

HAINES LAW GROUP, APC

Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Sean M. Blakely (SBN 264384)
sblakely@haineslawgroup.com
Neil Larsen (SBN 276490)
nlarsen@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Attorneys for Plaintiff

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

ENRIQUE ALCANTAR RUIZ, as an
individual and on behalf of all others similarly
situated,

Plaintiff,

vs.

GREENHEART FARMS, INC., a California
Corporation; and DOES 1 through 100,

Defendants.

Case No.: 21CV-0025

*[Assigned for all purposes to the Hon. Rita
Federman, Dept. 2]*

**DECLARATION OF PAUL K.
HAINES IN SUPPORT OF
PLAINTIFF'S MOTION FOR
APPROVAL OF SETTLEMENT
OF CLAIMS BROUGHT UNDER
THE PRIVATE ATTORNEYS'
GENERAL ACT AND
REASONABLE ATTORNEYS'
FEES, COSTS, AND
ENHANCEMENT PAYMENT**

Date: May 26, 2022

Time: 9:00 a.m.

Dept.: 34

Complaint Filed: January 21, 2021

Trial Date: None Set

1 I, PAUL K. HAINES, declare as follows:

2 1. I am a shareholder and principal of Haines Law Group, APC, and counsel for the
3 named Plaintiff Enrique Alcantar Ruiz (“Plaintiff”) and the Aggrieved Employees in the above-
4 captioned matter. I am a member in good standing of the bar of the State of California and am
5 admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration
6 and could testify competently to them if called upon to do so.

7 2. I am a 2006 graduate of Pepperdine University School of Law, where I graduated
8 *cum laude*. During law school, I worked as a law clerk for the appellate firm of Horvitz & Levy,
9 located in Encino, California. I also spent a semester in law school working as an extern for the
10 Honorable Edward Rafeedie, District Judge for the United States District Court for the Central
11 District of California.

12 3. Since graduating from law school, my practice has focused almost exclusively on
13 employment litigation. In September 2007, I began working as an associate attorney at the
14 international law firm of Littler Mendelson P.C., at its Los Angeles office, which according to
15 its website is the “largest U.S.-based law firm exclusively devoted to representing management
16 in every aspect of labor and employment law.” While at Littler Mendelson, I was primarily
17 staffed on wage and hour class actions venued in both state and federal courts, and I also worked
18 on a number of single and multi-plaintiff wage and hour matters as well.

19 4. During my employment at Littler Mendelson, I played a significant role in the
20 class actions that I was staffed on, as I was often the only associate staffed on such cases. In
21 particular, I received a wide-array of wage and hour class action experience performing the
22 following types of tasks: drafting demurrers, motions to strike and/or dismiss; removing actions
23 from state court to federal court; drafting and responding to written discovery; drafting and
24 opposing discovery related motions; arguing discovery related motions; drafting motions to
25 consolidate related matters; interviewing putative class members and obtaining declarations in
26 connection with class certification; drafting oppositions to motions for class certification;
27 drafting motions for decertification following class certification; conducting exposure analyses
28 to assess the strengths and weaknesses of asserted claims, the likelihood of prevailing at class

1 certification and potential damages resulting from such claims; drafting mediation briefs; serving
2 as the primary contact to in-house counsel; deposing named plaintiffs and putative class
3 members; deposing retained expert witnesses; and defending the depositions of corporate
4 witnesses. In short, I played an integral role in all aspects of litigation from the inception of a
5 matter through and beyond class certification. I also supervised the work of several junior
6 attorneys who were staffed on the same wage and hour class actions.

7 5. In June 2011, I voluntarily resigned from Littler Mendelson in order to accept an
8 associate attorney position with the international law firm of Morgan, Lewis & Bockius LLP, at
9 its Los Angeles office, where I began working in July 2011. During my employment at Morgan,
10 Lewis & Bockius LLP, I worked exclusively on the defense of wage and hour class and collective
11 actions. For the vast majority of these cases, I was the only associate staffed on the matter, and I
12 performed the same job duties as described in the immediately preceding paragraph. In addition
13 to working on wage and hour class actions, at Morgan, Lewis & Bockius I also worked on a
14 number of “hybrid” actions asserting nationwide wage and hour claims under the Fair Labor
15 Standards Act (“FLSA”), as well as California-specific claims under Rule 23 of the Rules of
16 Civil Procedure.

17 6. In July 2012, I transitioned into litigating wage and hour class actions from the
18 Plaintiff’s side, first as a Partner with the law firm of Boren, Osher & Luftman, LLP, and since
19 February 2016, as a Shareholder of the Haines Law Group, APC. Currently, over ninety percent
20 (90%) of my practice is dedicated exclusively to the prosecution of wage and hour class actions,
21 and my law firm is currently responsible for prosecuting over fifty (50) wage and hour class
22 actions filed in both State and Federal courts throughout California. I have been appointed as
23 Class Counsel in over seventy-five (75) wage and hour class action settlements in state and
24 federal courts within California. A few examples of the matters in which I have been appointed
25 as Class Counsel, all of which have been granted final approval, include the following: *Sanchez*
26 *v. Res-Care, Inc.*, Case No. BC526175, California Superior Court, County of Los Angeles,
27 Honorable John S. Wiley, presiding; *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-
28 3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge

1 John F. Walter, presiding; *Tesla Motors Wage and Hour Litigation*, JCCP 4792, California
2 Superior Court, Santa Clara County, Judge Peter H. Kirwan presiding; *Bower v. Cycle Gear, Inc.*,
3 Case No. CV14-2712 HSG, United States District Court, Northern District of California,
4 Honorable Judge Haywood S. Gilliam, Jr. presiding; *Longstreth v. PAQ, Inc., dba Food 4 Less*,
5 Case No. 15CV-0206, California Superior Court, County of San Luis Obispo, Honorable Judge
6 Charles S. Crandall, presiding; *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385,
7 California Superior Court, County of Los Angeles, Honorable Judge John Shepard Wiley, Jr.
8 presiding; *Mansilla v. Haeco Americas Line Services, LLC, et al*, Case No. BC615310, Superior
9 Court of California, County of Los Angeles, Honorable Judge Elihu M. Berle presiding. *Morales*
10 *v. Caremeridian, LLC, et al.*, Case No. BC593191, California Superior Court, County of Los
11 Angeles, Judge William F. Highberger presiding; *Rodrigues v. CP Kelco U.S., Inc.*, Case No. 37-
12 2017-00004339-CU-OE-CTL, California Superior Court, County of San Diego, Honorable
13 Judge Joel R. Wohlfeil, presiding; *Sandoval v. Rotational Molding, Inc.*, Case No. BC640678,
14 Superior Court of California, County of Los Angeles, Honorable Judge William F. Highberger
15 presiding; *Gooding v. Vita-Mix Corp., et al*, Case No. 2:16-cv-03898-ODW (JEMx), United
16 States District Court for the Central District of California, Honorable Judge Otis D. Wright II
17 presiding.

18 7. I have also moved to certify and have received an order certifying a class action
19 and/or conditionally certifying a collective action, in the following cases: *Medeiros v. Vortex*
20 *Financial Management Inc.*, Case No. 30-2013-00644741-CU-OE-CXC, California Superior
21 Court, County of Orange, Honorable Judge Gail A. Andler, presiding (certifying a class of
22 employees who were misclassified as independent contractors); *Javine v. San Luis Ambulance*
23 *Service, Inc.*, Case No. CV13-07480 BRO (SSx), United States District Court, Central District
24 of California, Honorable Judge Beverly Reid O'Connell, presiding (conditionally certifying an
25 unpaid FLSA overtime wage class); *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-
26 3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge
27 John F. Walter, presiding (certifying a rest period violation class and conditionally certifying an
28 FLSA unpaid overtime wage class); *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG,

1 United States District Court, Northern District of California, Honorable Judge Haywood S.
2 Gilliam, Jr., presiding (conditionally certifying an unpaid FLSA overtime wage class); *Vega v.*
3 *Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States District Court,
4 Eastern District of California, Honorable Jennifer L. Thurston, presiding (conditionally certifying
5 an unpaid FLSA overtime wage class); *Galvan v. AMVAC Chemical Corporation*, Case No. 30-
6 2014-00716103-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge
7 William Claster, presiding (certifying unpaid overtime wage class and waiting time penalty
8 class); *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-775372-CU-OE-CXC,
9 California Superior Court, County of Orange, Honorable Glenda Sanders, presiding (certifying
10 piece rate pay plan classes, expense reimbursement class, wage statement class, and waiting time
11 penalties class); *Ontiveros v. Safelite Fulfillment, Inc.*, et al, Case No. CV 15-7118-DMG
12 (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee
13 presiding (certifying six classes of employees for rest period violations, wage statement
14 violations, meal period violations, and overtime and double-time violations); *Vazquez, et al v.*
15 *Kraft Heinz Foods Company*, Case No. 16-cv-2749-WQH-BLM, United States District Court,
16 Southern District of California, Honorable William Q. Hayes presiding (certifying six classes of
17 employees for unpaid wages, meal period violations, wage statement violations, and waiting time
18 penalties); *Caudle, et al. v. Sprint/United Management Company, et al.* Case No. C 17-06874-
19 WHA, United States District Court, Northern District of California, Honorable William H. Alsup
20 presiding (certifying three classes of employees for unlawful wage deductions, wage statement
21 violations, and waiting time violations); *Perez v. Sunbelt Rentals, Inc.* Case No. 37-2018-
22 00026405-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Eddie C.
23 Sturgeon presiding (certifying class of employees for wage statement violations); *Staublein v.*
24 *Wells Fargo Bank, N.A.*, Case No. CIV DS1712267, San Bernardino Superior Court, Hon. David
25 S. Cohn presiding (certifying wage statement class); and *Bowlin-Burdick, et al v. Life Care*
26 *Centers of America, Inc.*, Case No. BC657139, Los Angeles County Superior Court, Honorable
27 Maren E. Nelson presiding (certifying four classes for meal period violations, rest period
28 violations, wage statement violations, and waiting time penalties).

1 8. Of particular relevance to this case, I served as lead or co-lead counsel for the
2 plaintiff and aggrieved employees in several PAGA-only settlements, including but not limited
3 to:

- 4 • *Pentinio v. Southern Wine and Spirits of America, Inc.*, Case No. BC570234,
5 California Superior Court, County of Los Angeles, Honorable Judge Maureen
6 Duffy-Lewis, presiding, approved by the Court on January 19, 2016;
- 7 • *Resendez v. Bridgestone Retail Operations, LLC*, Case No. BC596892, California
8 Superior Court, County of Los Angeles, Honorable Judge Marc Marmaro
9 presiding, approved by the Court on June 13, 2016;
- 10 • *Canul v. Basmat, Inc.*, Case No. BC674940, California Superior Court, County of
11 Los Angeles, Honorable Judge Teresa A. Beaudet presiding, approved by the
12 Court on August 22, 2018;
- 13 • *Silva v. CitiStaff Solutions, Inc.*, Case No. BC620115, California Superior Court,
14 County of Los Angeles, Honorable Judge David S. Cunningham III presiding,
15 approved by the Court on November 19, 2018;
- 16 • *Cruz v. Fleetwash, Inc.*, Case No. 19STCV03033, California Superior Court,
17 County of Los Angeles, Honorable Judge Stuart M. Rice presiding, approved by
18 the Court on October 7, 2019; and
- 19 • *Ibarra v. Baker Commodities, Inc.*, Case No. 19STCV06148, California Superior
20 Court, County of Los Angeles, Honorable Yolanda Orozco presiding, approved
21 by the Court on September 30, 2020.

22 9. In 2015, 2016, and 2017, Thomson Reuters recognized me as a Top Young
23 Attorney in Southern California in the annual Rising Star Edition of Super Lawyer. This is an
24 honor awarded to no more than two and a half percent of attorneys under the age of forty in
25 Southern California each year. In 2018, 2019, and 2020, Thomson Reuters recognized me as a
26 “Super Lawyer,” an honor awarded to no more than five percent of attorneys in Southern
27 California each year.

28 10. As counsel for Plaintiff and Aggrieved Employees in this case, I have been

intimately involved in every aspect of this case from its inception through the present, and I believe the proposed Settlement is fair, reasonable and adequate for the Aggrieved Employees and the State of California.

11. Founded in 1979, Defendant Greenheart Farms, Inc. (“Greenheart”) is one of leading vegetable, restoration and rose transplant producers in the State of California. During the PAGA Period, Greenheart operated three facilities in California and boasts one of the largest nurseries in the country, with a total of 123 acres of indoor and outdoor plant production.

12. On January 21, 2021, Plaintiff filed the instant action, alleging class-wide violations of the California Labor Code for: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage statement violations; (6) waiting time penalties; and (7) unfair competition. That same day, Plaintiff also submitted his notification letter to Greenheart and to the LWDA regarding Greenheart’s alleged Labor Code violations, as required by Labor Code § 2699.3. Attached hereto as **Exhibit 2** is a true and correct copy of Plaintiff’s January 21, 2021 PAGA letter.

13. On March 29, 2021, after exhausting his pre-filing PAGA requirements, Plaintiff filed a First Amended Class and Representative Action Complaint adding a cause of action for civil penalties under the PAGA based on the same underlying Labor Code violations as those alleged in his original complaint. Shortly thereafter, Greenheart produced an arbitration agreement with a class action waiver that Plaintiff had signed and, as a result, Plaintiff dismissed his class-wide claims without prejudice, leaving Plaintiffs’ PAGA claim as the sole cause of action.

14. On December 9, 2021, the parties attended a full-day mediation with mediator Henry J. Bongiovi, Esq., in an effort to resolve Plaintiff’s PAGA claim. In connection with mediation, Greenheart informally produced information and documents pertaining to Plaintiff and other Aggrieved Employees, including, but not limited to, payroll and timekeeping records for Plaintiff and a representative sample of Aggrieved Employees; several data points including the number of Aggrieved Employees and their hire and termination dates (where applicable); and Greenheart’s relevant wage and hour policy documents, in order for Plaintiff’s counsel to

1 investigate Plaintiff's allegations and value the claims prior to mediation. In connection with
2 mediation, Plaintiff's counsel hired a labor economist with a Ph.D. in economics to conduct a
3 comprehensive analysis and extrapolation of the timekeeping and payroll data, to assist in
4 calculating Greenheart's potential PAGA exposure. During mediation, the parties vigorously
5 debated the legal bases for Plaintiff's claims and Greenheart's defenses, the manageability of the
6 case as a representative action, the potential amount of penalties, and the parties' data analyses
7 and conclusions based thereon. With the assistance of Mr. Bongiovi, the parties agreed to fully
8 and finally resolve Plaintiff's PAGA claim. The parties subsequently negotiated and finalized the
9 Settlement now before the Court.

10 15. A true and correct copy of the fully-executed Settlement Agreement is attached
11 hereto as **Exhibit 1**. The proposed Explanatory Letter to be mailed to Aggrieved Employees with
12 their settlement payments is attached as **Exhibit A** to the Settlement Agreement. The Settlement
13 provides for Greenheart to pay a Gross Settlement Amount ("GSA") of \$330,000.00. After
14 deducting amounts for requested attorneys' fees, attorneys' costs, Plaintiff's Enhancement
15 Payment, and settlement administration costs, the Settlement provides for the Net Settlement
16 Amount ("NSA") to be distributed 75% to the LWDA and 25% to Aggrieved Employees,
17 pursuant to Lab. Code § 2699(i). The 25% portion to Aggrieved Employees shall be distributed
18 based on each Aggrieved Employee's proportional number of pay periods worked for Greenheart
19 in California during the PAGA Period. The settlement is non-reversionary, and does not require
20 Aggrieved Employees to submit claim forms to reap financial benefit from the Settlement. Based
21 on a GSA of \$330,000, the total amount paid to Aggrieved Employees is estimated at \$48,634.96,
22 with approximately \$145,904.88 paid to the LWDA. According to information provided by
23 Greenheart, the number of Aggrieved Employees is approximately 328. Thus, the average
24 payment to Aggrieved Employees is estimated at \$148.28.

25 16. Although he steadfastly maintains his claims are meritorious, Plaintiff
26 acknowledges his position included real risks and uncertainty. For example, with respect to
27 Plaintiff's unpaid wage claims, Plaintiff alleges that from the beginning of the PAGA Period
28 through August 28, 2020, Greenheart did not accurately record the hours worked by its non-

1 exempt employees, and that during this time period, Greenheart's foremen maintained
2 handwritten records of employees' hours worked and failed to accurately record all time actually
3 worked by employees. However, Greenheart contends it utilized a compliant timekeeping
4 system that compensated employees for all hours worked. Greenheart further argues that starting
5 on or around August 28, 2020, Greenheart required its employees to clock in/out for their
6 workday by entering a code into a tablet, which recorded employees' time worked to the minute.
7 Greenheart further argues that just because an employee is clocked in does not mean they are
8 performing compensable work. Greenheart also contends this claim was not manageable on a
9 representative basis, since individualized inquiries would be necessary as to whether employees
10 were in fact underpaid or overpaid for each workday in question (including whether they were
11 actually working when they were clocked in), resulting in an unmanageable series of mini-trials.

12 17. With respect to Plaintiff's meal period claims, Greenheart contends that it has
13 always maintained compliant written meal period policies throughout the PAGA Period, and that
14 employees are free to take their meal periods whenever they choose as Greenheart does not police
15 employee meal periods. Greenheart also maintains that Plaintiff's meal period claim would not
16 be manageable on a representative basis, as individual inquiries would be required to establish
17 which Aggrieved Employees experienced non-compliant meal periods, how many non-compliant
18 meal periods each Aggrieved Employee experienced, and why a particular Aggrieved Employee
19 had a non-compliant meal period during a particular shift.

20 18. With respect to Plaintiff's rest period claims, Greenheart contends its written rest
21 period policies are legally compliant, and that it has always authorized and permitted employees
22 at least 10-minute rest periods for each four (4) hours worked, or major fraction thereof. Any
23 failure to take rest periods was a result of employee choice, Greenheart argues, rather than any
24 Greenheart policy or practice. Greenheart further argues that Plaintiff's rest period claim is not
25 manageable on a representative basis, since individual inquiries would be required to determine
26 which employees failed to take rest periods, how many rest periods they failed to take, and the
27 reasons why each employee failed to take rest period(s) on a particular shift. These manageability
28 concerns are especially present with respect to rest periods, Greenheart argues, since rest periods

are not recorded.

19. As for Plaintiff's claims that Greenheart violated its wage statement and final payment obligations in violation of Labor Code §§ 226 and 203, respectively, Greenheart asserts it has strong, good-faith defenses to Plaintiff's underlying claims, precluding a finding of a failure to pay all final wages that would otherwise result in waiting time penalties. Greenheart further contends Plaintiff's meal and rest period claims cannot support a claim for violations of Labor Code §§ 226 or 203.

20. Greenheart further maintains that even if the Court awarded PAGA penalties for any of the alleged violations, it would substantially reduce the penalties based on the discretionary factors in Labor Code § 2699(e)(2) (authorizing reduction in penalties "if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."). Indeed, Greenheart argues, many courts have reduced PAGA penalties drastically where, as here, the employer presented good-faith defenses and attempted to comply with the law.

21. Plaintiff asserts that he would be able to seek PAGA penalties for each Aggrieved Employee for each pay period in the PAGA limitations period. Based on data provided by Greenheart, there were approximately 13,296 pay periods during the PAGA limitations period. Assuming an initial violation rate of \$100 per pay period under Labor Code § 2699(f), Plaintiff estimated a maximum potential PAGA exposure of \$1,329,600. However, because the Court maintains discretion to reduce these penalties, and in light of Greenheart's arguments and defenses described above, Plaintiff discounted that figure by 40% for a risk of losing on the merits, and by an additional 55% for risk of the Court reducing penalties, to arrive at a realistic exposure of \$358,992. The proposed \$330,000 GSA thus represents approximately 91.9% of Plaintiff's reasonably forecasted total recovery, while avoiding the risks of proceeding through trial.

22. My office is requesting attorneys' fees of one-third of the Gross Settlement Amount (i.e., \$110,000.00). Based on my experience in similar wage and hour class and representative actions in California state courts, fee awards in matters such as this one generally

1 equal about one-third of the gross recovery. In addition, and as explained below and in the
2 accompanying Motion, the requested fee is fair compensation for undertaking complex, risky,
3 expensive, and time-consuming litigation on a purely contingent basis. This case also involved
4 nuanced legal issues, including the legality of Greenheart's timekeeping practices and obligations
5 to "provide" meal and rest periods, as well as the availability and amount of PAGA civil penalties
6 for the alleged Labor Code violations. Greenheart was also represented by experienced wage-
7 and-hour litigation counsel.

8 23. My office has expended significant time and effort in this case, including but not
9 limited to: conducting extensive research regarding the merits of Plaintiff's claims, his ability to
10 recover PAGA civil penalties, and Greenheart's potential defenses; conducting significant
11 analysis of data and information produced by Greenheart, and using this data and analysis to draft
12 a comprehensive mediation brief and exposure analysis; attending a full-day mediation; and
13 preparing and negotiating the Settlement, this Motion and supporting declarations. My office will
14 also oversee the settlement administration process and work with the administrator to prepare a
15 post-disbursement declaration. Given the considerable potential for adverse outcomes in this
16 case, the contingent risk borne by Plaintiff's counsel was great.

17 24. Since undertaking representation of Plaintiff, my firm has dedicated substantial
18 resources to this litigation without receiving any compensation to date. My office is requesting
19 reimbursement of up to \$16,465.16 in total costs, which includes \$62.40 of anticipated costs for
20 filing and serving the instant Motion. A summary of the costs incurred by my office to date in
21 connection with this case is attached hereto as **Exhibit 3**. These costs include filing fees, copying
22 costs, mediation fees, service fees, expert costs, and other expenses that were all reasonably
23 incurred in the prosecution of this litigation on behalf of Plaintiff and the Aggrieved Employees.

24 25. In this case, my office has a lodestar of approximately \$115,910.00 without the
25 use of any multiplier, resulting in a *negative* multiplier of approximately 1.05 compared to the
26 \$110,000.00 fee request. Below is a general summary showing the number of hours of work
27 performed by each attorney and paralegal in my firm on this case:
28

Name	Rate	Hours	Pre-Multiplier Lodestar
Paul K. Haines (16th Year Attorney)	\$675	29.8	\$20,115.00
Sean M. Blakely (13th Year Attorney)	\$650	86.3	\$56,095.00
Neil Larsen (11th Year Attorney)	\$550	24.4	\$13,420.00
Bianca V. Perez (3rd Year Attorney)	\$325	77.2	\$25,090.00
Paralegals	\$175	6.8	\$1,190.00
Total Lodestar			\$115,910.00

26. My proposed hourly rate of \$675, Mr. Blakely's proposed hourly rate of \$650, Mr. Larsen's proposed hourly rate of \$550, and Ms. Perez's hourly rate of \$325 are reasonable in light of our respective skills, wage and hour class action litigation experience, reputation, and fee awards to other attorneys of similar experience in California. Moreover, our requested hourly rates are in line with the *Laffey* Matrix, a true and correct copy of which is attached hereto as **Exhibit 4**.

27. I believe the requested \$5,000 enhancement payment to Plaintiff is reasonable given Plaintiff's efforts in this case and the risks he undertook on behalf of Aggrieved Employees. Plaintiff provided substantial factual information and documents to my office, assisted in identifying potential witnesses, and otherwise assisted in the prosecution of this case, and also undertook significant risk in the event this case were lost as well as the reputational risk inherent in suing a former employer on a representative basis. Accordingly, I believe Plaintiff's requested enhancement payment is reasonable.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on April 29, 2022, at El Segundo, California.



Paul K. Haines

EXHIBIT 1

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Settlement”) is made and entered into between Plaintiff Enrique Alcantar Ruiz (“Plaintiff”), acting in a private attorney general capacity, and Defendant Greenheart Farms, Inc. (“Defendant” or “Greenheart Farms”) (collectively, the “Parties”).

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” means the matter titled *Enrique Alcantar Ruiz v. Greenheart Farms, Inc.*, San Luis Obispo Superior Court, Case No. 21CV-0025, and as set forth in Plaintiff’s correspondence to the California Labor and Workforce Development Agency (“LWDA Letter”) dated January 21, 2021.
2. “Aggrieved Employees” consist of all current and former non-exempt employees who worked for Greenheart Farms in California at any time during the PAGA Period. The number of Aggrieved Employees, including Plaintiff, is estimated to be approximately 328 individuals.
3. “Greenheart Farms” or “Defendant” means Greenheart Farms, Inc.
4. “Settlement Administrator” means Phoenix Settlement Administrators.
5. “Complaint” means the operative complaint in the Action, which is the First Amended Class and Representative Action Complaint.
6. “Court” means the Superior Court of California for the County of San Luis Obispo.
7. “Individual PAGA Payment” means the amount to be paid to each Aggrieved Employee based on the formula described herein.
8. “LWDA” means the California Labor and Workforce Development Agency.
9. “Gross Settlement Amount” is the non-reversionary sum of Three Hundred Thirty Thousand Dollars and Zero Cents (\$330,000.00), which represents the total amount payable under this Settlement Agreement by Greenheart Farms (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff’s attorneys’ fees and costs, payment of Plaintiff’s enhancement payment, and payment to the Settlement Administrator for administration costs.
10. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff’s attorneys’ fees up to one third of the Gross Settlement Amount; (b) Plaintiff’s litigation costs up to \$25,000.00; (c) Plaintiff’s enhancement payment up to \$5,000.00; and (d) settlement administration costs up to \$5,000.00.

11. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

12. “PAGA Period” means the time period from January 21, 2020 through the date of the Court Order granting approval of the PAGA Settlement.

13. “PAGA Released Claims” mean all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties under the PAGA, that were alleged in the Action or that could have been alleged based on the facts alleged in the Action. The PAGA Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 201-204, 226, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198; and claims for attorneys’ fees, costs, or interest resulting therefrom. The release of the PAGA Released Claims shall extend for the duration of the PAGA Period.

14. “Parties” means, collectively, Plaintiff and Greenheart Farms.

15. “Plaintiff’s Counsel” means Paul K. Haines, Sean M. Blakely, and Neil Larsen of Haines Law Group, APC.

16. “Released Parties” means Greenheart Farms and its former, present and future owners, parents, and subsidiaries, and all of their current, former and future officers, directors, members, managers, partners, shareholders, joint venturers, successors, assigns, accountants, insurers, or legal representatives.

II. RECITALS

1. Plaintiff performed work for Greenheart Farms as a non-exempt employee in California during the PAGA Period and is therefore an Aggrieved Employee.

2. On January 21, 2021 Plaintiff provided written notice to the LWDA and Greenheart Farms asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of various Labor Code sections and his intent to file a civil lawsuit under the PAGA.

3. On January 21, 2021, Plaintiff filed a class action complaint titled *Enrique Alcantar Ruiz v. Greenheart Farms, Inc.*, San Luis Obispo Superior Court, Case No. 21CV-0025, asserting multiple claims against Greenheart Farms for violations of the Labor Code on a class-wide basis. On March 29, 2021, after exhausting his administrative requirements for bringing a claim under the PAGA, Plaintiff filed a First Amended Class and Representative Action Complaint, which added a claim for PAGA civil penalties.

4. After the Action was filed, Greenheart Farms met and conferred with Plaintiff’s Counsel about the arbitration agreement and class action waiver previously signed by Plaintiff, and Plaintiff ultimately agreed to dismiss Plaintiff’s class claims without prejudice. In response to Plaintiff’s Counsel’s informal discovery requests, Greenheart Farms provided Plaintiff’s Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees in order for Plaintiff’s Counsel to investigate Plaintiff’s allegations and value the claims prior to mediation.

5. On December 9, 2021, the Parties participated in mediation before mediator Henry Bongiovi, Esq. With the assistance of Mr. Bongiovi, the Parties agreed to fully and finally resolve the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit, or an admission by Greenheart Farms of any liability or wrongdoing as to Plaintiff, the Aggrieved Employees or any other person. Greenheart Farms specifically disclaims and denies any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Greenheart Farms shall pay Three Hundred Thirty Thousand Dollars and Zero Cents (\$330,000.00) as the non-reversionary Gross Settlement Amount. Greenheart Farms will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). Greenheart Farms shall deposit the Gross Settlement Amount into a Qualified Settlement Account and agrees to fund the settlement within forty-five (45) days of the Court's Order approving the PAGA settlement.

The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiff's attorneys fees and litigation costs; (3) Plaintiff's enhancement payment; and (4) Settlement administration costs.

3. **Escalator Clause.** Greenheart Farms represents that there are approximately 13,296 pay periods worked by Aggrieved Employees in California during the PAGA Period ("Affected Pay Periods"). If the actual number of Affected Pay Periods is more than 10% greater than this number (i.e., if there are more than 14,626 Affected Pay Periods), Greenheart Farms shall have the option to increase the GSA in proportion to the increase in Affected Pay Periods (e.g., if the number of Affected Pay Periods is 12% greater than 13,296, Greenheart Farms will increase the GSA by 12%) or Plaintiff may revoke the Agreement.

4. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Plaintiff's Attorneys' Fees and Costs.** Greenheart Farms will not oppose Plaintiff's request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be \$110,000.00) and costs up to \$25,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). Greenheart Farms, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. Plaintiff's Enhancement Payment. Greenheart Farms will not oppose Plaintiff's request for an enhancement payment of up to \$5,000.00 for serving as the representative plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for Plaintiff's enhancement payment). Greenheart Farms, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

c. Administration Costs. Greenheart Farms will not oppose the Settlement Administrator's costs in the amount up to \$5,000.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Greenheart Farms, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

5. Allocation of Net Settlement Amount. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata, based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

a. The parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

6. PAGA Released Claims. Plaintiff agrees that upon entry of an Order approving the Settlement and judgment entered thereon, and upon the Settlement being fully funded, Plaintiff and all Aggrieved Employees will release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the settlement and judgment entered thereon and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

7. Covenants and Representations by Plaintiff and Plaintiff's Counsel.

a. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

8. Confidentiality. Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the settlement on any

website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's counsel may reference the Action by referencing "Anonymous" and case number in a declaration establishing adequacy as class or representative counsel.

To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Labor Code § 2699(1)(2).

9. **Motion for Approval of PAGA Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for promptly preparing and filing the Motion for Approval of the PAGA Settlement.

10. **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

11. **Judgment.** As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. The Parties shall confer and agree on the Motion and the proposed judgment before submission to the Court. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and the Aggrieved Employees.

12. **Preclusive Effect of Settlement Agreement and Approval.** The terms of this Settlement Agreement and the Order and judgement are binding on Plaintiff, the State of California, and all Aggrieved Employees, as well as their heirs, executors and administrators, successors and assigns, and those terms shall have res judicata, collateral estoppel and other preclusive effect in all pending and future claims, lawsuits or other proceedings maintained by or on behalf of any such persons, to the extent those claims, lawsuits or other proceedings constitute PAGA Released Claims as set forth in this Settlement Agreement. Notwithstanding any other provision in this Settlement Agreement, this Settlement Agreement and the Order and judgment in the Action may be filed in any action against or by Defendant or the Released Parties to support a defense of res judicata, collateral estoppel, release, waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion, issue preclusion or similar defense or counterclaim.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Parties agree to engage Phoenix Settlement Administrators to handle the administration of this settlement.

2. **Provision of Information for Aggrieved Employees.** Within ten (10) business days after entry of an order approving the settlement, Greenheart Farms shall provide the Settlement Administrator with information for Aggrieved Employees. Greenheart Farms will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, number of pay periods worked during the PAGA Period, and Social Security numbers to the extent available from Greenheart Farms' records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within seven (7) calendar days of receiving the Aggrieved Employees' information from Greenheart Farms, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendant's counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address or

Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

In the event that an Aggrieved Employee's check is undeliverable, uncashed, or otherwise distributed to the State Controller's Office, Unclaimed Property Division, the terms of the final judgment and the Release of Claims will nevertheless be binding upon that Aggrieved Employee.

5. **Distribution of Payments.** Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and litigation costs and expenses; (4) Plaintiff for the Court-approved enhancement payment and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement. Payments made by Greenheart Farms pursuant to this Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with any accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting.** Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences.** Neither Plaintiff nor Greenheart Farms, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement. Aggrieved Employees are responsible for correctly characterizing compensation under this Settlement Agreement for tax purposes and paying any taxes owing on said amounts. The Administrator shall issue employees IRS 1099 Forms reflecting payment issued to them under this Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Drafting.** The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in San Luis Obispo, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of San Luis Obispo.

5. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

7. **Judgment and Continued Jurisdiction.** As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

8. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties.

9. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the mediator (Henry Bongiovi) or the Court to resolve such disagreement.

10. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties

believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement.

12. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

13. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

14. **Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

15. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

16. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

17. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

18. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

19. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to

disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: _____, 2022

Enrique Alcantar Ruiz, Plaintiff

GREENHEART FARMS, INC.

Dated: _____, 2022

By:
Its:

APPROVED AS TO FORM:

Dated: _____, 2022

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff Enrique Alcantar Ruiz

Dated: _____, 2022

MULLEN & HENZELL, L.L.P.

By: _____
Rafael Gonzalez
Attorneys for Defendant Greenheart Farms, Inc.
4878-5751-4503, v. 3

disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: 03/15, 2022


Enrique Romero (Mar 15, 2022 17:47 PDT)
Enrique Alcantar Ruiz, Plaintiff

GREENHEART FARMS, INC.

Dated: March 24, 2022


By: Chad Ianneo
Its: General Manager

APPROVED AS TO FORM:

Dated: 4-28, 2022

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff Enrique Alcantar Ruiz

Dated: March 24, 2022

MULLEN & HENZELL, L.L.P.

By: 
Rafael Gonzalez
Attorneys for Defendant Greenheart Farms, Inc.
4878-5751-4503, v. 3

PAGA Settlement Agreement (FINAL)

Final Audit Report

2022-03-16

Created:	2022-03-15
By:	Karla Islas (kisl@haineslawgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAuzL8C12xJ-FwYvLvVE_gGza4QgFGRO_

"PAGA Settlement Agreement (FINAL)" History

-  Document created by Karla Islas (kisl@haineslawgroup.com)
2022-03-15 - 7:53:36 PM GMT
-  Document emailed to Enrique Romero (ruize967@gmail.com) for signature
2022-03-15 - 7:54:06 PM GMT
-  Email viewed by Enrique Romero (ruize967@gmail.com)
2022-03-15 - 9:54:20 PM GMT
-  Document e-signed by Enrique Romero (ruize967@gmail.com)
Signature Date: 2022-03-16 - 0:47:15 AM GMT - Time Source: server
-  Agreement completed.
2022-03-16 - 0:47:15 AM GMT

EXHIBIT A

Re: **Payment from Enrique Alcantar Ruiz v. Greenheart Farms, Inc.**
Superior Court of California San Luis Obispo County; Case No. 21CV-0025

Date: / / 2022

SIMID
Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of a lawsuit titled *Enrique Alcantar Ruiz v. Greenheart Farms, Inc.*, San Luis Obispo Superior Court, Case No. 21CV-0025, pending in the Superior Court of the State of California for the County of San Luis Obispo (the “Action”).

The Action was filed against Greenheart Farms, Inc. (“Greenheart Farms”) and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). The Action was brought by Plaintiff Enrique Alcantar Ruiz (“Mr. Ruiz”), a former employee of Greenheart Farms, on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

In the lawsuit, Mr. Ruiz claimed that Greenheart Farms violated the California Labor Code by failing to pay minimum wages, failing to pay overtime wages, failing to provide compliant meal and/or rest breaks, failing to provide employees with itemized wage statements, and failing to pay employees all wages upon separation of employment. Greenheart Farms disputes all of Mr. Ruiz’s allegations and denies that it engaged in any of the alleged misconduct. The parties have reached a settlement of Mr. Ruiz’s representative PAGA claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California’s Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Greenheart Farms who were allegedly affected by the alleged violations of the Labor Code. In agreeing to enter into this settlement, Greenheart Farms does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and has denied and disputed all of Mr. Ruiz’s contentions. The Court has not decided the merits of Mr. Ruiz’s claims or Greenheart Farms’ defenses.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name. If you are still employed by Greenheart Farms, your decision to cash the check will not affect your employment in any way.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under the PAGA that were alleged in, or could have been alleged based on the facts alleged in, Mr. Ruiz’s complaint in the Action, including claims for civil penalties, attorneys’ fees, costs, or interest under the PAGA based on Greenheart Farms’ alleged failure to pay overtime, alleged failure to pay all minimum wages, alleged failure to provide proper meal periods, alleged failure to authorize and permit rest periods, alleged failure to furnish accurate wage statements, and alleged failure to timely pay final wages, during the time period January 21, 2020 through <THE DATE OF THE ORDER APPROVING THE PAGA SETTLEMENT> (the “PAGA Period”).

If you have any questions, you can contact Phoenix Settlement Administrators, the Settlement Administrator, at 1- [REDACTED] - [REDACTED].

EXHIBIT 2

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

January 21, 2021

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Enrique Alcantar Ruiz v. Greenheart Farms, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Enrique Alcantar Ruiz (“Mr. Alcantar”) in claims arising from his employment with Greenheart Farms, Inc.; and Does 1 through 100 (collectively “Greenheart”). Mr. Alcantar is an “aggrieved employee” as defined by Labor Code Section 2698 *et seq.*, due to Greenheart’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, “aggrieved employees” include all of Greenheart’s non-exempt employees who worked for Greenheart in California during the one year immediately preceding the date of this letter through the present.

Greenheart grows and produces vegetables, fruits, flowers, and other plants in fields and greenhouses located at three facilities in California. Mr. Alcantar began working for Greenheart as a non-exempt tractor driver in approximately December 2019 and worked in that position until approximately February 2020, when he was injured. After Mr. Alcantar’s work injury, he worked “light duty” until approximately October 2020, when his employment was terminated.

Throughout Mr. Alcantar’s employment with Greenheart, Greenheart’s timekeeping policies and/or practices resulted in Mr. Alcantar and other aggrieved employees not being compensated for all hours actually worked, whether by rounding, time-shaving, or otherwise. At the beginning of Mr. Alcantar’s employment with Greenheart, Mr. Alcantar and other aggrieved employees did not clock in or out for their work shifts, rather, a supervisor would purportedly record the start and end times of Mr. Alcantar’s and other aggrieved employees’ shifts, and would often record Mr. Alcantar’s and other aggrieved employees’ hours in whole hour increments, resulting in a failure to compensate for all hours worked. Upon information and belief, in approximately February 2020, Greenheart required Mr. Alcantar and other aggrieved employees to clock in and out of their work shifts through an electronic tablet. Although this electronic tablet recorded timekeeping entries to the minute, Greenheart rounded Mr. Alcantar’s and other

aggrieved employees' timekeeping entries in an uneven manner to a quarter of an hour increment. Upon information and belief, Greenheart's timekeeping policies/practices regularly, systematically, and impermissibly rounded the hours worked by Mr. Alcantar and other aggrieved employees in Greenheart's favor, resulting, over a period of time, in the failure to compensate Mr. Alcantar and other aggrieved employees for all hours worked. As a result, Mr. Alcantar and other aggrieved employees were not compensated for all required minimum and overtime wages.

Greenheart failed to provide Mr. Alcantar and other aggrieved employees with all legally compliant meal periods due to Greenheart's meal period policies/practices, which have frequently resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and missed meal periods. Specifically, Greenheart's supervisors would frequently inform Mr. Alcantar and other aggrieved employees that their meal period would only be 15-20 minutes due to work demands. Furthermore, Mr. Alcantar's and other aggrieved employees' meal periods frequently commenced after the completion of five hours of work as Mr. Alcantar and other aggrieved employees needed express authorization from their supervisor to take a meal period, which often resulted in late meal periods. Additionally, Greenheart failed to provide Mr. Alcantar and other aggrieved employees with second meal periods on shifts over 10.0 hours. Greenheart did not require Mr. Alcantar and other aggrieved employees to record their meal periods. Instead, upon information and belief, Greenheart automatically deducted 30 minutes from the total hours worked for each shift worked regardless of whether the employee took a full 30-minute compliant meal period. On those occasions when Mr. Alcantar and other aggrieved employees were not provided with all legally-compliant meal periods to which they were entitled, Greenheart failed to compensate Mr. Alcantar with the required meal period premium(s) for each workday there was a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, Greenheart maintained no mechanism for the payment of meal period premium payments as required by Labor Code § 226.7, in the event that a legally-compliant meal period was not provided to their non-exempt employees.

Mr. Alcantar and other aggrieved employees were not authorized and permitted to take all required rest periods due to Greenheart's unlawful rest period policies/practices, which failed to authorize and permit a net 10-minute rest period for every four hours worked, or major fraction thereof. Specifically, although Mr. Alcantar and other aggrieved employees regularly worked shifts in excess of 6.0 hours, Mr. Alcantar and other aggrieved employees were often only authorized and permitted one rest period during the first half of their shift, and were not authorized and permitted a second rest period during the second half of their shift. On those occasions when Mr. Alcantar and other aggrieved employees were not authorized and permitted to take all legally-compliant rest periods to which they were entitled, Greenheart failed to compensate Mr. Alcantar and other aggrieved employees with the required rest period premium(s) for each workday there was a rest period violation as mandated by Labor Code § 226.7. Upon information and belief, Greenheart maintained no mechanism for the payment of rest period premium payments as required by Labor Code § 226.7, in the event that a legally-compliant rest

period was not authorized and permitted to their non-exempt employees.

As a result of Greenheart's failure to pay all minimum and overtime wages and failure to pay all meal and rest period premium wages, Greenheart failed to timely pay all final wages to Mr. Alcantar and other former employees upon their separation of employment from Greenheart. As a further result of Greenheart's failure to pay all minimum and overtime wages and failure to pay all meal and rest period premium wages, Greenheart maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Alcantar and other aggrieved employees.

As described above, Greenheart committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 14 ("Wage Order 14"):

Minimum Wage Violations

Greenheart was required to pay Mr. Alcantar and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 14, § 4. As alleged above, Greenheart failed to conform its pay practices to the requirements of the law by failing to Mr. Alcantar and other aggrieved employees for all hours worked, including, but not limited to, all hours they were subject to the control of Greenheart and/or suffered or permitted to work under the California Labor Code and Wage Order 14. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Alcantar and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

Greenheart was required to pay Mr. Alcantar and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 14, § 3. As alleged above, Greenheart caused Mr. Alcantar and other aggrieved employees to work overtime hours, but failed to credit these employees with all overtime hours actually worked. As a result of these policies/practices, Mr. Alcantar and other aggrieved employees were not compensated for all overtime and double-time wages.

Meal Period Violations

As alleged above, Greenheart failed to provide Mr. Alcantar and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 14, § 11. As a result, Mr. Alcantar and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional

hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As alleged above, Greenheart also failed to authorize and permit Mr. Alcantar and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 14, § 12. As a result, Mr. Alcantar and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.").

Wage Statement Violations

Greenheart was required to furnish Mr. Alcantar and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 14, § 7. As a result of Greenheart's failure to pay all overtime and minimum wages and failure to pay all required meal and rest period premium wages, Greenheart maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Alcantar and other aggrieved employees in violation of Labor Code § 226. Greenheart's failure to comply with its wage statement obligations was knowing and intentional, and Mr. Alcantar and other aggrieved employees have suffered injury as a result.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Greenheart failed to timely pay Mr. Alcantar and other aggrieved employees all of their final wages at the time of separation, which included all overtime and minimum wages as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, Greenheart's failure to pay all final wages due to Mr. Alcantar and other aggrieved employees was willful and, consequently, entitles Mr. Alcantar and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Greenheart failed to pay their final wages after their separation, up to a maximum of thirty days.

As an "aggrieved employee," Mr. Alcantar will initiate a civil action on behalf of himself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Alcantar's own investigation, and on information and belief, Greenheart committed and continues to commit the following Labor Code violations:

- a. Greenheart violated Labor Code §§ 558, 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Alcantar and other aggrieved employees the statutory minimum wage for all hours worked;
- b. Greenheart violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Alcantar and other aggrieved employees all overtime compensation earned;
- c. Greenheart violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Alcantar and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- d. Greenheart violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Alcantar and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Alcantar and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- e. Greenheart violated Labor Code § 226 by failing to furnish Mr. Alcantar and other aggrieved employees with accurate and compliant itemized wage statements;
- f. Greenheart violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to Mr. Alcantar and other aggrieved employees;
- g. Greenheart violated Labor Code § 204 by failing to pay Mr. Alcantar and other aggrieved employees all wages earned at least twice during each calendar month; and
- h. Greenheart violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Alcantar and other aggrieved employees.

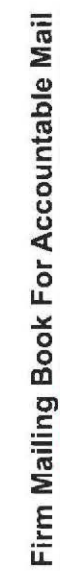
Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and Greenheart if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: Greenheart Farms, Inc. (via certified mail)



Check type of mail or service

Affix Stamp Here
(for additional copies of this receipt).
Postmark with Date of Receipt.

[illegible]

Postmaster, Per (Name of receiving employee)

Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office
1	

PS Form 3877, January 2017 (Page 1 of 1)

Complete in Ink

Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy.

From: noreply@salesforce.com on behalf of [LWDA DO NOT REPLY](#)
To: [Aaron Clark](#)
Subject: Thank you for submission of your PAGA Case.
Date: Thursday, January 21, 2021 4:38:09 PM

1/21/2021

LWDA Case No. LWDA-CM-819380-21
Law Firm : Haines Law Group, APC
Plaintiff Name : Enrique Alcantar Ruiz
Employer: Greenheart Farms, Inc.
Filing Fee : \$75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 3

Haines Law Group, APC

Expense Summary

Enrique Alcantar Ruiz v. Greenheart Farms, Inc.

EXPENSE	AMOUNT
Mediation Fees	\$4,250.00
Expert Costs	\$10,431.50
Filing, Service, and Messenger Fees	\$1,743.62
Copying and Postage Costs	\$40.04
TOTAL:	\$16,465.16

EXHIBIT 4

LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
[Contact us](#)
[Home](#)

			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389
6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* "Years Out of Law School" is calculated from June 1 of each year, when most law students graduate. "1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). "4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier "1-3" from June 1, 1996 until May 31, 1999, would move into tier "4-7" on June 1, 1999, and tier "8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.