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RUSTIC BAKERY, INC., RUSTIC CAFÉ, INC.,
and RUSTIC BAKERY INTERNATIONAL, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SONOMA

JEFERSON GARCIA, an individual; WILSON
GARCIA, an individual; ALICIA RUEDA DE
LARA, an individual; and on behalf of other
members of the general public similarly situated
and other aggrieved employees,

Plaintiffs,

v.

RUSTIC BAKERY, INC., a California
corporation; RUSTIC CAFÉ, INC., a Delaware
corporation; RUSTIC BAKERY
INTERNATIONAL, INC., a Delaware
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. SCV-267534

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

1 I.

2 PREAMBLE

3 1. This Joint Stipulation of Class and PAGA Action Settlement and Release (“Settlement
4 Agreement,” “Settlement,” or “Agreement”) is entered into between Plaintiffs Jeferson Garcia, Wilson
5 Garcia, and Alicia Rueda De Lara (collectively, the “Plaintiffs”), on the one hand, and Defendants
6 Rustic Bakery, Inc., Rustic Café, Inc., and Rustic Bakery International, Inc. (hereinafter,
7 “Defendants,”), on the other hand. The Plaintiffs and Defendants will be referred to collectively herein
8 as “Parties,” or individually as “Party.”

9 2. The Plaintiffs are current and former employees of one or more of Defendants who
10 filed a Complaint entitled *Jeferson Garcia, et al. v. Rustic Bakery, Inc. et al.*, on December 9, 2020,
11 in Sonoma County Superior Court, and a First Amended Complaint on November 29, 2023 (the
12 “Action”).

13 3. The Action seeks damages for Plaintiffs and putative Class Members for alleged
14 minimum wage violations, unpaid wages, unpaid overtime, noncompliant and missed meal and rest
15 periods, reporting time pay, unreimbursed expenses, waiting time penalties, wage statement penalties,
16 penalties under the Labor Code and California Industrial Welfare Commission (“IWC”) wage orders,
17 violation of the Business and Professions Code §17200, *et seq.*, and penalties under the Private
18 Attorneys General Act of 2004 (“PAGA”). Defendants expressly deny all the allegations in the Action
19 and make no admission of liability or wrongdoing.

20 4. The “Class Period” refers to the time period of December 9, 2016, through the date the
21 Court preliminary approves the Settlement Agreement.

22 5. The “PAGA Period” refers to the time period of October 5, 2019, through the date the
23 Court preliminary approves the Settlement Agreement.

24 6. The “Settlement Class” means all individuals who were employed by one or more of
25 the Defendants as non-exempt employees in the State of California, from December 9, 2016, through
26 the date the Court preliminary approves the Settlement Agreement who do not opt out of the Settlement
27 Agreement. This includes any individuals who performed a “try out” during the Class Period,
28 regardless of whether they were ultimately hired by Defendants as a non-exempt employee.

1 7. “PAGA Aggrieved Employees” means all individuals who were employed by one or
2 more of Defendants as non-exempt employees in the State of California during the PAGA Period.
3 This includes any individuals who performed a “try out” during the PAGA Period, regardless of
4 whether they were ultimately hired by Defendants as a non-exempt employee.

5 8. Before and after mediating the Action, the Parties engaged in extensive and contested
6 discovery, including the exchange of thousands of pages of documents and data related to the time and
7 pay records of putative Class Members and Defendants’ corporate-wide policies. Plaintiffs took
8 various depositions including the deposition of the Person Most Qualified for Defendants and the
9 deposition of Defendants’ prior owner Carol LeValley. Plaintiffs’ counsel also spoke to hundreds of
10 putative class members to evaluate Defendants’ practices on a class basis and obtained supporting
11 declarations.

12 9. On October 25, 2023, the Parties attended an all-day private mediation before Tripper
13 Ortman, a respected wage and hour employment law neutral. This mediation was hotly contested, and
14 the Parties were unable to reach an agreement after a full day of mediation. The Parties thereafter
15 continued litigating the case and engaged in further discovery which led to contested discovery
16 conferences and other disputes. Approximately eight months later, settlement discussions between the
17 parties resumed with the assistance of the mediator and the Parties were able to reach a settlement in
18 principle on July 3, 2024. The agreement was memorialized in a Memorandum of Understanding
19 signed by all Parties approximately a month later on August 8, 2024.

20 10. The Parties have now agreed to avoid further litigation and to settle and resolve the
21 claims of the Settlement Class against Defendants as set forth in this Settlement Agreement.

22 11. This Agreement shall become effective upon the “Effective Date,” as set forth below.
23 The Parties hereby agree to do all things and to engage in all procedures reasonably necessary and
24 appropriate to obtain final Court approval of this Agreement, in consideration for: (a) the payment by
25 Defendants of the consideration described herein, subject to the terms, conditions, and limitations of
26 this Agreement; and (b) the release by Plaintiffs and members of the Settlement Class, as described
27 herein.
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II.

**PAYMENTS TO THE SETTLEMENT CLASS, CLASS COUNSEL, PLAINTIFFS,
AND THE SETTLEMENT ADMINISTRATOR**

12. Subject to Court approval, and the provisions of this Agreement, Defendants agree to pay Four Million U.S. Dollars (\$4,000,000) (the “Gross Settlement Amount” or “GSA”) to be paid in consideration for the settlement of the Action and the related release of claims the members of the Settlement Class may have against Defendants, as described herein.

13. The Gross Settlement Amount will cover compensation to the Settlement Class, payment to the State of California Labor & Workforce Development Agency (“LWDA”) and the Settlement Class for PAGA claims for Class Members who are also PAGA Aggrieved Employees, additional compensation to the Plaintiffs as Class Representatives, the cost of claims administration and notice, attorneys’ fees and reimbursement of litigation costs and expenses to Class Counsel, and any and all other expenses relating to settlement of this Action. The GSA will also include the employer share of any payroll taxes (including but not necessarily limited to FICA, FUTA, etc.).

III.

CLASS SETTLEMENT FOR CERTIFICATION PURPOSES ONLY

14. Solely for the purpose of effectuating this Settlement, and subject to Court approval, the Parties hereby stipulate to certification of the Settlement Class, which consists of approximately 1,900 individuals. Settlement Class Members who also worked during the PAGA Period are “PAGA Aggrieved Employees” and will also be settling PAGA claims as described herein.

15. The above-described payments by Defendants, the certification of the Settlement Class, the Parties’ settlement of the Action, and their rights and obligations hereunder, are contingent upon final approval by the Court of this Agreement.

16. In the event that: (1) the Court does not approve this Agreement and execute an Order of Final Approval; (2) the Court does not finally approve of the settlement as proposed by the Parties; (3) the Order of Final Approval as submitted by the Parties does not become final for any reason, or the terms and conditions set forth in this Agreement are modified in any material respect; or (4) the Order of Final Approval, as defined herein, does not occur, this Agreement shall be deemed null and

void and shall be of no force or effect whatsoever, and shall not be admitted, referred to, or utilized by any Party for any purpose whatsoever.

17. Defendants deny all of Plaintiffs' claims as to liability and damages, as well as Plaintiffs' claims that any appropriate class may exist or could be certified, and that the claims alleged in the Action are manageable, and Defendants expressly reserve all rights to challenge all such claims upon all procedural and substantive grounds, including the assertion of any and all defenses, in the event that this settlement is not approved by the Court or is otherwise not consummated. Moreover, this Agreement is for the purpose of settlement only, and the Court and the Parties agree that the Agreement, Order of Preliminary Approval, Order of Final Approval, and Final Judgment are made only for the purposes of settlement and are not determinative of the propriety of the class claimed by Plaintiffs or any class, other than in connection with the settlement, and will not have any collateral estoppel or res judicata effect on any class certification issue in any future claim or action, except a claim or action based on or barred by the Order of Final Approval.

IV.

APPOINTMENT OF PLAINTIFFS' COUNSEL AS CLASS COUNSEL

18. Subject to the Court's approval, the Parties hereby stipulate to the Court's appointment of Class Counsel as follows: Macias Rodriguez Adams LLP.

V.

SETTLEMENT APPROVAL PROCEDURES, APPOINTMENT OF SETTLEMENT ADMINISTRATOR, AND NOTICE TO CLASS MEMBERS

19. The Parties' settlement of the Action, and their rights and obligations hereunder, are expressly conditioned on both the Court's preliminary and final approval of this Settlement as to the Settlement Class, as defined herein.

20. Class Counsel shall file a motion with the Court for preliminary approval of the Settlement Agreement, and for an order certifying the Settlement Class for settlement purposes only and setting a date for the settlement fairness hearing ("Final Approval Hearing"). In conjunction with this request, Class Counsel shall submit this Agreement and supporting papers, including proposed forms of all notices and other documents, as attached hereto, necessary to implement the Settlement

1 Agreement. The Order for Preliminary Approval shall provide for notice of the Agreement and related
2 matters (“Class Notice”) to the Settlement Class as specified herein, including notice of the procedure
3 to withdraw from the Settlement Class or object to the Settlement (with regard to the Settlement Class,
4 with the exception of the Plaintiffs). Said Class Notice shall be substantially in the form attached
5 hereto as **Exhibit A**, and as further described in this Agreement. Class Counsel shall provide to defense
6 counsel drafts of the settlement approval papers for review in advance of filing with the Court.

7 21. The Parties and their counsel shall use their best efforts to cause the Court to give
8 preliminary and final approval to this Settlement Agreement as promptly as practical, to take all steps
9 contemplated by this Settlement Agreement to effectuate its terms and conditions, to perform all acts
10 and execute and deliver all documents, data, and declarations necessary to effectuate all provisions of
11 this Settlement Agreement, including but not limited to declarations from the Parties in support of
12 class certification, and to oppose any appeal by any objector.

13 22. Subject to Court approval, the Parties agree that Phoenix Settlement Administrators
14 will be appointed as Settlement Administrator. Phoenix Settlement Administrators has agreed to cap
15 its fees at Eighteen Thousand Nine Hundred and Fifty Dollars (\$18,950). The Settlement
16 Administrator shall be paid from the GSA. The Settlement Administrator will be responsible for
17 calculating the monies to be made available to each putative member of the Settlement Class and
18 PAGA payments to be made to PAGA Aggrieved Employees; mailing the class notices; receiving and
19 logging the Requests for Exclusion; researching and updating addresses through skip-traces and
20 similar means, including for individuals who performed a “try out” and for whom an address is not
21 available; answering questions from Settlement Class Members; reporting on the status of the
22 Settlement to the Parties; providing the Parties with data regarding the filing of Requests for Exclusion,
23 and the calculation of distributions; establishing and maintaining a noninterest-bearing distribution
24 account for purposes of distributing settlement checks, PAGA payments, and distributions of
25 attorneys’ fees, costs, and Enhancement Awards; calculating withholding amounts and other tax
26 obligations; handling reporting obligations, including processing 1099s and W-2s; and performing
27 such other tasks as the Parties may direct.
28

23. Not later than ten (10) calendar days after receipt of notice of the Court's entry of an Order of Preliminary Approval, Defendants shall provide to the Settlement Administrator, in Excel or other usable electronic format, a spreadsheet that contains the name, last known mailing address, last known phone number, if any, social security number, dates of employment, number of weeks assigned to each Settlement Class Member, and number of PAGA work weeks assigned to each PAGA Aggrieved Employee (the "Settlement Class Member List").

24. Defendants shall cooperate to provide any additional information which the Settlement Administrator may request that is reasonable and necessary for the purpose of giving Class Notice and otherwise administering this Agreement.

25. Within thirty (30) calendar days of entry of the Order of Preliminary Approval, the Settlement Administrator will mail the notice and exclusion form to the Class Members. The Notice shall specify the process by which a Class Member may exclude themselves from the Settlement.

26. The Class Notice shall be accompanied by a statement (a "Request for Exclusion"), in the form and content of **Exhibit B** hereto, which a putative member of the Settlement Class may fill out and return to the Settlement Administrator indicating that the individual does not wish to participate in this Agreement in any way and instead wishes to preserve his/her rights and be excluded from the Settlement Class. A Request for Exclusion may be submitted via mail. To be effective, a Request for Exclusion must be postmarked no later than the forty-five (45) calendar days after the date that Class Notice is first mailed (the "Exclusion Deadline"). For all Notice materials that are returned to the Settlement Administrator because the address is wrong, the Settlement Administrator shall take additional reasonable steps to try and locate current addresses and resend the Notice materials to any current addresses obtained. To that end, the Settlement Administrator shall re-mail Notice materials to such addresses within five (5) calendar days of the receipt of any Notice materials returned as undelivered and shall indicate on all re-mailed Notices that the response deadline for the affected Settlement Class Member is extended by fifteen (15) additional days. Settlement Class Members who are PAGA Aggrieved Employees shall receive their respective shares of the PAGA payments regardless of whether they submit a valid and timely Request for Exclusion.

27. The Class Notice shall indicate that all members of the Settlement Class shall have the

1 right to file written objections to the Settlement and/or to appear at the Final Approval Hearing (the
2 then-current date of which shall be included in the Class Notice). Written objections, if any, must be
3 submitted to the Settlement Administrator, and mailed with a postmark to the contact persons as set
4 forth herein, no later than forty-five (45) calendar days after the date that Class Notice is first mailed
5 (the “Objection Deadline”).

6 28. The Class Notice shall contain the releases against Defendants contained in this
7 Agreement, and an easily understood statement alerting putative members of the Settlement Class that
8 if they do not submit a Request for Exclusion the individual is executing a release and waiver of all
9 such claims the employee may have against Defendants, whether or not they receive a portion of the
10 Net Settlement Amount. The Class Notice shall also inform Settlement Class Members who are also
11 PAGA Aggrieved Employees that they will receive their respective shares of the PAGA payments
12 regardless of whether they submit a valid and timely Request for Exclusion.

13 29. The Settlement Administrator shall provide written notice to Class Counsel and
14 Defendants no later than five (5) business days after the Exclusion Deadline with a complete list of all
15 putative members of the Settlement Class who have timely requested exclusion from the class. If
16 putative members of the Settlement Class representing more than an aggregate total of five percent
17 (5%) or more of the putative members of the Settlement Class timely and properly submit Requests
18 for Exclusions, Defendants may, at their election, rescind the Settlement Agreement and all actions
19 taken in furtherance of it will be thereby null and void. Defendants must exercise this right of
20 rescission, in writing, to Plaintiffs’ counsel within ten (10) business days after the Settlement
21 Administrator notifies the Parties of the final report of the total number of opt outs.

22 VI.

23 THE EFFECTIVE DATE AND TERMINATION

24 30. If the Parties do not void the Settlement as permitted in this Agreement, this Agreement
25 shall become final and effective (the “Effective Date”) on the occurrence of the following: (i) final
26 approval of the Settlement is granted by the Superior Court of California for the County of Sonoma
27 (the “Court”), or other court assuming jurisdiction of the Action, and (ii) the Court’s Judgment
28 approving the Settlement becomes Final. “Final” shall mean the latest of: (i) if there is an appeal of

1 the Court's Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal,
2 or the expiration of the time to file a petition for review to the California Supreme Court, or, (ii) if a
3 petition for review is filed, the date of the California Supreme Court denies the petition for review or
4 decides not to respond and take no action, or the date the Judgment is affirmed pursuant to such
5 petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of
6 the Judgment.

7 31. If any Court declines to enter the Preliminary Approval Order, the Final Approval
8 Order, or final judgment in substantially the form submitted by the Parties, or if the Settlement as
9 agreed does not become final because of appellate court action or any other reason, this Settlement
10 Agreement, and any and all obligations of Defendants to pay any monies hereunder shall become null
11 and void and shall terminate. The terminating Party shall give to the other Party (through its counsel)
12 written notice of its decision to terminate no later than ten (10) calendar days after receiving notice
13 that one of the enumerated events has occurred. Termination hereunder shall have the following
14 effects:

15 (a) The Settlement Agreement shall be terminated and shall have no force or
16 effect, and no Party shall be bound by any of its terms.

17 (b) Defendants shall have no obligation to make any payments to any Party, Class
18 Member, or attorney.

19 (c) The Preliminary Approval Order, Final Approval Order, and final judgment,
20 including any order of class certification, shall be vacated.

21 (d) The Settlement Agreement and all negotiations, statements, and proceedings
22 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall
23 be restored to their respective positions prior to the Settlement.

24 (e) Except as otherwise discoverable and subject to all limitations described herein,
25 neither this Agreement, any ancillary documents, actions, statements, or filings in furtherance
26 of settlement (including all matters associated with the mediation) shall be admissible or
27 offered into evidence in the Action or any other action for any purpose whatsoever.
28

VII.

ATTORNEYS' FEES, COSTS AND EXPENSES, AND ENHANCEMENT AWARDS

32. The Action alleges a claim for attorneys' fees and costs. The Parties agree that any and all such claims for attorneys' fees and costs have been settled in this Agreement and are included in the Gross Settlement Amount.

33. Class Counsel may petition the Court for attorneys' fees not to exceed thirty-five percent (35%) of \$4,000,000, including any interest, plus reasonable costs not to exceed \$85,000, subject to approval by the Court. Attorneys' fees paid pursuant to this Settlement Agreement shall be inclusive of all fees in this matter. Defendants agree not to object to Class Counsel's fees of up to thirty-five percent (35%) of \$4,000,000 and reasonable costs approved by the Court not to exceed \$85,000. The Parties agree that the apportionment of attorneys' fees and costs among Class Counsel is an independent and separate agreement among Class Counsel. Any reduction by the Court of Class Counsel's claimed attorneys' fees and/or reasonable costs shall not be sufficient grounds to void the Settlement. Additionally, Class Counsel will petition the Court to pay the Settlement Administrator out of the GSA, which amount Phoenix Settlement Administrators has agreed to cap at \$18,950 and Defendants agree not to object to that amount.

34. Class Counsel may apply to the Court for an additional award to each Plaintiff not to exceed Fifteen Thousand U.S. Dollars (\$15,000) (total of \$45,000) as reasonable additional compensation for the time and effort expended by them in connection with the initiation and maintenance of the Action and in consideration for the claims released herein (the "Enhancement Award"), as well as Plaintiffs agreeing to general release of claims and waiver of rights under Code of California Civil Code § 1542. Defendants will not oppose Class Counsel's application under this Paragraph. Any Enhancement Award will be in addition to any amount Plaintiffs may be entitled to receive on account of their own individual claims pursuant to Section IX of this Agreement; however, the releases set out in this Agreement shall bind Plaintiffs, and the Enhancement Award shall be adequate consideration for said release.

35. Any awards or amounts pursuant to Paragraphs 36 and/or 37 will be funded solely and completely from the GSA.

VIII.

PLAN OF ALLOCATION AND DISTRIBUTION OF THE SETTLEMENT FUND

36. The GSA shall be allocated, in order, as follows:

(a) First, to attorneys' fees, costs and expenses of Class Counsel, as may be awarded by the Court;

(b) Second, to any Enhancement Award, as may be awarded by the Court;

(c) Third, to costs of settlement administration, as may be awarded by the Court;

(d) Fourth, PAGA payments to the LWDA and PAGA Aggrieved Employees in the total amount of Two Hundred Thousand U.S. Dollars (\$200,000), which is intended to be distributed to Settlement Class Members who are also PAGA Aggrieved Employees and the LWDA in the following amounts for settlement of the Labor Code Private Attorneys General Act of 2004 ("PAGA") (Labor Code §§ 2698, *et seq.*) claims (or such other amount, if any, ordered by the Court): (i) Fifty Thousand U.S. Dollars (\$50,000) to PAGA Aggrieved Employees (regardless of whether they have submitted a valid Request for Exclusion), divided among PAGA Aggrieved Employees in proportion to the respective number of PAGA work weeks assigned or credited to each individual PAGA Aggrieved Employee, with a "try out" shift counting as one work week, and (ii) One Hundred Fifty Thousand U.S. Dollars (\$150,000) to the LWDA; and

(e) Fifth, to the "Net Settlement Amount" or "NSA." The Net Settlement Amount shall be defined as the Gross Settlement Amount less attorneys' fees, any and all costs and expenses, costs of settlement administration, Enhancement Award to the Class Representatives, PAGA payments to the LWDA and PAGA Aggrieved Employees, and employer-side payroll taxes. The Parties agree that 100% of the Net Settlement Amount will be distributed as described herein.

37. The NSA shall be distributed by the Settlement Administrator as follows:

(a) First, the Settlement Administrator shall mail a Notice and Request for Exclusion form to each Settlement Class Member via First Class U.S. Postage.

1 (b) Any Notice materials that are returned as undeliverable by the Postal Service
2 with a forwarding address will be re-mailed to the new address and the Settlement
3 Administrator will update the Settlement Class Member List accordingly.

4 (c) For any Notice materials that are returned as undeliverable by the Postal Service
5 without a forwarding address, the Settlement Administrator will perform a “skip trace” or
6 equivalent address search to locate the most accurate and updated address information. The
7 Settlement Administrator shall then re-mail the Notice materials to any new addresses found
8 within five (5) calendar days of receipt of any Notice materials returned as undelivered and
9 update the Settlement Class Member List.

10 (d) The Settlement Administrator shall track all Requests for Exclusion filed by the
11 Exclusion Deadline and compile a list of all Settlement Class Members requesting exclusion.

12 (e) The Settlement Administrator shall then remove from the Settlement Class
13 Member List all Settlement Class Members who submitted a timely, valid Request for
14 Exclusion. This new list shall be called the Member Distribution List.

15 (f) Payments to Settlement Class Members from the NSA shall only be made to
16 Settlement Class Members appearing on the Member Distribution List (“Qualified Members”).

17 38. Defendants agree that the Settlement Administrator shall allocate and distribute 100%
18 of the NSA to individuals appearing on the Member Distribution List. Payment to Settlement Class
19 Members shall be on a pro-rata basis depending on the number of work weeks each individual worked,
20 with a “try out” shift counting as one work week. No monies will revert back to Defendants. Settlement
21 Class Members who are also PAGA Aggrieved Employees who choose to exclude themselves from
22 the present Settlement will still be entitled to receive their share of the PAGA payment.

23 39. The Settlement Administrator shall make payments from the NSA only pursuant to the
24 terms of this Settlement Agreement and only after the Effective Date.

25 40. For the purposes of calculating applicable taxes:

26 (a) From the NSA, thirty percent (30%) of each Settlement Payment shall be
27 allocated to unpaid wages and seventy percent (70%) to penalties and interest. The Settlement
28 Administrator shall make appropriate withholdings for the payment of taxes and other required

1 withholdings. The Qualified Members shall be individually responsible for the employee's
2 share of taxes attributable to receipt of the Qualified Member's payment. The Settlement
3 Administrator shall be responsible for determining the employer share of any applicable
4 payroll taxes attributable to the class member payouts and remit, along with the appropriate
5 documentation, to the relevant taxing agencies in accordance with applicable laws and
6 regulations. Defendants shall provide the Settlement Administrator with any information
7 reasonably necessary to perform the calculations discussed in this Paragraph.

8 (b) All PAGA payments to PAGA Aggrieved Employees shall be treated as
9 amounts due to PAGA Aggrieved Employees as part of the state of California's release of
10 PAGA claims arising out of the Action and shall be characterized as penalties (one hundred
11 percent [100%]).

12 (c) One hundred percent (100%) of the Enhancement Awards will be allocated to
13 ordinary income, payable on a Form 1099.

14 41. The final approval hearing will be set within ninety (90) calendar days from the date
15 that notice is first mailed or as soon as the Court is available. Defendants shall fully fund the GSA by
16 transmitting the funds to the Settlement Administrator no later than thirty (30) calendar days after the
17 Effective Date into an escrow account set up by the Settlement Administrator. Defendants shall
18 authorize the payments due to Plaintiffs, Class Counsel, the Settlement Administrator, PAGA
19 Aggrieved Employees' shares of the PAGA payments, the LWDA's share of the PAGA payments,
20 relevant tax authorities, and the Qualified Members. All settlement checks which are not cashed within
21 One Hundred and Eighty (180) calendar days of payment to Qualified Members shall be donated
22 equally to West Marin Community Services and YMCA Sonoma County, two non-profit organizations
23 which, among other things, offer services to low-income members in the Bay Area, and with respect
24 to which the Parties and their counsel have no connection or affiliation.

25 42. The Settlement Administrator shall deposit the GSA, in a noninterest-bearing
26 distribution account immediately upon receipt of the fund transfers. The Settlement Administrator
27 shall pay class member payouts, less applicable taxes and withholdings, by mailing the payments via
28 first-class mail to the Qualified Members within fifteen (15) calendar days of receipt of the total GSA.

43. The Settlement Administrator shall pay Class Counsel any attorneys' fees, costs and expenses approved by the Court within fifteen (15) calendar days of receipt of the total GSA.

44. The Settlement Administrator shall pay Plaintiffs any Enhancement Award approved by the Court within fifteen (15) calendar days of receipt of the total GSA.

45. The Settlement Administrator shall pay the LWDA and to PAGA Aggrieved Employees any amount allocated to settlement of the PAGA claims approved by the Court within fifteen (15) calendar days of receipt of the total GSA.

IX.

RELEASES

46. Settlement Class Members' Released Claims: Upon final approval of the Settlement Agreement, and except as to the right to enforce the terms and conditions of the Settlement, Plaintiffs and all Settlement Class Members hereby fully release Defendants and all of their respective present and former parents, subsidiaries, affiliates, and joint ventures, and all of their current or former owners—including but not limited to Carol LeValley, Josh Harris, San Francisco Equity Partners, including its individual partners, the LeValley-Harris 2015 Living Trust, The Survivor's Trust Portion of the William & Margaret LeValley Family, Maimoni Holdings, LLC, Luis Maimoni, Sally Maimoni, Andrew Maimoni, Marc Harris, Peggy Harris (and trust), and Adam Harris—current and former shareholders, investors, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them (“Releasees”) from any and all claims or causes of action that were raised or alleged or reasonably could have been raised or alleged based on the facts alleged in the Action, regardless of theory of recovery (the “Released Class Claims”), including but not limited to (1) all claims for unpaid minimum or regular wages, (2) all claims for unpaid overtime or double time wages, (3) all claims for meal or rest break violations, (4) all claims for failure to pay reporting time pay, (5) all claims for wage statement violations and recordkeeping violations, (6) all claims for untimely payment of wages during employment and at separation, (7) all claims for the failure to reimburse for necessary business expenses, (8) all claims for unpaid vacation, sick pay, or other paid time off, (9) all claims for failure to properly calculate rates of pay for overtime, meal and rest period premiums,

1 paid sick pay or other time off, reporting time pay, or any other pay rate, (10) all claims asserted
2 through California Business & Professions Code section 17200, *et seq.*, (11) all claims asserted under
3 the applicable California Industrial Welfare Commission Wage Orders, including but not limited to
4 all claims pertaining to Alternative Workweek Schedules, and (12) all penalties, including PAGA civil
5 penalties, liquidated damages, or interest allegedly due to any of the foregoing alleged claims,
6 violations, and theories of liability. Settlement Class Members shall further agree to waive their right
7 to pursue individual lawsuits or arbitrations as to any of the Released Class Claims against the
8 Releasees to the extent such Released Class Claims accrued during the Class Period. This Agreement
9 is conditioned upon the release by all Settlement Class Members of any claim under Labor Code
10 section 2699, as to the released claims set forth above, and upon covenants by all members that they
11 will not participate in any proceeding seeking penalties as to the released claims set forth above. The
12 Parties stipulate that beyond the Gross Settlement Value, Defendants shall not owe any further monies
13 to the Settlement Class or to the State of California based upon any claim made in the Action or in any
14 complaint filed therein.

15 47. Release of PAGA Claims: Plaintiffs, on behalf of the State of California, will release
16 Defendants and the Released Parties from any and all PAGA claims or causes of action of whatever
17 kind or nature which occurred during the PAGA Period that were raised or alleged, or that reasonably
18 could have been raised or alleged, based on the facts alleged in the Action and Plaintiffs' respective
19 LWDA letters, regardless of theory of recovery, including but not limited to (1) all claims for unpaid
20 minimum or regular wages, (2) all claims for unpaid overtime or double time wages, (3) all claims for
21 meal or rest break violations, (4) all claims for failure to pay reporting time pay, (5) all claims for
22 wage statement violations and recordkeeping violations, (6) all claims for untimely payment of wages
23 during employment and at separation, (7) all claims for the failure to reimburse for necessary business
24 expenses, (8) all claims for unpaid vacation, sick pay, or other paid time off, (9) all claims for failure
25 to properly calculate rates of pay for overtime, meal and rest period premiums, paid sick pay or other
26 time off, reporting time pay, or any other pay rate, and (10) all claims asserted under the applicable
27 California Industrial Welfare Commission Wage Orders, including but not limited to all claims
28 pertaining to Alternative Workweek Schedules. It is understood and acknowledged that PAGA

1 Aggrieved Employees entitled to a share of the PAGA Amount will be issued a check for their share
2 of the PAGA Amount and will not have the opportunity to opt out of, or object to, the PAGA Release
3 as set forth in this Paragraph. This PAGA Release is binding upon all PAGA Aggrieved Employees
4 upon Court approval and payment of the PAGA Amount.

5 48. **General Release of Claims By Plaintiffs.** Upon final approval of the Settlement
6 Agreement, in addition to the claims being released by the Settlement Class Members, Plaintiffs will
7 release and forever discharge the Released Parties, to the fullest extent permitted by law, of and from
8 any and all claims, known and unknown, asserted and not asserted, which Plaintiffs have or may have
9 against the Released Parties as of the date of execution of this Settlement Agreement.

10 49. **Waiver of California Civil Code Section 1542.** As to the claims of Plaintiffs Jeferson
11 Garcia, Wilson Garcia, and Alicia Rueda De Lara, shall be deemed to have, and by operation of final
12 judgment shall have, expressly waived and relinquished to the fullest extent permitted by law the
13 provisions, rights and benefits of Section 1542 of the California Civil Code, which provides as follows:

14 **“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
15 **THAT THE CREDITOR OR RELEASING PARTY DOES NOT**
16 **KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT**
17 **THE TIME OF EXECUTING THE RELEASE AND THAT, IF**
18 **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY**
AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
OR RELEASED PARTY.”

19 Plaintiffs understand fully the statutory language of Civil Code § 1542, and, with this
20 understanding, assume all risks for claims released hereunder that have already arisen or may in the
21 future arise, whether known or unknown, suspected or unsuspected, and specifically waive all rights
22 they may have under California Civil Code § 1542 with respect to the claims released in paragraphs
23 46-47. Plaintiffs understand that, if any of the facts relating in any manner to the Action, or to the
24 release and dismissal of claims as provided in this Agreement, are hereafter found to be other than or
25 different from the facts now believed to be true, they have expressly accepted and assumed that risk
26 and agrees that this Agreement and the release of claims contained herein shall nevertheless remain
27 effective.
28

1 X.

2 **ADDITIONAL TERMS AND CONDITIONS**

3 50. No Admission of Liability, Class Certification or Representative Manageability for
4 Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims.
5 Nothing in this Agreement is intended or should be construed as an admission by Defendants that any
6 of the allegations in the First Amended Complaint, or any prior version thereto, have merit or that
7 Defendants has any liability for any claims asserted; nor should it be intended or construed as an
8 admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class
9 certification and representative treatment is for purposes of this Settlement only. If, for any reason the
10 Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the
11 right to contest certification of any class for any reasons, and Defendants reserve all available defenses
12 to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any
13 grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties'
14 willingness to settle the Action will have no bearing on, and will not be admissible in connection with,
15 any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

16 51. Settlement Fair and Reasonable

17 Class Counsel has considerable experience in litigating and settling wage-and-hour
18 class actions of this type and is sufficiently familiar with the facts of this case and the applicable laws
19 and regulations to make an informed judgment as to the fairness of this Settlement. In light of this
20 experience, and for reasons that will be more fully explained in Class Counsel's motion for preliminary
21 approval, Class Counsel and the Plaintiffs believe that the settlement terms herein are fair and
22 reasonable with regard to the interests of the Settlement Class.

23 52. Settlement the Result of Arm's-Length Bargaining.

24 The terms of the Settlement Agreement are the result of nearly four years of litigation
25 with extensive discovery and following lengthy arm's-length negotiations before a respected mediator.

26 53. Notices.

27 Except for Settlement Class Member notices which are required herein to be made to
28 or by the Settlement Administrator, all notices, requests, demands, and other communications related

to or in connection with this Agreement shall be in writing, and shall be provided by appropriate method depending on the urgency (e.g., personal delivery, facsimile, overnight delivery, or first-class U.S. mail) to:

TO THE SETTLING CLASS:

Jose Macias, Jr.
MACIAS RODRIGUEZ ADAMS LLP
1550 The Alameda, Suite 332
San Jose, California 95126
Tel: 408-455-1243
Email: jose@mra-llp.com

TO DEFENDANT:

Justin T. Curley
SEYFARTH SHAW LLP
560 Mission Street, Suite 3100
San Francisco, California 94105
Tel: 415-397-2823
Email: jcurley@seyfarth.com

54. Modification by Writing Only.

This Agreement, and its terms and Exhibits, may be modified only in a writing signed by all counsel of record for the Parties, and will not become effective unless and until approved by the Court or otherwise as ordered by the Court.

55. Representations.

1. The Plaintiffs, on behalf of themselves and the Settlement Class, have expressly authorized Class Counsel to take all appropriate actions required or permitted to be taken pursuant to this Agreement to effectuate its terms.

(a) Each attorney executing this Agreement or any of its Exhibits on behalf of any Party hereto hereby warrants that full authority to do so has been given by his/her client(s).

(b) The Parties represent and agree that neither have received and/or relied upon any advice and/or representations from the other party and/or its attorneys as to the necessity for withholding or the taxability of the consideration paid pursuant to this Agreement, whether pursuant to federal, state or local income tax statutes or otherwise.

56. Mutual Cooperation. The Parties and their counsel shall use their best efforts to cause the Court to give preliminary and final approval to this Settlement Agreement as promptly as practical, to take all steps contemplated by this Settlement Agreement to effectuate its terms and conditions, to perform all acts and execute and deliver all documents, data and declarations necessary to effectuate

all provisions of this Settlement Agreement, including but not limited to declarations from the Parties in support of class certification, and to oppose any appeal by any objector.

57. Construction and Integration.

This Agreement, including its exhibits, constitutes the entire agreement and understanding between the Parties, and supersedes any previous agreements or understandings between the Parties. No representations, warranties, or inducements have been made to any party concerning the subject matter of this Agreement and/or exhibits other than the representations, warranties and covenants contained in such documents. This Agreement and related exhibits shall be construed each as a whole, and with reference to one another, according to their fair meaning and intent. Each of the Parties represent that its/their counsel has participated and cooperated in the drafting and preparation of this Agreement and related exhibits; hence, in any construction to be made of this Agreement and/or exhibits, the same shall not be construed against any party on the basis that said party was the drafter.

58. Governing Law.

This Agreement and the Exhibits hereto shall be deemed to have been negotiated, executed and delivered, and to be wholly performed, in the State of California. The rights and obligations of the parties under the Agreement shall be construed and enforced in accordance with, and be governed by, the substantive and procedural laws of the State of California without regard to California's choice of law principles.

59. No Public Comment

Other than necessary disclosures made to or by order of the Court, necessary disclosures to be made to the LWDA, or to the Settlement Class members, Plaintiffs and Class Counsel shall not directly or indirectly disclose the facts, Gross Settlement Amount, or terms of this Settlement to the media, the press, or on any website, or otherwise issue any public statements or advertisements in any form or media concerning the settlement. This provision shall not prohibit Class Counsel from responding to specific questions from Settlement Class members, and nothing herein shall be interpreted as preventing any good faith communication by Class Counsel and/or any Parties with the Court, the Settlement Class members, or the Claims Administrator. Nothing in this provision shall be

1 construed as preventing Class Counsel from mentioning the settlement recovery amount without
2 identifying the case name, case number, or names of any of the Parties or Releasees. Class Counsel
3 shall also be allowed to refer to the Action and Settlement in other litigations to support their adequacy
4 as attorneys for a putative class or PAGA group or to justify an award of attorneys' fees.

5 60. Counterparts.

6 This Agreement may be executed in one or more faxed, email, or electronically signed
7 (i.e. DocuSign) counterparts, which may be filed with the Court. All executed counterparts, and each
8 of them, shall be deemed to be one and the same instrument. Once available, a complete set of executed
9 counterparts shall be filed with the Court. Copies of the complete set of executed counterparts may
10 be used for all purposes in lieu of the originals and shall have the same force and effect as the originals.

11 61. Attorneys' Fees, Costs and Expenses.

12 Except as otherwise specifically provided for herein, each party shall bear its/her own
13 attorneys' fees, costs and expenses, taxable or otherwise, incurred by them in or arising out of the
14 Action, and shall not seek reimbursement thereof from any other party to this Agreement.

15 62. Continuing Jurisdiction.

16 Except as otherwise specifically provided for herein, the Superior Court of the State of
17 California, County of Sonoma shall retain jurisdiction to construe, interpret and enforce this
18 Agreement and the settlement, to supervise all notices, the administration of the settlement and this
19 Agreement and distribution of the Settlement Fund, and to hear and adjudicate any dispute arising
20 from or related to the settlement and/or this Agreement.

21 63. The signatories hereto represent and warrant that they have the authority to sign on
22 behalf of their designated parties. This Settlement Agreement is intended to have a binding effect to
23 the maximum extent permitted under state and federal law.

24 64. Stay of Litigation.

25 The Parties agree that upon the execution of this Agreement the litigation shall be stayed,
26 except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of
27 this Agreement, pursuant to Code of Civil Procedure § 583.330, they agree to extend the date to bring
28 a case to trial under Code of Civil Procedure § 583.310 for the entire period of this settlement process.

65. Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

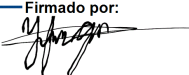
66. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defendants' Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

67. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

68. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

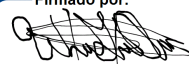
IN WITNESS WHEREOF, the undersigned Parties and their duly-authorized representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

Dated: 10/8/2024

Firmado por:


D3FE6E5D568A483...
Jeferson Garcia, individually, and on behalf
of the Settlement Class and as Class Representative

Dated: 10/9/2024

Firmado por:


E11F48AE8E57464...
Wilson Garcia, individually, and on behalf
of the Settlement Class and as Class Representative

1 Dated: 10/8/2024

DocuSigned by:

Alicia Rueda de Lara

Alicia Rueda De Lara, individually, and on behalf
of the Settlement Class and as Class Representative

4 Dated: _____

Dan Mader, on behalf of Defendants Rustic Bakery, Inc.,
Rustic Café, Inc., and Rustic Bakery International, Inc.

7 **APPROVED AS TO CONTENT AND FORM:**

9 Dated: 10/9/2024

Signed by:

Jose Macias, Jr.

JOSE MACIAS, JR.
HECTOR RODRIGUEZ
TRAVIS M. ADAMS
MACIAS RODRIGUEZ ADAMS LLP
Attorneys for Plaintiffs and the Putative Class

14 Dated: _____

JUSTIN T. CURLEY
PHILLIP J. EBSWORTH
JEFFREY A. NORDLANDER
SEYFARTH SHAW LLP
Attorneys for Defendants

1 Dated: _____

Alicia Rueda De Lara, individually, and on behalf
of the Settlement Class and as Class Representative

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4 Dated: 10/3/2024 _____

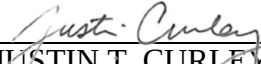

Dan Mader, on behalf of Defendants Rustic Bakery, Inc.,
Rustic Café, Inc., and Rustic Bakery International, Inc.

6
7 **APPROVED AS TO CONTENT AND FORM:**

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9 Dated: _____

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11
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13 JOSE MACIAS, JR.
HECTOR RODRIGUEZ
TRAVIS M. ADAMS
MACIAS RODRIGUEZ ADAMS LLP
Attorneys for Plaintiffs and the Putative Class

14 Dated: October 7, 2024

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JUSTIN T. CURLEY
PHILLIP J. EBSWORTH
JEFFREY A. NORDLANDER
SEYFARTH SHAW LLP
Attorneys for Defendants