of this Agreement.

22 (1) The PAGA Period. This Agreement shall cover the period from August 28,
23 2019 to November 5, 2022.

24 (2) The Aggrieved Employees. This Agreement shall cover all current and former
25 hourly-paid employees who worked at a Huy Fong in California at any time during the PAGA Period,
26 except for hourly-paid employees who were hired on a temporary basis through a Temporary Services
27 Employer as defined by Cal. Labor Code §201.3.

28 D. Settlement Administration.

1 (1) The Parties will retain CPT Group, Inc. to act as the Settlement Administrator
2 with respect to this Agreement.

3 (2) The Settlement Administrator shall be responsible for establishing a qualified
4 settlement fund pursuant to 26 U.S.C. § 486B, making all payments required by this Agreement,
5 handling all required state and federal tax withholding and reporting related thereto to the extent
6 necessary, and issuing all appropriate tax forms to Plaintiff, Plaintiff's Counsel, the Aggrieved
7 Employees, and the LWDA resulting from the settlement payments under this Agreement.

8 (3) Any disputes concerning administration of the Agreement may be submitted to
9 Lynn Frank, the mediator who facilitated the negotiation of this Agreement. If the Parties cannot
10 resolve their dispute with the mediator's assistance, the dispute may be submitted to and resolved by
11 the Court.

12 E. Gross Settlement Amount. In consideration and exchange for the releases described in
13 Section I, Defendant shall pay the maximum gross sum amount of Five Hundred Twenty-Five Dollars
14 (\$525,000), which includes all Attorneys' Fees and Costs, Plaintiff's Enhancement Award, PAGA
15 Penalties Fund, and the Settlement Administration Costs. In no event will Defendant be required to
16 pay more than this amount under the terms of this Agreement. None of the Gross Settlement Amount
17 will be payable by Defendant prior to the Effective Date.

18 F. Allocation of Gross Settlement Amount. The Gross Settlement Amount shall consist
19 of the following categories of payments: the proposed award of attorneys' fees to Plaintiff's Counsel
20 in the Action, the proposed award of litigation costs and expenses to Plaintiff's Counsel, the proposed
21 enhancement award to Plaintiff for her time and effort and for the risk she undertook in bringing and
22 prosecuting the Action, the proposed payments of civil penalties to the LWDA and the Aggrieved
23 Employees, and the proposed payment of settlement administration costs to the Settlement
24 Administrator. Subject to approval by the Court, these amounts shall be paid and allocated as set forth
25 in Sections E and F of this Agreement.

26 (1) Attorneys' Fees.

27 (i) Plaintiff's Counsel may submit a combined application to the Court for
28 an award of attorneys' fees in an amount not to exceed the gross sum of One Hundred Eighty-Three

1 Thousand Seven Hundred Fifty Dollars (\$183,750.00) (35% of the Gross Settlement Amount).
2 Defendant will not oppose or object to this application.

3 (ii) Any Attorneys' Fees approved by the Court will be paid by Defendant
4 out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims
5 Plaintiff may have for attorneys' fees arising out of the Action through the Effective Date of this
6 Agreement, including work not yet performed.

7 (iii) This Agreement is not contingent upon the Court approving Attorneys'
8 Fees in an amount equal to the maximum amount authorized by Section F(1)(i) of this Agreement.
9 This Agreement shall remain fully effective and enforceable notwithstanding any decision by the
10 Court to approve an Attorneys' Fees that is less than the amount authorized by Section F(1)(i) of this
11 Agreement or the amount requested by Plaintiff's Counsel.

12 (iv) In the event that any portion of the Attorneys' Fees authorized by
13 Section F(1)(i) of this Agreement is not approved by the Court, only the approved amount shall be
14 paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with
15 respect to the Attorneys' Fees. Additionally, any difference between the Attorneys' Fees authorized
16 by Section F(1)(i) and the Attorneys' Fees approved by the Court will become part of the PAGA
17 Penalties Fund.

18 (v) The Attorneys' Fees and Litigation Costs shall be treated as IRS Form
19 1099 income. Accordingly, the Settlement Administrator will issue Plaintiff's Counsel an IRS Form
20 1099 for the attorneys' fees and costs paid under this Agreement.

21 (2) Litigation Costs.

22 (i) Plaintiff's Counsel may submit an application to the Court for an award
23 for reimbursement of litigation costs and expenses incurred by Plaintiff's Counsel in connection with
24 the Action that is currently estimated not to exceed the combined gross sum of Twenty Thousand
25 Dollars (\$20,000.00). Defendant will not oppose or object to this application.

26 (ii) Plaintiff's Litigation Costs approved by the Court will be paid by
27 Defendant out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of
28

1 all claims Plaintiff may have for litigation costs and expenses arising out of the Action through the
2 Effective Date of this Agreement, including litigation costs and expenses not yet incurred.

3 (iii) This Agreement is not contingent upon the Court approving Plaintiff's
4 Litigation Costs in an amount equal to the maximum amount authorized by Section F(2)(iii) of this
5 Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any
6 decision by the Court to approve Plaintiff's Litigation Costs that is less than the amount authorized by
7 Section F(2)(iii) of this Agreement or the amount requested by Plaintiff's Counsel.

8 (iv) In the event that any portion of Plaintiff's Litigation Costs authorized
9 by Section F(2)(iii) of this Agreement is not approved by the Court, only the approved amount shall
10 be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with
11 respect to Plaintiff's Litigation Costs. Additionally, any difference between the Litigation Costs
12 authorized by Section F(2)(iii) and the Litigation Costs approved by the Court will become part of the
13 PAGA Penalties Fund.

14 (v) The Attorneys' Fees and Litigation Costs shall be treated as IRS Form
15 1099 income. Accordingly, the Settlement Administrator will issue Plaintiff's Counsel an IRS Form
16 1099 for the attorneys' fees and costs paid under this Agreement.

17 (3) Plaintiff's Enhancement Award.

18 (i) Plaintiff may submit an application to the Court for an award of an
19 enhancement award in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00)
20 for Plaintiff's time and effort and for the risk she undertook in bringing and prosecuting the Action.
21 Defendant shall not oppose any requests by Plaintiff for the Enhancement Award, which will be paid
22 out of the Gross Settlement Amount.

23 (ii) This Agreement is not contingent upon the Court approving the
24 Enhancement Award in an amount equal to the maximum amount authorized by Section F(3)(i). This
25 Agreement shall remain fully effective and enforceable notwithstanding any decision by the Court to
26 approve the Enhancement Award in an amount less than that authorized by Section F(3)(i).

27 (iii) In the event that any portion of the Enhancement Award authorized by
28 Section F(3)(i) is not approved by the Court, no more than the approved amount shall be paid to

1 Plaintiff from the Gross Settlement Amount. Additionally, any difference between the Enhancement
2 Award authorized by Section F(3)(i) and the Enhancement Award approved by the Court will become
3 part of the PAGA Penalties Fund.

4 (4) Settlement Administration Costs.

5 (i) Subject to approval by the Court, an amount currently estimated at Six
6 Thousand Dollars (\$6,000.00), but not to exceed Eight Thousand Dollars (\$8,000.00) will be paid to
7 the Settlement Administrator out of the Gross Settlement Amount to cover the costs of the settlement
8 administration process. If the actual costs of the settlement administration process are less than the
9 amount approved by the Court, the balance will become part of the PAGA Penalties Fund.

10 (ii) Any Administration Costs approved by the Court will be paid by
11 Defendant out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of
12 any settlement administration costs.

13 (iii) This Agreement is not contingent upon the Court approving
14 Administration Costs in an amount equal to the maximum amount authorized by Section F(4)(i) of
15 this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any
16 decision by the Court to approve Administration Costs in an amount that is less than the amount
17 authorized by Section F(4)(i) of this Agreement.

18 (iv) In the event that any portion of the Administration Costs authorized by
19 Section F(4)(i) of this Agreement is not approved by the Court, no more than the approved amount
20 shall be paid to the Settlement Administrator out of the Gross Settlement Amount. Additionally, the
21 difference between the Administration Costs authorized by Section F(4)(i) and the Administration
22 Costs approved by the Court will become part of the PAGA Penalties Fund.

23 (5) PAGA Penalties Fund. The portion of the Gross Settlement Amount remaining
24 after the Attorneys' Fees, Litigation Costs, Enhancement Award, and Settlement Administration Costs
25 are paid shall be designated the "PAGA Penalties Fund," from which payments deemed to constitute
26 a full and complete satisfaction of any and all claims in the Action for civil penalties under PAGA
27 shall be made. Based on the terms of the Agreement, the PAGA Penalties Fund is estimated to be
28 Three Hundred Five Thousand and Seventy Hundred Fifty Dollars (\$305,750.00). (This number may

change if the Attorneys' Fees, Litigation Costs, Administration Costs and/or the Enhancement Award are awarded in amounts other than those set forth above.) The PAGA Penalties Fund shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income. Subject to approval by the Court, the PAGA Penalties Fund shall be allocated and paid as follows:

(i) The LWDA Payment. The gross sum of Two Hundred Twenty-Nine Thousand and Three Hundred and Twelve Dollars and Fifty Cents (\$229,312.50), which represents seventy-five percent (75%) of the estimated PAGA Penalties Fund, will be paid to the LWDA for enforcement of California's labor laws, including the administration of PAGA, and for education of employers and employees about their rights and responsibilities under the California Labor Code.

(ii) Individual Settlement Awards. The gross sum of Seventy-Six Thousand and Four Hundred Thirty-Seven Dollars and Fifty Cents (\$76,437.50), which represents twenty-five percent (25%) of the estimated PAGA Penalties Fund, shall be designated as the "Net Settlement Amount" and will be paid to the Aggrieved Employees on a pro rata basis. Each Aggrieved Employee will receive a pro-rated share of the Net Settlement Amount based on the total number of pay periods the Aggrieved Employee worked at Huy Fong in California during the PAGA Period. The maximum amount that each Aggrieved Employee is entitled to receive—the Individual Settlement Award—is determined by multiplying the Net Settlement Amount by a ratio that is determined by dividing the total number of pay periods worked by the Aggrieved Employee at Huy Fong in California during the PAGA Period by the total number of pay periods worked by all Aggrieved Employee at Huy Fong in California during the PAGA Period, as expressed in the following formula:

a Aggrieved Employee Payment = Net Settlement Amount, multiplied by the total number of pay periods worked by the Aggrieved Employee, divided by the total number of pay periods worked by all Aggrieved Employees.

b The Parties intend that the Net Settlement Amount shall be sufficient to pay all valid claims of Aggrieved Employees in accordance with the formula set forth above. Accordingly, if for any reason the total value of payments to Aggrieved Employees exceeds

1 this amount, then payments to each Aggrieved Employee will be adjusted on a pro-rata basis so that
2 the total payout to Aggrieved Employee does not exceed the Net Settlement Amount.

3 G. Distribution of Settlement Payments.

4 (1) Funding of Settlement. Fourteen (14) days after the Effective Date, Defendant
5 shall deposit Five Hundred Twenty-Five Thousand Dollars (\$525,000.00) with the Settlement
6 Administrator.

7 (2) Timing of Payments by Settlement Administrator. Within fourteen (14)
8 calendar days of the funding of the Settlement, the Settlement Administrator will issue the payments
9 required by Section E of this Agreement to the appropriate entities or persons. The Settlement
10 Administrator shall obtain approval from all counsel of the calculations before mailing Individual
11 Settlement Awards.

12 (3) Payment of Individual Settlement Awards.

13 (i) Individual Settlement Awards will be paid in the form of a check
14 delivered to each Aggrieved Employee at the last known address on file with Defendant or as updated
15 by the Settlement Administrator. Each Individual Settlement Award will be accompanied by the
16 Notice, mutually approved by the Parties, substantially in the form attached hereto as **Exhibit A**.

17 (ii) Individual Settlement Award checks will become null and void if not
18 deposited within hundred twenty (120) calendar days after the date of their issuance. After one
19 hundred twenty (120) calendar days of issuance, the checks shall be voided and funds from all
20 uncashed checks will be distributed to the unclaimed property fund of the State Controller's Office.
21 The Settlement Administrator shall deliver these funds within fourteen (14) calendar days after the
22 check cashing deadline.

23 (iii) Any checks to the Aggrieved Employees that are returned as
24 undeliverable will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed
25 thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to
26 determine the correct address using a skip trace or other reasonable method and will then perform a
27 single remailing. Any Aggrieved Employee who cannot be located after the above procedures are
28

1 followed will continue to be bound by this Agreement, but the funds associated with their Individual
2 Settlement Award will be directed to the unclaimed property fund of the State Controller's Office.

3 H. No Admission of Liability. The Parties acknowledge and agree that this Agreement is
4 the result of, and evidences, a compromise and settlement of disputed claims in the Action and that
5 this Agreement is made and entered into without any admission of liability or wrongdoing of any kind
6 whatsoever by Defendant, who expressly denies and disclaims any liability or wrongdoing
7 whatsoever. Accordingly, neither the execution of this Agreement, its creation, the payment of any
8 sum or consideration hereunder, nor the performance of any obligation required by this Agreement
9 is, or shall be construed as, an admission of wrongdoing or liability on the part of Defendant.
10 Additionally, neither the execution of this Agreement, its creation, the payment of any sum or
11 consideration hereunder, nor the performance of any obligation required by this Agreement is, or shall
12 be construed as, an admission of the truth or accuracy of any allegation made by Plaintiff or Plaintiff's
13 Counsel in the Action.

14 I. Releases.

15 (1) Released Parties. Defendant, and all of its respective past, present, and future
16 parent companies, subsidiaries, divisions, concepts, related or affiliated companies, and clients, and
17 all of their respective past, present, and future shareholders, officers, directors, employees, agents,
18 principals, representatives, attorneys, accountants, partners, investors, administrators, insurers,
19 predecessors, successors and assigns and all persons acting under, by, through, or in concert with any
20 of them, and any individual or entity that could be liable for any of the Released Claims mentioned
21 herein during the PAGA Period.

22 (2) Release of PAGA Claims. This Agreement and the judgment to be entered by
23 the Court following this Agreement, forever bar Plaintiff, the LWDA, and any other representative,
24 proxy, or agent thereof, including, but not limited to, any and all Aggrieved Employees, from pursuing
25 any action against the Released Parties under the California Labor Code Private Attorneys General
26 Act of 2004 ("PAGA"), Labor Code section 2698, *et seq.*, based on or arising out of violations of
27 Labor Code sections alleged in the Action, and claims that could have been asserted in the Action
28 based upon the facts alleged in Plaintiff's Complaint through the end of the PAGA Period. The

Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 200, 201, 202, 203, 204, 204(a), 218, 218.5, 226, 226(a), 226.7, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 1199, and 2699, Wage Orders 1, 1-2001 4 (B), and 9, and Title 8 of the California Code of Regulations section 3202; and claims for attorneys' fees, costs, or interest resulting therefrom.

(3) Civil Code Section 1542 Waiver by Plaintiff. In light of Plaintiff's Enhancement Award, Plaintiff, for herself alone as an individual, in addition to the Released PAGA Claims, releases the Released Parties from all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of action of every kind or nature, contingent or accrued, whether known or unknown, under federal law or state law, to the fullest extent permitted by law. Plaintiff further understands that this release includes unknown claims and that he is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his 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.

Notwithstanding the above nor anything else in this Agreement, these waivers and releases by Plaintiff do not apply to: (i) those rights as a matter of law that cannot be waived, including, but not limited to, workers' compensation claims; (ii) rights or claims arising out of this Agreement after the date this Agreement is executed by Plaintiff; and (iii) rights or claims arising out of this Agreement. The Agreement in no way affects the entitlement and/or benefits to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation

J. Escalator Clause. This Agreement was reached based on a total of approximately 13,725 pay periods collectively worked by Aggrieved Employees between August 28, 2019 and October 5, 2022. If the number of pay periods as of the end date of the PAGA Period exceeds this figure by more than ten percent (10%), or 15,098 pay periods, then, at its option, Defendant may elect

1 to (a) end the PAGA Period on the date the number of pay periods reaches 15,098 or (b) increase the
2 Gross Settlement Amount in proportion to the increased percentage – for example, if the increase is
3 15% over 13,725, the Gross Settlement Amount will increase by 5%.

4 K. Dismissal. Upon the Court’s approval of this Agreement and payment of all sums
5 required by this Agreement, Plaintiff shall file a request for dismissal of the Action in its entirety as to
6 Defendant with prejudice. Pursuant to California Code of Civil Procedure section 664.6, the Court
7 shall retain jurisdiction to enforce the terms of this Agreement.

8 L. Authority to Enter into Agreement. Each Party represents and warrants that it has the
9 right and authority to execute this Agreement.

10 M. Ownership of Claims. The Parties represent that they have not transferred or assigned,
11 or purported to transfer or assign, to any person or entity any portion of any liability, claim, demand,
12 action, cause of action or right herein released and discharged.

13 N. Authorization of Counsel. Counsel for all Parties warrant and represent they are
14 expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all
15 appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to
16 effectuate its terms and to execute any other documents required to effectuate the terms of this
17 Agreement.

18 O. Attorneys’ Fees. Except as set forth in this Agreement, each side shall bear its own
19 costs and attorneys’ fees.

20 P. Confidentiality. Except as provided below to the extent necessary to effectuate the
21 settlement or as required by court or legal process, the Parties and their respective Counsel will keep
22 the facts relating to the existence of this Agreement, the negotiations leading to the execution of this
23 Agreement, the terms of this Agreement, and the alleged factual basis for Plaintiff’s claims, if any,
24 confidential. Neither the Parties nor their respective Counsel shall issue a press release, hold a press
25 conference, publish information about the settlement on any website or through any social media or
26 otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by
27 the Court. However, for the limited purpose of establishing adequacy of counsel in future actions,
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1 Plaintiff's counsel may reference the Action only by name and case number in a declaration
2 establishing adequacy as class or representative counsel.

3 Q. Duty to Cooperate. Each Party agrees that it will abide by this Agreement, and that the
4 Parties and their counsel will cooperate with each other to affect the implementation of this Agreement.
5 The Parties pledge their good faith and fair dealing in supporting the approval of this Agreement by
6 the Court, including, but not limited to, fully documenting the settlement, completing, or filing any
7 other documents or pleadings, arguing that the terms and conditions agreed upon should be enforced
8 fully, commencing any required action (either in court or in arbitration), jointly appealing and/or
9 otherwise exhausting judicial review of any adverse ruling, etc. If the Parties are unable to reach
10 agreement on the form or content of any document needed to implement the Agreement or on any
11 supplemental provisions that may become necessary to effectuate the terms of this Agreement, the
12 Parties may seek the assistance of Lynn Frank, the mediator who facilitated the negotiation of this
13 Agreement. If the Parties cannot resolve their dispute with the assistance of the mediator, the Parties
14 may seek the assistance of the Court to resolve their disagreement.

15 R. Nullification of Agreement. Defendant's payment of the Gross Settlement Amount
16 shall be subject to the Court granting approval, and if the Court fails to grant approval, the Parties shall
17 be returned to their original respective positions as though this Agreement had never been entered into
18 at all, with the exception that if any settlement administration costs are due and payable, the Parties
19 agree to split those costs.

20 S. Defendant's Option to Revoke. Should the settlement, or any terms therein, be
21 modified, vacated, altered, or become otherwise subject to challenge by law, including, but not limited
22 to, any law that became effective after the execution of this Agreement, so that this Agreement is not
23 approved by the Court in its entirety and therefore the intent of the Parties cannot be accomplished
24 after jointly taken efforts to enforce it have been exhausted, Defendant shall have the option to revoke
25 this Agreement at their sole discretion.

26 T. Severability. Should any clause or provision of this Agreement be declared illegal or
27 unenforceable, it shall be modified as minimally as necessary to be enforceable. If the provision
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1 cannot be modified to be enforceable, such provision shall immediately become null and void, leaving
2 the remainder of this Agreement in full force and effect.

3 U. Governing Law and Interpretation. This Agreement shall be governed in accordance
4 with the laws of the State of California. The Agreement shall be interpreted in accordance with the
5 plain meaning of its terms and shall not be strictly interpreted for or against any of the Parties to this
6 Agreement. Given that all Parties hereto had the opportunity to draft, review, and edit the language
7 of this Agreement, the Parties expressly waive the benefit of any legal principle or rule providing that
8 in cases of uncertainty the language of a contract should be interpreted against the Party who caused
9 the uncertainty to exist.

10 V. Continuing Jurisdiction of the Court. Pursuant to California Code of Civil Procedure
11 section 664.6, the Court shall retain continuing jurisdiction over the Action and the Parties to the fullest
12 extent necessary to enforce and effectuate the terms and intent of this Agreement.

13 W. Admissibility of Agreement. The Parties agree that this Agreement is admissible for
14 the purposes of proving up and or enforcing the terms of the Agreement, as set forth herein, pursuant
15 to California Evidence Code section 1123.

16 X. Amendment and Modification. This Agreement may not be modified, altered or
17 changed, except by a written instrument signed by either the Parties or their successors-in-interest or
18 counsel for all Parties.

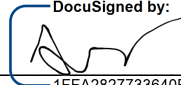
19 Y. Binding on Successors and Assigns. This Agreement will be binding upon, and inure
20 to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers,
21 directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in
22 interest.

23 Z. No Representations. The Parties acknowledge that, except as expressly set forth herein,
24 no representation of any kind or character has been made to induce the execution of this Agreement.

25 AA. Counterparts. This Agreement may be executed in one or more counterparts, each of
26 which shall be deemed an original, but all of which together shall constitute one and the same
27 instrument. Signatures sent by facsimile transmission or scanned e-mail transmission have the same
28 force, validity, and effect as original signatures.

PLAINTIFF ANNA VALDEZ

Dated: 2/10/2023, 2022

By: 
Anna Valdez
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DEFENDANT HUY FONG FOODS, INC.

Dated: _____, 2022

By: _____
Representative, on behalf of Defendant Huy
Fong Foods, Inc.

KOUL LAW FIRM

Dated: February 10, 2023, 2022

By: 
Nazo Koulloukian
Attorneys for Plaintiff Anna Valdez

LAW OFFICES OF SAHAG MAJARIAN II

Dated: February 10, 2023, 2022

By: 
Sahag Majarian, II
Attorneys for Plaintiff Anna Valdez

CONSTANGY, BROOKS, SMITH &
PROPHETE, LLP

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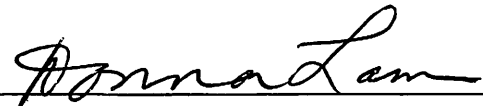
PLAINTIFF ANNA VALDEZ

Dated: _____, 2023

By: _____
Anna Valdez

DEFENDANT HUY FONG FOODS, INC.

Dated: 2/7/23, 2023

By: 
Donna Lam, on behalf of Defendant Huy Fong
Foods, Inc.

KOUL LAW FIRM

Dated: _____, 2023

By: _____
Nazo Koulloukian
Attorneys for Plaintiff Anna Valdez

LAW OFFICES OF SAHAG MAJARIAN II

Dated: _____, 2023

By: _____
Sahag Majarian, II
Attorneys for Plaintiff Anna Valdez

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CONSTANGY, BROOKS, SMITH &
PROPHETE, LLP



Dated: February 8, 2023

By: _____

Joanna MacMillan

Kelsey Link

Attorneys for Defendant Huy Fong Foods, Inc.

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EXHIBIT A

1 **NOTICE OF PAGA SETTLEMENT**

2 *Anna Valdez v. Huy Fong Foods, Inc.*

3 Los Angeles Superior Court Case No. 20STCV43037

4 [ADMINISTRATOR]

5 P.O. Box _____

6 Telephone: _____

7 «FirstName» «LastName»

8 «Address1» «Address2»

9 «City» «State» «Zip»

10 You are receiving this notice as a result of a lawsuit brought by Plaintiff Anna Valdez
11 (“Plaintiff”) on November 9, 2020 on a representative basis under the Private Attorneys General Act,
12 Labor Code § 2698 et seq. (“PAGA”) against Defendant Huy Fong Foods, Inc. (“Defendant” or “Huy
13 Fong”) (the “Action”). The Action seeks civil penalties for purported violations of the California
14 Labor Code on behalf of all individuals employed by Defendant in California and classified as “non-
15 exempt” during the PAGA Period (“Aggrieved Employees”). The PAGA Period is August 28, 2018,
16 through [_____]. The enclosed check is your share of a court-approved representative action
17 settlement between Plaintiff and Defendant (“Settlement”).

18 As part of this Settlement, the Aggrieved Employees release all claims that were or could have
19 been reasonably alleged under the PAGA based on or arising out of the facts alleged in the Action,
20 including but not limited to any PAGA Claim for violation of California Labor Code sections 200,
21 201, 202, 203, 204, 204(a), 218, 218.5, 226, 226(a), 226.7, 510, 512, 558, 1174, 1194, 1194.2, 1197,
22 1197.1, 1197.2, 1198, 1199, and 2699, Wage Orders 1, 1-2001 4 (B), and 9, and Title 8 of the
23 California Code of Regulations section 3202; and all claims that were or could have been reasonably
24 alleged based on the facts alleged in the Action and any similar claims and any related state statutory
25 and/or civil penalties, which were alleged or could have been reasonably alleged based on the facts of
26 the Action, for the PAGA Period, and any right or claim for damages, unpaid wages, statutory
27 penalties, civil penalties restitution, disgorgement, interest or attorneys’ fees as a result thereof,
28 including but not limited to failure to provide compliant off-duty meal and/or rest breaks, failure to
pay all minimum wages, failure to pay all overtime wages, failure to provide compliant wage
statements, failure to provide cool-down rest periods, failure to provide safe working conditions, and
failure to timely pay all wages owed at separation (“Released Claims”).

29 **It is important to note that Defendant denies all claims and allegations in the Action,**
30 **denies that it owes any penalties, and asserts that it has fully complied with all applicable Labor**
31 **Code provisions. Nevertheless, to avoid further costs and time in defending the Action,**
32 **Defendant has settled the Action. The Court has not made a determination about the merits of**
33 **Plaintiff’s claims. This Notice is not to be understood as an expression of any opinion by the**
34 **Court as to the merits of Plaintiff’s claims.**

35 According to Defendant’s records, you are an Aggrieved Employee and therefore entitled to a
36 share of the Settlement based upon the Court approved allocation (“Individual Settlement Amount”).
37 The Individual Settlement Amount was calculated based on the number of pay periods you worked

1 for Defendant during the PAGA Period. Because this calculation was approved by the Court, the
2 amount of your payment is final and cannot change. Your enclosed check is valid for 120 days from
3 the date of its issuance. After that date, you cannot cash the check and it will be null and void. Funds
4 attributable to such uncashed checks will be sent to unclaimed property fund of the State Controller's
5 Office.

6 Please Note: One hundred percent (100%) of your Individual Settlement Amount under this
7 Settlement will be considered penalties and may be subject to local, state, or federal tax withholdings
8 and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as
9 to the tax consequences of your Individual Settlement Amount. Neither Plaintiff nor Defendant have
10 made any representations or warranties regarding the taxation of your Individual Settlement Amount.
11 Nothing within this notice or any other communication shall constitute or be construed or relied upon
12 as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part
13 10, as amended).

14 Per the Court's final judgment in this case, all individuals covered by the Settlement have
15 released all of the Released Claims for civil penalties under PAGA as alleged by Plaintiff against
16 Defendant for the time period of August 28, 2019 through [_____]. This means you are not
17 able to pursue or recover under a PAGA lawsuit against Defendant based on such claims for the time
18 period covered by this Settlement. You are bound by the Settlement and release of Released Claims
19 based on the Court's judgment, regardless of whether you cash or deposit the enclosed check.
20 However, the release only applies to claims for civil penalties under the PAGA and no claims for
21 unpaid or underpaid wages have settled, and this settlement is without prejudice to the pursuit on any
22 such claims.

23 **Do not call or write the Court or Office of the Clerk to ask questions about the settlement**
24 **or to ask questions about the claims process. If you have any questions, you may call or write to**
25 **the Settlement Administrator using the contact information at the top of this correspondence.**
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