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CALIFORNIA RICE CENTER, INC.*

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES - SPRING STREET COURTHOUSE

BRENDA TORRES, individually and on behalf
of all others similarly situated,

Plaintiff,

v.

CALIFORNIA RICE CENTER, INC., a
California corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 20STCV18638

[ASSIGNED FOR ALL PURPOSES TO THE
HON. ELIHU M. BERLE – DEPT. 6]

CLASS ACTION

**JOINT STIPULATION AND CLASS
SETTLEMENT AGREEMENT**

IT IS HEREBY STIPULATED AND AGREED by and between Defendant CALIFORNIA RICE CENTER, INC. (hereinafter referred to as “Defendant”) on the one hand, and Plaintiff BRENDA TORRES and Plaintiff SALVADOR OROZCO (hereinafter collectively referred to as “Plaintiffs” and each may be individually referred to as a “Plaintiff”) each on his/her behalf and on behalf of the other “Class Members” as defined herein and acting in his/her private attorney general capacity, on the other hand (hereafter Defendant and Plaintiffs are collectively referred to as the “Parties” and each may be individually referred to as a “Party”), subject to the approval of the Court pursuant to section 382 of the California Code of Civil Procedure, Rule 3.769 of the California Rules of Court, and California Labor Code § 2699, that the settlement of the Action (as defined herein) shall be effectuated and subject to the following terms and conditions:

I. SUMMARY OF SETTLEMENT TERMS

Under the terms of the Settlement, Defendant will pay the Maximum Settlement Amount (“MSA”) of Three Hundred Thousand Dollars (\$300,000.00), without reversion, in exchange for the full and final settlement and release of any and all claims that were or could have been alleged in the operative Complaint in this Action, and subject to the terms and conditions outlined in this Agreement (as defined herein). This is a no claims-made settlement and will be administered by Phoenix, a third-party administrator. Defendant conditionally agrees to stipulate, solely for the limited purpose of consummating the terms of the Settlement contained in this Agreement, to have the Court certify a class of all current and former hourly-paid and non-exempt employees who worked for Defendant within the State of California, during the Class Period (as defined herein).

In addition, Plaintiffs and Class Counsel will seek from the Maximum Settlement Amount: (1) attorneys’ fees in the amount of One Hundred Five Thousand Dollars (\$105,000.00), representing thirty-five percent (35%) of the MSA; (2) litigation costs not to exceed Fifteen Thousand Dollars (\$15,000); (3) enhancement payment for Plaintiff BRENDA TORRES in the amount of Five Thousand Dollars (\$5,000.00); and (4) enhancement payment for Plaintiff SALVADOR OROZCO in the amount of Five Thousand Dollars (\$5,000.00). Furthermore, the Parties have agreed that Twenty Thousand Dollars (\$20,000.00) from the Maximum Settlement Amount will be allocated as

1 civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”),
2 with 75% of this amount, Fifteen Thousand Dollars (\$15,000.00), to be paid to the California Labor
3 & Workforce Development Agency (“LWDA”) in satisfaction of any claim for civil penalties that
4 may be owed to that agency under the PAGA. The other 25%, or Five Thousand Dollars (\$5,000.00),
5 will be distributed to the PAGA Employees (as defined herein) on a pro-rata basis.

6 Finally, any and all costs associated with the administration of the Settlement, including but
7 not limited to giving notice to the Class regarding the Settlement, processing any inquiries or
8 disputes, and remitting payment of any funds to the Participating Class Members pursuant to the
9 procedures outlined herein (“Settlement Administration Costs”), which shall not exceed Fifteen
10 Thousand Dollars (\$15,000.00), will be paid from the Maximum Settlement Amount. Defendant will
11 not be responsible for anything more than the Maximum Settlement Amount (except as provided in
12 Section II.21. below), however, payment of employer’s share of payroll taxes and other required
13 withholdings, based on Settlement Payment(s) to the Class Members shall be paid by the Defendant
14 in addition to the Maximum Settlement Amount. There will be no reversion of any funds to the
15 Defendant.

16 17 **II. DEFINITIONS**

18 As used in this Stipulation and Settlement Agreement (hereinafter the “Agreement”), the
19 following terms shall have the meanings specified below:

20 1. “Action” means this lawsuit, originally filed May 13, 2020, and the Operative
21 Complaint filed in the Superior Court of the State of California for the County of Los Angeles,
22 entitled *Brenda Torres v. California Rice Center, Inc.*, Case No. 20STCV18638.

23 2. “Agreement” or “Settlement” means this Stipulation and Settlement Agreement,
24 including any attached exhibits.

25 3. “Allocation Form” means the Court-approved Allocation Form, substantially in the
26 form of the Allocation Form attached as Exhibit 2 and incorporated by reference herein, which will
27 be mailed to Class Members only which advises them of their number of Workweeks and their
28 settlement share. The Class Members do not have to submit anything to receive their settlement

1 share.

2 4. “Class,” “Class Member,” or “Class Members” means all current and former hourly-
3 paid and non-exempt employees who worked for Defendant within the State of California at any time
4 during the Class Period. If such person is incompetent or deceased, “Class” or “Class Member” or
5 “Class Members” means the person’s legal guardian, executor, heir, or successor in interest.

6 5. “Class Counsel” means Cody Payne, Esq. and Kim Nguyen, Esq. of PAYNE &
7 NGUYEN, LLP, 4640 Admiralty Way, Suite 500, Marina del Rey, CA 90292, Telephone No.: (310)
8 360-9882; Facsimile No.: (310) 928-7469.

9 6. “Class Counsel Costs” means the amounts to be paid, after Court approval, to Class
10 Counsel for costs incurred by Class Counsel in this Action.

11 7. “Class Counsel Fees” means the amount to be paid, after Court approval, to Class
12 Counsel for attorneys’ fees.

13 8. “Class Notice” or “Notice of Settlement” means the form to be prepared by the Parties
14 and sent to the Class Members, after the Court preliminarily approves the terms contained in the
15 Agreement informing them of the material terms of the Agreement, why they are receiving the notice,
16 and what their options are to object, or be excluded from the Settlement. The Class Notice is attached
17 hereto as Exhibit 1. This mailing shall also include the Allocation Form as defined herein.

18 9. “Class Notice Period” or “Notice Period” means a period of sixty (60) calendar days
19 after the original date of the Settlement Administrator’s mailing of the Notice of Settlement.

20 10. “Class Period” means from May 13, 2016 up to and including the date the Court
21 grants preliminary approval of this Settlement.

22 11. “Complaint” or “Operative Complaint” means the First Amended Complaint filed on
23 March 15, 2021 in this Action.

24 12. “Counsel for Defendant,” “Defense Counsel,” or “Defendant’s Counsel” means
25 Alfred J. Landegger, Esq. and Evelyn Zarraga, Esq., of LANDEGGER RIVAS VERANO & DAVIS,
26 ALC, 15760 Ventura Blvd., Suite 1200, Encino, California 91436, Telephone No.: (818) 986-7561;
27 Facsimile No.: (818) 986-5147.

28 13. “Court” means the Los Angeles County Superior Court in which the Action is

1 currently pending, the Honorable Elihu M. Berle presiding, and located at Spring Street Courthouse,
2 312 North Spring Street, Los Angeles, California 90012. Court shall also mean any other Court that
3 acquires proper jurisdiction of this Action.

4 14. “Distributable Amount” or “Net Settlement Amount” means the amount that is
5 distributable to the Participating Class Members and PAGA Employees, and equals the Maximum
6 Settlement Amount less Class Counsel Fees, Class Counsel Costs, Plaintiff TORRES’ Enhancement
7 Payment, Plaintiff OROZCO’s Enhancement Payment, LWDA Payment, and Settlement
8 Administration Costs.

9 15. “Effective Date” means the later of (a) the date of entry of Order granting final
10 approval of this Settlement, if no objection to the Settlement is filed, (b) the date on which the time
11 for all appeals from objections to the Settlement has expired, if one or more objections to the
12 Settlement are filed, and not withdrawn, and (c) if an appeal is taken, the date on which the appeal is
13 settled, withdrawn or dismissed, or any reviewing court issues a decision, the time for further appeal
14 has expired, and the trial court has regained jurisdiction.

15 16. “Enhancement Payments” means the payments to the Representative Plaintiffs for
16 their service to the Class, which is in addition to whatever payment they are otherwise entitled to as
17 a Participating Class Member, including Plaintiff TORRES’ Enhancement Payment in the amount
18 of Five Thousand Dollars (\$5,000.00) and Plaintiff OROZCO’s Enhancement Payment in the amount
19 of Five Thousand Dollars (\$5,000.00).

20 17. “Final Approval Hearing” refers to the hearing during which the Parties will seek
21 final approval of this Agreement.

22 18. “Final Judgment” means the order entered by the Court pursuant to the terms set forth
23 in this Agreement finally and fully giving effect to the terms contained in this Agreement, certifying
24 the Class, approving this Settlement, and dismissing this Action with prejudice.

25 19. “Maximum Settlement Amount” or “MSA” means the total amount of Three
26 Hundred Thousand Dollars (\$300,000.00) to be paid by Defendant pursuant to the terms of this
27 Agreement. This is Maximum Settlement Amount is based on Defendant’s representation that the
28 Class Members worked a total of 12,319 Workweeks during the Class Period, as of the December 14,

2020 mediation. Should the Qualifying Workweeks worked by the Class Members during the Class Period as of the December 14, 2020 mediation ultimately increase by more than 10% (i.e., by more than 1,231 Workweeks), Defendant shall increase the Maximum Settlement Amount on a prorata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks as of the December 14, 2020 mediation increases by 11% to 13,674 Workweeks, the Maximum Settlement Amount will increase by 1%.

20. “Notice Returns” means envelopes containing the Class Notice that were mailed by the Settlement Administrator to Class Members but were undelivered and returned to the Settlement Administrator by the United States Postal Service.

21. “Objection to Class Settlement” means any written objection to this Settlement by Class Members who do not choose to be excluded from the Class that is served on the Settlement Administrator within the Opt-Out Period.

22. “Opt-Out Period” or “Response Deadline” refers to the deadline of no later than sixty (60) calendar days after the original date of the Settlement Administrator’s mailing of the Notice of Settlement that any Class Member, who wishes to be excluded from the Settlement, submits a Request for Exclusion.

23. “PAGA Employee” or “PAGA Employees” means all Class Members employed at any time during the PAGA Period.

24. “PAGA Payment” means the amount of Twenty Thousand Dollars (\$20,000.00) of the Maximum Settlement Amount to be allocated as civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), with 75% of this amount, Fifteen Thousand Dollars (\$15,000.00), to be paid to the LWDA in satisfaction of any claim for civil penalties that may be owed to that agency under the PAGA (“LWDA Payment”). The other 25%, or Five Thousand Dollars (\$5,000.00), will be distributed to the PAGA Employees on a pro-rata basis as described in this Agreement.

25. “PAGA Period” means from January 8, 2020 up to and including the date the Court grants preliminary approval of this Settlement.

26. “Participating Class Members” means those Class Members who do not timely file a

valid Request for Exclusion with the Settlement Administrator provided under this Agreement.

27. “Plaintiffs” or “Representative Plaintiffs” means Plaintiff BRENDA TORRES and Plaintiff SALVADOR OROZCO, and each of their representative(s), heir(s), assign(s), and attorney(s).

28. “Personal Release(s)” means each individual Representative Plaintiffs’ irrevocable and unconditional release, acquittal, and discharge of the Released Persons and all persons and/or corporate entities acting by, through, under, or in concert with any of them, or any of them, from any and all complaints, claims, penalties, liabilities, obligations, promises, agreements, controversies, damages, costs, losses, debts and expenses (including attorneys’ fees and costs actually incurred), of any nature whatsoever, including but not limited to claims arising from the California Constitution; Title VII of the Civil Rights Act of 1964 (42 U.S.C. §2000e); the California Fair Employment and Housing Act (Cal. Govt. Code §12900 et seq.); the Americans with Disabilities Act; the Age Discrimination in Employment Act (29 U.S.C. §§621-633a); the Older Workers’ Benefit Protection Act; the Private Attorneys General Act of 2004; and claims of intentional infliction of emotional distress; defamation and/or libel, or any other damage to reputation claims; breach of implied contract or for claims of a breach of the covenant of good faith and fair dealing, as well as any other express or implied covenant; or any other statute or common law principle of similar effect, known or unknown, which the person giving this release now has, owns, or holds, or claims to have, own or hold, or which said person at any time heretofore had, owned, or held, or claimed to have, own, or hold or which said person at any time hereinafter may have, own, or hold, or claim to have, own, or hold, against each or any of the Released Persons, arising from acts, events, or circumstances occurring on or before the effective date of this Agreement.

As to the foregoing claims, each Representative Plaintiff expressly waives the benefits of California *Civil Code* §1542. *Civil Code* §1542 provides:

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

1 The Personal Release is not intended to, nor does it cover, any claims that cannot be released
2 as a matter of law.

3 29. “Preliminary Approval Order” is the order preliminarily approving the settlement
4 terms contained in this Agreement.

5 30. “Preliminary Approval Date” is the date the Court grants preliminary approval of this
6 Settlement.

7 31. “Qualifying Workweeks” or “Workweeks” means the total workweeks each
8 Participating Class Member worked during the Class Period.

9 32. “Redirected Notice” means a re-mailing of the Class Notice mailed by the Settlement
10 Administrator to a new or different address to a Class Member that was obtained by the Settlement
11 Administrator as a result of a Notice Return.

12 33. “Released Claims” means all claims, debts, liabilities, demands, obligations,
13 guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which relate to any and all
14 claims alleged or which could have been alleged based on the facts in the Operative Complaint filed
15 by Representative Plaintiffs, both on their behalf and on behalf of the Participating Class Members
16 in this Action during the Class Period, including the date of preliminary approval of the Settlement
17 under any federal, state or local law, and shall specifically include claims for failure to pay minimum
18 wages, failure to pay overtime wages, failure to pay all hourly wages including minimum and
19 overtime wages as a result of failing to accurately record the actual time worked and/or off-the-clock
20 work, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods
21 or compensation in lieu thereof, failure to provide accurate itemized wage statements, failure to
22 timely pay final wages, failure to timely pay wages during employment, failure to properly maintain
23 required employment records, unfair and unlawful business practices, violations of California Labor
24 Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, Business
25 and Professions Code § 17200, *et seq.*, the Industrial Welfare Commission Wage Orders (“IWC
26 Wage Order”) including inter alia, IWC Wage Order No. 1, and any other claims, including claims
27 for statutory and/or civil penalties, pertaining to the Participating Class Members which were alleged
28 or could have been alleged in operative Complaint based upon the allegations and claims contained

1 in the Operative Complaint. With respect to the PAGA Employees, the Released Claims also includes
2 any and all claims for civil Penalties under PAGA [Cal. Lab. Code §§ 2699, *et seq.*] that are based
3 upon or arise from the factual allegations in the Operative Complaint and/or Notice to the LWDA,
4 arising during and/or with respect to the PAGA Period (PAGA penalties only for those violations set
5 forth in the Notice provided to Defendants and the LWDA on January 8, 2021, including (1) Failure
6 to Pay for All Time Worked at Correct Rates of Pay, Including Minimum Wages, Straight Time
7 Wages, and Overtime Compensation; (2) Failure to Provide Meal Periods and Pay Meal Period
8 Premiums; (3) Failure to Authorize and Permit Rest Periods and Pay Rest Period Premiums; (4)
9 Failure to Timely Pay Wages During Employment; (5) Failure to Provide Accurate Wage Statements;
10 (6) Failure to Maintain Accurate Records; and (7) Failure to Pay All Wages Upon Termination of
11 Employment), including violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7,
12 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, the Industrial Welfare Commission Wage Orders
13 (“IWC Wage Order”) including inter alia, IWC Wage Order No. 1, and including all attorneys’ fees
14 and costs related thereto. In addition, as to any Participating Class Member who cashes the check
15 representing their Settlement Payment, the signing and negotiation of that check shall serve as the
16 Class Member’s consent to join the action for purposes of releasing claims arising under the Fair
17 Labor Standards Act (“FLSA”) that are related to the claims stated in the Action, implicitly or
18 explicitly, and, for such persons, “Released Claims” shall include all related claims arising under the
19 FLSA. This release is limited in time to the Class Period covering the Participating Class Members
20 who worked for the Released Persons in the State of California.

21 34. “Released Persons” means Defendant CALIFORNIA RICE CENTER, INC., and its
22 respective agents, attorneys, insurers, past, present and future divisions, affiliates, DBAs (if any),
23 predecessors, successors, shareholders, officers, directors, managers, employees, trustees,
24 representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners,
25 subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or
26 in concert with any of them.

27 35. “Request for Exclusion” or “Opt-Out” means a written request by a Class Member to
28 be excluded from the Class and the Settlement containing all the information necessary as detailed

1 herein.

2 36. “Settlement Administrator” refers to Phoenix Settlement Administrators (or
3 “Phoenix”), the entity that Class Counsel and Counsel for Defendant selected to administer this
4 Settlement and to act as the Settlement Administrator to process the Settlement under the terms of
5 this Agreement.

6 37. “Settlement Administration Costs” means the fees and costs incurred or charged by
7 the Settlement Administrator in connection with the execution of its duties under this Agreement
8 including: (a) using the data provided by Defendants to prepare the Allocation Form with the number
9 of Qualifying Workweeks for each Class Member as described above; (b) mailing the Notices defined
10 herein to Class Members; (c) tracking Requests for Exclusion and objections; (d) sending cure letters
11 to Class Members, and making follow-up telephone calls to Class Members; (e) notifying the Parties
12 of timely and untimely Requests for Exclusion, and objections received; (f) calculating the amounts
13 due to each Participating Class Member and PAGA Employee pursuant to the Settlement as described
14 herein; (g) notifying the Parties of, and helping to resolve, any disputes regarding claims by the Class
15 Members; (h) providing settlement payments, along with issuing requisite tax forms (e.g., IRS Form
16 1099, W-2, etc.), to the Participating Class Members and PAGA Employees and to the taxing
17 authorities; (i) utilizing the National Change of Address Database maintained by the United States
18 Postal Service, mail-forwarding information and/or skip tracing methods, as reasonable, to update
19 the mailing list, and taking steps to send Notice Packets to current mailing addresses; (j) submitting
20 payment of Defendant’s portion of payroll taxes; (k) mailing of Final Approval Notice and (l)
21 performing such other duties as are described herein or as the Parties may request from time to time.

22 38. “Settlement Payment” or “Individual Settlement Payment” refers to the payment to
23 any Participating Class Member and/or PAGA Employee pursuant to the terms of this Agreement.

24
25 **III. BACKGROUND**

26 The original complaint in this Action was filed on May 13, 2020, in the Superior Court of
27 the State of California, County of Los Angeles asserting the following causes of action:

28 (1) Violation of California Labor Code §§ 510 And 1198 (Unpaid Overtime);

- 1 (2) Violation of California Labor Code §§ 226.7 And 512(A) (Unpaid Meal Period
2 Premiums);
- 3 (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums);
- 4 (4) Violation of California Labor Code §§ 1194, 1197 And 1197.1 (Unpaid Minimum
5 Wages);
- 6 (5) Violation of California Labor Code §§ 201, 202 And 203 (Final Wages Not Timely Paid);
- 7 (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment);
- 8 (7) Violation of California Labor Code § 226(A) (Non-Complaint Wage Statements);
- 9 (8) Violation of California Labor Code § 1174 (D) (Failure to Keep Requisite Payroll
10 Records); and
- 11 (9) Violation of California Business And Professions Code § 17200, Et Seq.

12 On January 8, 2021, Plaintiff SALVADOR OROZCO sent a letter to the LWDA and
13 Defendant giving notice of his intent to pursue a representative action against Defendant pursuant to
14 the PAGA, on behalf of himself and the State of California, as well as on behalf of a proposed group
15 of aggrieved employees (“Notice to the LWDA”).

16 Plaintiffs filed their First Amended Complaint on March 15, 2021, adding Plaintiff
17 SALVADOR OROZCO as an additional putative class representative and asserting the following
18 additional cause of action on a representative basis: (10) Private Attorney General Act, Labor Code
19 § 2698, et seq.

20 Defendant denies each and every one of the allegations asserted in the Complaint and asserts
21 that it has no liability for the claims of the Representative Plaintiffs or the Class.

22 The Parties have conducted a significant investigation of the facts and law during the
23 prosecution of this Action, which included informal discovery. The informal discovery included the
24 exchange of class information such as class size and composition, the production of Class Members’
25 time and payroll records, as well as Defendant’s written wage and hour policies and practices. The
26 Parties conducted the aforementioned investigation and discovery in anticipation of, and prior to, the
27 private mediation of the Action. Counsel for the Parties investigated the law as applied to the
28 discovered facts regarding the alleged claims of the Representative Plaintiffs and the potential

1 defenses thereto, and the potential damages claimed by the Representative Plaintiffs.

2 Thereafter, the Parties participated in a full day mediation on December 14, 2020 before an
3 experienced and well-regarded mediator, Jeffrey Krivis, Esq. Through the efforts of all Parties and
4 their counsel, as well as the invaluable assistance of the mediator, the Parties were eventually able to
5 reach a mutual understanding of the material terms of settlement, which are memorialized in this
6 Agreement.

7 Representative Plaintiffs and Class Counsel concluded, after taking into account the sharply
8 disputed factual and legal issues involved in the Action, the risks and substantial expenses involved
9 in the further prosecution of this case, and the substantial benefits to be received pursuant to the
10 compromise and settlement of the Action at this early stage, as set forth in this Agreement, that
11 settlement on the terms set forth herein is in the best interest of Representative Plaintiffs and the
12 Class, and is fair and reasonable. In particular, Class Counsel and Representative Plaintiffs
13 understand the risk of the class certification process, as well as the potential merits of affirmative
14 defenses expected to be raised by the Defendant. In light of the risks related to certifying a class,
15 prevailing on an anticipated motion for summary judgment and a potential trial, the recovery of Three
16 Hundred Thousand Dollars (\$300,000.00) obtained in the Action is both reasonable and fair.

17 Similarly, Defendant concluded that there are benefits associated with settling the Action at
18 this early stage. After taking into account the sharply disputed factual and legal issues involved in
19 the Action, the expense and burden of protracted litigation, and its desire to put the controversy to
20 rest, Defendant believes that settlement on the terms set forth in this Agreement is in its best interest
21 and is fair and reasonable. Defendant in particular has concluded that the future costs and expenses
22 involved in continuing the Action are substantial and chose to eliminate any further expenses,
23 attorneys' fees, and risks via the Settlement. In particular, given the severely disputed nature of the
24 case, it is expected that substantial expenses will be incurred determining many issues dealing with
25 discovery, a class certification motion, a Summary Judgment motion, eventual trial, and possible
26 appeals.

27 This Agreement contemplates (i) entry of an Order preliminarily approving the Settlement
28 and approving certification of a provisional settlement class, contingent upon final approval of the

1 Settlement; (ii) the mailing of a Notice of Settlement to all Class Members; (iii) the processing of
2 any objections, and opt-outs by the Settlement Administrator, as well as payment to the Class
3 Members after final approval of this Agreement by the Court; and (iv) entry of Final Judgment
4 granting final approval of the Settlement and terms contained therein, and dismissal of the Action
5 with prejudice.

6 **IV. SETTLEMENT APPROVAL & IMPLEMENTATION PROCEDURE**

7 **A. Preliminary Approval of the Settlement.**

8 As soon as practicable, Class Counsel will also submit this Agreement to the Court for its
9 preliminary approval. Such submission will include such motions, pleadings, and evidence as may
10 be required for the Court to determine that this Agreement is fair, adequate, and reasonable, as
11 required by section 382 of the California *Code of Civil Procedure*, Rule 3.769 of the California *Rules*
12 *of Court*, and California Labor Code § 2699. Such submission will also include a Notice of Class
13 Settlement and Allocation Form, in substantially the form attached hereto as Exhibits 1 and 2
14 respectively.

15 **B. Conditional Certification of the Class.**

16 Defendant hereby consents, solely for purposes of the Settlement set forth in this Agreement,
17 to the conditional certification of the Class, to the conditional appointment of Class Counsel, and to
18 the conditional approval of the Representative Plaintiffs, provided however, that if the Settlement
19 fails to be approved or otherwise fails to be consummated for any reason whatsoever, including but
20 not limited to the Final Judgment not becoming final, then Defendant retains all rights previously
21 available to it, and any provisional certification of any class, or the adoption of any procedure herein,
22 shall be undone and the Parties restored to their pre-settlement status as if no settlement had been
23 reached and no decisions were made pursuant to it. In that event, nothing in this Agreement or other
24 papers or proceedings related to the Settlement shall be used as evidence or argument by any party,
25 including any Class Members who opt out, concerning whether or not the claims advanced in the
26 Complaint may properly be maintained as a class action, whether the purported class is ascertainable,
27 or whether Class Counsel or the Representative Plaintiffs can adequately represent the members of
28 the class under applicable law.

1 **C. Cooperation.**

2 The Parties agree to cooperate fully with each other to accomplish the terms and requirements
3 of this Agreement, including but not limited to, the execution of such documents and to take such
4 other action as may reasonably be necessary to implement the terms of this stipulated Settlement.

5 Except as otherwise provided herein, neither party nor any of their attorneys or agents shall
6 initiate any communication with any Class Members for the purpose of encouraging or discouraging
7 them to Opt-Out of the Class, or to object to the Settlement contained herein, unless agreed upon by
8 the other party in writing or if authorized by the Court. This provision in no way limits Class Counsel
9 from communicating with the Representative Plaintiffs, nor does the provision limit Class Counsel
10 from responding to any inquiry initiated by any Class Members.

11 The Parties shall promptly submit this Agreement for preliminary approval and determination
12 by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this
13 Agreement, the Parties shall apply to the Court for the entry of a Preliminary Approval Order
14 scheduling a hearing to determine whether the proposed Class Settlement should be approved as fair,
15 reasonable, and adequate as to the Class Members, and approving as to form and content of the
16 proposed Notice of Settlement.

17 **D. Notice Of Settlement By Mail.**

18 Defendant will provide as soon as practicable, but no later than fifteen (15) business days
19 after the Court grants preliminary approval of the Settlement, to the Settlement Administrator a list
20 containing: (1) the Class Members' names, (2) last known addresses, (3) total Workweeks worked
21 during the Class Period, (4) total Workweeks worked during the PAGA Period, and (5) social security
22 number, which will be used to send the Notice of Settlement and Allocation Form to Class Members
23 ("Class List"). Within fifteen calendar (15) days of receipt from Defendant of the Class List, the
24 Settlement Administrator shall mail the Notice of Settlement via First-Class mail using the United
25 States Postal Service to the most recent address known for each Class Member. Before mailing the
26 Notice of Settlement, the Settlement Administrator shall review the national change of address
27 registry for all Class Members and/or skip trace to determine the most up-to-date addresses of all
28 Class Members. If any Notices of Settlement are returned with a forwarding address, the Settlement

1 Administrator will re-mail the Notice of Settlement and Allocation Form to the Class Member whose
2 notice was returned.

3 In the event that prior to the final date for any Class Member to Opt-Out, any Notice mailed
4 to the Class Member is returned as having been undelivered by the U.S. Postal Service (“Notice
5 Return”), the Settlement Administrator shall, via skip-tracing, seek an address correction from such
6 Class Member(s), and send a Redirected Notice to the new or different address within seven (7)
7 calendar days if such address is found.

8 **E. Allocation Form.**

9 The Settlement Administrator shall mail along with the Notice of Settlement the Allocation
10 Form as described above, to the Class Members in English and Spanish.

11 **F. Requests for Exclusion (“Opt-Outs”).**

12 Any Class Member who wishes to be excluded from the Settlement must submit a Request
13 for Exclusion from the Settlement to the Settlement Administrator, no later than sixty (60) calendar
14 days after the original date of the Settlement Administrator’s mailing of the Class Notice of
15 Settlement (the “Opt-Out Period” or “Response Deadline”). Any Class Member who submits a valid
16 and timely request to be excluded from the Settlement shall no longer be a member of the Class, shall
17 be barred from participating in this Settlement, shall be barred from objecting to this Settlement, and
18 shall receive no benefit from this Settlement (except for PAGA Employees who retain a right to
19 receive a pro-rata share of the portion of the PAGA Payment allocated to the PAGA Employees).

20 The written request for exclusion must: (1) explicitly and unambiguously state the following
21 statement or similar statement: “I wish to exclude myself from the settlement reached in the matter
22 of *Brenda Torres v. California Rice Center, Inc.* I understand by excluding myself, I will not receive
23 any money from the Class settlement reached in this matter.”; (2) contain the name (including any
24 former names used during employment with CALIFORNIA RICE CENTER, INC.), address, and the
25 last four digits of the Social Security number of the person requesting exclusion; (3) be signed by the
26 Class Member; and (4) be postmarked by the Response Deadline and returned to the Settlement
27 Administrator at the specified address. The request for exclusion will not be valid if it is not timely
28 submitted, if it is not signed by the Class Member, or if it does not contain the name, and address of

1 the Class Member. The date of the postmark on the return mailing envelope on the request for
2 exclusion shall be the exclusive means used to determine whether the request for exclusion was
3 timely submitted. Any Class Member who requests to be excluded from the Settlement Class will
4 not be entitled to any recovery under the Settlement and will not be bound by the terms of the
5 Settlement (other than as it applies to the PAGA claim with respect to the PAGA Employees) or have
6 any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely
7 written request for exclusion by the Response Deadline shall be bound by all terms of the Settlement
8 and any final judgment entered in this Action if the Settlement is approved by the Court, regardless
9 of whether that Class Member receives and/or cashes his or her Settlement Payment check.

10 Class Members who are also PAGA Employees submitting a Request for Exclusion will
11 nevertheless receive their pro-rata share of the 25% of the PAGA Payment allocated to the PAGA
12 Employees. If the Court approves the compromise of the PAGA claim, all PAGA Employees are
13 bound by the Court's resolution of that claim. Plaintiff shall serve a notice of settlement on the
14 California Labor and Workforce Development Agency at the same time Plaintiff files the motion for
15 preliminary approval.

16 **G. Declaration Of Compliance.**

17 As soon as practicable, but no later than ten (10) calendar days following the Opt-Out-Period,
18 the Settlement Administrator shall provide Class Counsel and Counsel for Defendant with a
19 declaration attesting to completion of the notice process set forth in this Agreement, including an
20 explanation of efforts to resend undeliverable notices returned with forwarding addresses, and a
21 summary of disputed claims, and opt outs including the name of the class members opting out, which
22 declaration shall be filed with the Court by Class Counsel along with their papers requesting Final
23 Approval of the Settlement.

24 **H. Sufficient Notice.**

25 Compliance with the procedures described in this Section shall constitute due and sufficient
26 notice to Class Members of this Settlement and the final approval hearing, shall satisfy the
27 requirements of due process, and nothing else shall be required of the Representative Plaintiffs, Class
28 Counsel, Defendant, Counsel for Defendant, or the Settlement Administrator to provide additional

notice of the settlement and the Final Approval Hearing, unless expressly ordered by the Court.

I. Objections To Settlement.

Any Class Member wishing to object to the approval of this Settlement shall inform the Court and Claims Administrator in writing of his or her intent to object by following the procedure set forth in the Notice of Settlement within sixty (60) calendar days of mailing of the Notice of Settlement and Allocation Form.

To be valid, the notice of Objection must be signed by the Class Member and state: (1) the full name of the Class Member (including any former names used during employment with CALIFORNIA RICE CENTER, INC.); (2) the dates of employment of the Class Member; (3) the last four digits of the Class Member's Social Security number and/or the Employee ID number; (4) the basis for the objection; and (5) if the Class Member intends to appear at the Final Approval/Settlement Fairness Hearing. In order to object to the Settlement, the Class Member must not have submitted a Request for Exclusion, however a Class Member may still attend the Final Approval/Settlement Fairness Hearing and ask to speak regarding his or her objection and may orally object at the hearing regardless of whether they submitted a written objection. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to file or serve written objections to the Settlement or appeal from the Order and Final Judgment. Class Counsel shall not represent any Class Members with respect to any such objections.

As soon as practicable, the Settlement Administrator shall forward any and all Objections to Class Settlement to Class Counsel and Defense Counsel. Class Counsel shall ensure that any written objections are transmitted to the Court for the Court's review (either as an attachment to a declaration from Class Counsel or as an attachment to a declaration from the Settlement Administrator). The Court may, in its sole discretion, permit any Settlement Class Member to state comments about the Settlement or objections to the Settlement at the Final Approval hearing, regardless of whether the Settlement Class Member has submitted an Objection to Class Settlement. Regardless of the form, an objection alone will not satisfy the requirement that a Settlement Class Member must formally intervene and become a party of record in the action to appeal a Judgment entered following an Order or Judgment finally approving this Settlement, as is required under the California Supreme Court

1 decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018). A Class Member who does
2 not object prior to or at the Final Approval Hearing, will be deemed to have waived any objections
3 and will be foreclosed from making any objections (whether at the Final Approval Hearing, by
4 appeal, or otherwise) to the Settlement. If the objecting Class Member does not formally intervene
5 in the action and/or the Court rejects the Class Member's objection, the Class Member will still be
6 bound by the terms of this Agreement. Class Counsel and Defendant's Counsel may, at least five
7 days (or some other number of days as the Court shall specify) before the final approval hearing, file
8 responses to any Objections to Class Settlement received by the Settlement Administrator.

9 In order to object to the Class Settlement, the Class Member must not have submitted a
10 Request for Exclusion.

11 If an Objection or dispute of the amount due to a Class Member and a Request for Exclusion
12 are received from the same Class Member, the Settlement Administrator shall attempt to resolve the
13 matter by contacting the Class Member by any reasonable means to determine the Class Member's
14 choice. If the Settlement Administrator fails to determine what the Class Member intends, the Opt-
15 Out shall be null and void, and the Class Member will be counted as part of the Class and bound by
16 the terms and conditions of the Settlement.

17 **J. Final Approval Hearing.**

18 At the final approval hearing, the Representative Plaintiffs, Class Counsel, and Counsel for
19 Defendant shall ask the Court to give final approval to this Agreement and the Settlement contained
20 herein. At this hearing, the Court will consider and rule upon any Objections to Settlement submitted
21 by any Class Member, whether timely or not. Upon granting final approval of the Settlement
22 contained herein, the Court shall also enter a Final Judgment dismissing with prejudice all claims
23 and implementing the Releases contained in this Agreement as to Plaintiffs and all Participating Class
24 Members. The Releases contained in this Agreement shall enter into effect concurrently with the
25 issuance of the Final Approval order and/or Judgement.

26 **K. Formulas to Determine Payment, Distribution of Funds and Payment of Funds.**

27 **1. *General Terms of Settlement***

28 Defendant shall pay the Maximum Settlement Amount of Three Hundred Thousand Dollars

1 (\$300,000.00), to settle this Action, under the terms described in this Agreement.

2 Defendant shall pay the MSA in two installments. Defendant shall pay the first installment
3 of One Hundred Fifty Thousand Dollars (\$150,000.00) within seven (7) calendar days of the
4 Effective Date, but no sooner than January 1, 2022 by electronic transfer to the Settlement
5 Administrator.

6 Defendant shall pay the second and final installment of One Hundred Fifty Thousand Dollars
7 (\$150,000.00) within six (6) months of the Effective Date, but no sooner than June 1, 2022, by
8 electronic transfer to the Settlement Administrator.

9 From the Maximum Settlement Amount, Class Counsel will request, and Defendant will not
10 oppose, One Hundred Five Thousand Dollars (\$105,000.00) as Class Counsel Fees, and up to Fifteen
11 Thousand Dollars (\$15,000.00) for Class Counsel Costs. In addition, Class Counsel will request Five
12 Thousand Dollars (\$5,000.00) as an Enhancement Payment for Representative Plaintiff BRENDA
13 TORRES, and Five Thousand Dollars (\$5,000.00) as an Enhancement Payment for Representative
14 Plaintiff SALVADOR OROZCO. Plaintiffs will have to execute the Agreement to receive their
15 respective Enhancement Payment. Under no circumstances will Defendant be required to pay more
16 in Class Counsel Fees, Class Counsel Costs, and/or Enhancement Payments than specified in this
17 Section. Class Counsel Fees, Class Counsel Costs, and the Enhancement Payments are subject to
18 Court approval. The Court's ruling on the request for Class Counsel Fees, Class Counsel Costs, and
19 Enhancement Payments shall not affect the enforceability of this Agreement or the terms contained
20 herein. In the event the Court reduces the amount requested in Class Counsel Fees, Class Counsel
21 Costs, and/or Enhancement Payments, the difference shall be added to the Distributable Amount to
22 the Class Members.

23 In addition, the Parties have agreed that Twenty Thousand Dollars (\$20,000.00) of the
24 Maximum Settlement Amount will be allocated for PAGA penalties, with 75% of this amount,
25 Fifteen Thousand Dollars (\$15,000.00), to be paid to the LWDA in satisfaction of any claim for
26 penalties that may be owed to that agency under PAGA (Cal. Labor Code 2699, *et seq.*), and the
27 remaining 25%, or Five Thousand Dollars (\$5,000.00), to be distributed to the Class Members on a
28 pro-rata basis. Under no circumstances will Defendant be required to pay more in PAGA Payment

than specified in this Section.

Further, the Settlement Administration Costs, currently estimated at Fifteen Thousand (\$15,000.00), shall be made from the Maximum Settlement Amount. Any and all Settlement Administration Costs shall be made from the Maximum Settlement Amount. Any amounts not used by the Settlement Administrator for Settlement Administration shall be added to the Distributable Amount to the Class Members. Under no circumstances will Defendant be required to pay more in Settlement Administration Costs than specified in this Section.

Consequently, the amount from which the Class may be paid, also called the “Distributable Amount,” is estimated to be:

Maximum Settlement Amount	\$300,000.00
Class Counsel Fees	- \$105,000.00
Class Counsel Costs	- \$15,000.00
Plaintiff TORRES’ Enhancement Payment	- \$5,000.00
Plaintiff OROZCO’s Enhancement Payment	- \$5,000.00
Settlement Administrator Costs	- \$15,000.00
LWDA Payment (LWDA Portion)	- \$15,000.00
Distributable Amount	\$140,000.00

No funds will revert to the Defendant from the Maximum Settlement Amount.

2. Formula for Determining the Value of the Claims for the Class, including for Each Participating Class Member and PAGA Employee

The Net Settlement Amount will be allocated to the Participating Class Members and PAGA Employees. Each Participating Class Member’s Settlement Payment shall include a pro-rata share of the remainder of the Distributable Amount after deducting \$5,000.00 (the amount allocated for PAGA penalties to PAGA Employees). Each Participating Class Member’s pro-rata share shall be determined by comparing the individual Participating Class Member’s Qualifying Workweeks during the Class Period to the total Qualifying Workweeks for all Participating Class Members during the Class Period. The resulting percentage is the value of the individual Participating Class Member’s Class claim.

1 The formula to calculate the “Individual Class Claim” payment amount for
2 a Participating Class Member is: (Individual Participating Class Member’s
3 Qualifying Workweeks during the Class Period / Total Qualifying
4 Workweeks for all Participating Class Members during the Class Period) x
5 (Distributable Amount less the \$5,000.00 amount allocated for PAGA
6 penalties to PAGA Employees) = Value of Participating Class Member’s
7 Individual Class Claim.

8 Individual Class Claim payments from the Distributable Amount shall be made only to
9 Participating Class Members, pursuant to the manner provided in this Agreement.

10 In additional, each Class Member who is a PAGA Employee will be paid a pro-rata share of
11 the \$5,000.00 amount allocated for PAGA penalties to PAGA Employees, as calculated by the
12 Settlement Administrator, with a formula similar to payments to Participating Class Members for
13 Individual Class Claims.

14 The formula to calculate the “Individual PAGA Claim” payment amount
15 for a PAGA Employee is: (Individual PAGA Employee’s Qualifying
16 Workweeks during the PAGA Period / Total Qualifying Workweeks for all
17 PAGA Employees during the PAGA Period) x (\$5,000.00, the amount
18 allocated for PAGA penalties to PAGA Employees) = Value of PAGA
19 Employee’s Individual PAGA Claim.

20 The Settlement Payment for a Participating Class Member who is also a PAGA Employee
21 will therefore include the Participating Class Member’s Individual Class Claim payment amount and
22 his or her Individual PAGA Claim payment amount.

23 Class Members who are PAGA Employees will not be permitted to exclude themselves from
24 the PAGA claim portion of the Settlement. PAGA penalty settlement payments in the appropriate
25 amounts will be distributed by the Settlement Administrator by mail to the PAGA Employees
26 including to those Class Members who are PAGA Employees who submitted a Request for
27 Exclusion.

28 Twenty percent (20%) of each Participating Class Member’s Individual Class Claim

1 settlement payment shall be considered wages and shall be subject to all applicable local, state and
2 federal taxes and withholdings. Each Participating Class Member will receive from the Settlement
3 Administrator a W-2 for this portion of the payment. Forty percent (40%) of each Participating Class
4 Member's Individual Class Claim settlement payment shall be considered penalties and forty percent
5 (40%) of each Participating Class Member's Individual Class Claim settlement payment shall be
6 considered interest. One hundred percent (100%) of each PAGA Employee's Individual PAGA
7 Claim settlement payment shall be considered penalties. Each Class Member receiving a Settlement
8 Payment will also receive from the Settlement Administrator an IRS Form 1099 for those portions
9 of their Settlement Payment attributable to penalties and interest, and Class Members will be
10 responsible for correctly characterizing this compensation for tax purposes and to pay any taxes
11 owing.

12 Each Class Member receiving a Settlement Payment shall be responsible for correctly
13 characterizing any compensation received under the Settlement on his/her personal income tax
14 returns and paying any and all taxes due for any and all amounts paid to them under the Settlement.
15 The Settlement Administrator will withhold the employee's share of taxes and withholdings with
16 respect to the wages portion of the Individual Settlement Payments. Any employer's share of taxes
17 and contributions on the wages portion from the payment of any settlement funds to any Class
18 Member pursuant to the terms of this Agreement shall not be made from the Distributable Amount.
19 However, Defendant will only be responsible for employer side payroll taxes, separate and apart
20 from the MSA.

21 3. ***Class Counsel Fees, Costs, Enhancement Payments, LWDA Payment,***
22 ***Settlement Administration Cost, and Payment of Maximum Settlement Amount***
23 ***Funds***

24 Plaintiffs and Class Counsel will request, and Defendant agrees not to oppose, payment from
25 the Maximum Settlement Amount of Five Thousand Dollars (\$5,000.00) to Representative Plaintiff
26 BRENDA TORRES as an Enhancement Payment and Five Thousand Dollars (\$5,000.00) to
27 Representative Plaintiff SALVADOR OROZCO as an Enhancement Payment. Class Counsel
28 believes, and Defendant does not challenge, that such award to the Representative Plaintiffs as an

1 Enhancement Payment is reasonable. The Settlement Administrator will issue an IRS Form 1099 to
2 each Representative Plaintiff for the Enhancement Payment, and Representative Plaintiffs shall be
3 solely and legally responsible for correctly characterizing this compensation for tax purposes and for
4 paying any taxes on the amounts received. Representative Plaintiffs agree to indemnify and hold
5 Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of
6 the Enhancement Payment

7 Plaintiffs and Class Counsel will request, and Defendant agrees not to oppose, the payment
8 from the Maximum Settlement Amount of One Hundred Five Thousand Dollars (\$105,000.00),
9 representing thirty-five percent (35%) of the MSA, to Class Counsel for Class Counsel Fees. Class
10 Counsel believes, and Defendant does not challenge, that such an award to Class Counsel is
11 reasonable. Plaintiffs and Class Counsel will request, and Defendant agrees not to oppose, a payment
12 from the Maximum Settlement Amount not to exceed Fifteen Thousand Dollars (\$15,000.00) to
13 Class Counsel for Class Counsel Costs. Class Counsel believes, and Defendant does not challenge,
14 that such an award to Class Counsel is reasonable.

15 Class Counsel Fees, Class Counsel Costs, and the Enhancement Payments, whether they are
16 awarded as requested or reduced by the Court at its discretion, shall be paid from the Maximum
17 Settlement Amount.

18 The Parties have agreed that Twenty Thousand Dollars (\$20,000.00) of the Maximum
19 Settlement Amount will be allocated as PAGA penalties, with 75% of this amount, Fifteen Thousand
20 Dollars (\$15,000.00), to be paid to the LWDA in satisfaction of any claim for penalties that may be
21 owed to that agency under PAGA. The other 25%, or Five Thousand Dollars (\$5,000.00), will be
22 distributed to the PAGA Employees on a pro-rata basis.

23 Moreover, all the Settlement Administration Costs shall be paid from the Maximum
24 Settlement Amount, which the Parties currently estimate will be about Fifteen Thousand Dollars
25 (\$15,000.00).

26 Class Counsel shall timely provide a completed IRS Form W-9 no later than five (5) calendar
27 days after the Effective Date and any other information needed for the Settlement Administrator to
28 make payments. Any payment obligation by any party shall be tolled until the correct information is

provided as required by any party. Settlement Administration Costs may be paid earlier if necessary to effectuate the terms of this Agreement, except that the party paying shall be entitled to offset the costs from the Maximum Settlement Amount. Under no circumstances shall Defendant be required to pay more than the Maximum Settlement Amount.

4. Cure Provision

If Defendant fails to timely make an installment payment as set forth in this Agreement, Defendant shall have thirty (30) calendar days from the last day the payment is due to cure the untimely installment payment. Defendant shall make any payment under this provision pursuant to the Settlement Administrator's electronic transfer instructions. The Parties expressly agree that the Defendant's payment obligations with respect to any cure shall be met upon initiating the electronic transfer of funds to the Settlement Administrator, pursuant to its instructions.

L. The Settlement Administrator

Class Counsel and Defendant designate Phoenix, an experienced Settlement Administrator, to process this Settlement. The Settlement Administrator will administer the Settlement including, but not limited to, distributing the Class Notice of Settlement and Allocation Form, calculating and directing the disbursements for payments from the Distributable Amount, and handling inquiries about the calculation of individual settlement payments to the Class pursuant to the terms contained in this Agreement. The Settlement Administrator shall establish a settlement payment center address, telephone number, and timely process Class Members' inquiries about the Class Notice of Settlement, Requests for Exclusion and Objections, and process the payments to the Class under the terms of this Agreement.

Moreover, the Settlement Administrator shall provide as soon as possible to Defense Counsel instructions for Defendant to tender the MSA payment by electronic transfer to the Settlement Administrator as described in this Agreement. Defendant's payment of the MSA is contingent upon receipt of the payment instructions. Defendant expressly agrees to follow the Settlement Administrator's payment instructions. The Parties agree that Defendant's payment obligations under the Settlement shall be met upon initiating the electronic transfer of funds to the Settlement Administrator, pursuant to its instructions.

1 The Settlement Administrator shall provide the parties with weekly reports commencing with
2 the date the Class Notice is first mailed and continuing to the Effective Date notifying the Parties of
3 Notices mailed, Notices returned to sender, Notice re-mailed and the number of valid Opt-Outs
4 submitted by Class Members, if any, the number of Objections and identity of Objectors, if any and
5 the amounts of all Settlement Payments due and payable.

6 The Settlement Administrator shall not disburse the settlement funds except as provided
7 herein, as ordered by the Court, or as agreed upon, in writing, by Defense Counsel and Class Counsel.
8 Subject to further orders and/or directions as may be made by the Court, the Settlement Administrator
9 is authorized to execute such transactions on behalf of the Class Members as are consistent with the
10 terms of this Agreement.

11 Moreover, the Parties expressly agree that, in the event Phoenix cannot perform the functions
12 herein within the allocated \$15,000.00 Settlement Administration Costs, they will cooperate with
13 each other to select a new, mutually agreed upon Settlement Administrator. Under no circumstances
14 shall Defendant be required to pay more than the Settlement Administration Costs.

15 **M. Time For Disbursement**

16 Within Five (5) calendars days of receipt of Defendant's second installment payment of the
17 Maximum Settlement Amount, the Settlement Administrator shall cause to be paid the Settlement
18 Administration Costs, Class Counsel Fees, Class Counsel Costs, Enhancement Payments, LWDA
19 Payment, and the Distributable Amount.

20 Class Members who are PAGA Employees will not be permitted to exclude themselves from
21 the PAGA claim portion of the Settlement and will bound by the Court's resolution of that claim.
22 Class Members who do not timely Opt-Out will be bound by all the terms of this Agreement,
23 regardless of whether that Class Member receives and cashes his or her check for Settlement
24 Payment. Any checks issued by the Settlement Administrator to Participating Class Members will
25 be negotiable for one-hundred and eighty (180) calendar days.

26 Any settlement checks remaining un-cashed after one hundred and eighty (180) calendar days
27 after being issued shall become null and void, and any monies remaining in the distribution account
28 shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed

Property Law, California Civil Code § 1500 et seq., for the benefit of those Settlement Class Members who did not cash their checks until such time that they claim their property.

N. Taxes

1. *Withholding and Reporting Requirements*

The Settlement Administrator shall be responsible for ensuring that all taxes associated with the Agreement are timely paid to the appropriate tax authorities. The Settlement Administrator's responsibilities include the following: (i) filing all federal, state, and local tax deduction, (ii) to timely and proper filing of all required federal, state, and local forms (e.g., 1099s, W-2s, etc.) with the appropriate taxing authorities, and (iii) completion of any other steps necessary for compliance with any tax obligations of the Settlement under federal, state, and/or local law, as applicable. To verify the Settlement Administrator's compliance with the foregoing withholding and reporting requirements, as soon as administratively practicable, the Settlement Administrator shall furnish Class Counsel and Counsel for Defendant with copies of all forms detailing the payment of taxes (including all 1099 forms and returns) sufficient to prove that such payments were properly remitted. The Settlement Administrator shall provide a final accounting declaration adequate to demonstrate full compliance with all duties set forth in this Agreement, including but not limited to tax withholding, payment, and reporting obligations.

2. *Determination and Payment of Taxes*

The Settlement Administrator shall determine the amount of any withholding or taxes to be withheld from each Participating Class Member's settlement payment and issue form W-2's to the Class Members. All such withholdings shall be remitted by the Settlement Administrator to the proper governmental taxing authorities. Participating Class Members and PAGA Employees shall be responsible for any tax consequences of any funds paid out to each of them pursuant to this Agreement.

O. Circular 230 Disclaimer

Each party to this Agreement (for purposes of this section, the "Acknowledging Party"; and each party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that (1) no provision of this Agreement, and no written communication or disclosure

1 between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall
2 any such communication or disclosure constitute or be construed or be relied upon as, tax advice
3 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
4 amended); (2) the Acknowledging Party (a) has relied exclusively upon his, her, or its own,
5 independent legal and tax advisers for advice (including tax advice) in connection with this
6 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
7 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
8 communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty
9 that may be imposed on the Acknowledging Party; and (3) no attorney or advisor to any other party
10 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
11 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
12 Acknowledging Party of the tax treatment or tax structure of any transaction, including any
13 transaction contemplated by this Agreement.

14 **V. LIMITATIONS ON USE OF THIS SETTLEMENT**

15 **A. No Admission**

16 Neither the acceptance nor the performance by Defendant of the terms contained in this
17 Agreement nor any of the related negotiations or proceedings is or shall be claimed to be, construed
18 as, or deemed a precedent or an admission by Defendant of the truth of any allegations in any version
19 of the Complaint. Defendant enters into this Settlement Agreement solely for the purposes of
20 compromising and settling the Action.

21 **B. Non-Evidentiary Use**

22 Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation
23 or drafting of it, shall be offered or used as evidence by Plaintiffs, any Class Member (including any
24 individual who requested to be excluded from the Class), Defendant, or its or their respective counsel,
25 in the Action or any other proceeding, except as is reasonably necessary to effectuate its purpose and
26 terms. This Agreement may be used by Defendant and/or the Released Persons to prove or defend
27 against any claim released herein by any Class Member in any judicial, quasi-judicial, administrative,
28 or governmental proceeding. Nothing in this Agreement abridges a Class Member's right to file a

1 charge or participate in any manner in an investigation, hearing, or proceeding under the laws
2 enforced by Equal Employment Opportunity Commission.

3 **C. No Publicity**

4 Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement, including the
5 fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any
6 manner or form, directly or indirectly, to any person or entity, except as may be strictly required to
7 effectuate the terms of the Settlement. For the avoidance of doubt, this section means Plaintiffs and
8 Class Counsel agree not to issue press releases, communicate with, or respond to any media or
9 publication entities, publish information in manner or form, whether printed or electronic, on any
10 medium or otherwise communicate, whether by print, video, recording or any other medium, with
11 any person or entity, including the general public, concerning the Settlement, its terms or contents
12 and the negotiations underlying the Settlement, or identify Defendant or its principals owners as
13 associated with the underlying lawsuit, except as shall be contractually required to effectuate the
14 terms of the Settlement. However, for the limited purpose of allowing Class Counsel to prove
15 adequacy as class counsel in other actions for purposes of seeking approval of an unrelated
16 settlement, Class Counsel may refer to any information in the public record for such purposes.

17 **D. Nullification**

18 If the Court for any reason does not approve this Settlement, this Agreement shall be
19 considered null and void and all parties to this Settlement shall stand in the same position, without
20 prejudice, as if the Settlement had been neither entered into nor filed with the Court. Moreover, in
21 the event the Court does not approve this Settlement, Defendant will not be deemed to have waived,
22 limited, or affected in any way any of its objections, or defenses in this Action. Invalidation of any
23 material portion of this Settlement shall invalidate this Settlement in its entirety unless the Parties
24 agree in writing that the remaining provisions shall remain in full force and effect.

25 **E. Right to Withdraw**

26 Notwithstanding any other provision contained in this Agreement, if more than Ten Percent
27 (10%) of the Class Members submit timely and valid Requests for Exclusion from the Settlement
28 during the Opt-Out Period outlined herein, Defendant shall have the option but not the obligation, in

its sole discretion, to withdraw from this Agreement (“Right to Withdraw”), whereupon the Agreement shall be null and void for any and all purposes and may not be used or introduced in the Action or any other proceeding. The Parties will be restored to their respective positions in the litigation as if this Agreement was never negotiated, drafted or agreed upon. However, if Defendant exercises its Right to Withdraw, Defendant will be responsible for all Settlement Administration Costs incurred up to the date when the Defendant exercises its Right to Withdraw. The Settlement Administrator shall notify Class Counsel and Counsel for Defendant of the number of timely opt-outs within five (5) calendar days after the period to file an Opt-Out has expired. If Defendant elects to exercise its Right to Withdraw under this provision, Defendant will so notify Class Counsel and the Court no later than five (5) calendar days after receiving notice of the number of opt-outs and/or value of the valid claims made by the Participating Class Members.

F. No Effect on Employee Benefits

Amounts paid to the Plaintiffs or other Class Members pursuant to this Settlement Agreement shall not be deemed pensionable earnings or have any effect on the eligibility for, or calculation of, any employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the Plaintiffs or Class Members.

VI. RELEASE OF THE CLASS

It is the desire of the Representative Plaintiffs, Class Members, and Defendant to fully, finally, and forever settle, compromise, and discharge disputes and claims arising from or related to this Action. Upon the full funding of the MSA and by operation of the Agreement’s terms, and except as to such rights or claims as may be created by this Agreement, all Participating Class Members fully release and discharge the Released Persons from all Released Claims, whether known or unknown during the Class Period. As to any Participating Class Member who cashes the check representing their Settlement Payment, the signing and negotiation of that check shall serve as the Class Member’s consent to join the action for purposes of releasing claims arising under the FLSA that are related to the claims stated in the Action, implicitly or explicitly, and, for such persons, “Released Claims” shall include all related claims arising under the FLSA. All PAGA Employees, whether requesting exclusion from the Settlement or not, fully release and discharge the Released

Persons from any and all claims for civil Penalties under PAGA [Cal. Lab. Code §§ 2699, *et seq.*] that are based upon or arise from the factual allegations in the Operative Complaint and/or Notice to the LWDA, arising during and/or with respect to the PAGA Period, including all attorneys' fees and costs related thereto. Plaintiffs and Defendant stipulate and agree that the consideration paid to the Class Members pursuant to this Agreement compensates the Class Members for all wages and penalties due to them arising from the claims alleged in the Operative Complaint.

VII. MISCELLANEOUS PROVISIONS

A. Amendments

The terms and provisions of this Agreement may be amended only by a written agreement, which is signed by Representative Plaintiffs, Class Counsel, Defendant, and Counsel for Defendant.

B. Jurisdiction of the Court to Enforce Terms of Agreement

The Parties stipulate and agree that the Court will retain jurisdiction to enforce the terms of this Agreement following the entry of the Judgment pursuant to California *Code of Civil Procedure* section 664.6. The Parties agree to the exclusive jurisdiction of the Court to enforce the terms and conditions contained herein.

C. Enforcement Actions

In the event one or more of the Parties to this Stipulation institutes and legal action or other proceeding against any other party or parties to enforce the provisions of this Stipulation, or to declare rights and/or obligations under this Stipulation, the prevailing party or parties shall be entitled to recover from the unsuccessful party or parties' reasonable attorneys' fees and costs in connection with any enforcement actions.

D. No Inducements

Plaintiffs and Defendant acknowledge that they are entering into this Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever and that neither Plaintiffs nor Defendant have relied on any promises, representations, or warranties regarding the subject matter hereof other than as set forth in this Agreement.

E. No Prior Assignment

The Parties hereto represent, covenant, and warrant that they have not directly or indirectly,

1 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
2 entity any portion of any liability, claim, demand, action, cause of action or rights herein released
3 and discharged except as set forth herein. If any claims are made by any Class Member between the
4 start of the Class Period and the date in which the Court approves the Settlement outlined in this
5 Agreement as final, such a claim will be deemed covered and released by the individual Class
6 Member making the claim unless such Class Member has timely exercised the right to be excluded
7 from this Agreement under the terms set forth herein. Any Class Member covered by this Agreement
8 will be barred from proceeding with any such claim.

9 **F. Representative Plaintiffs' Personal Release(s)**

10 As part of the Agreement, Representative Plaintiffs BRENDA TORRES and Plaintiff
11 SALVADOR OROZCO, each in their individual capacity, grant the Released Persons the Personal
12 Release(s), as that term is defined in Section II herein.

13 With respect to each individual Representative Plaintiff's release of any and all claims under
14 the Older Workers Benefit Protection Act/Age Discrimination in Employment Act ("ADEA")
15 ("ADEA Release"), each Representative Plaintiff specifically acknowledges that Defendant has
16 advised him or her that under the ADEA, he or she has twenty-one (21) days from receipt of this
17 Agreement to consider the ADEA Release before signing the Agreement. Each Representative
18 Plaintiff may decide to sign the Agreement sooner and voluntarily waive the 21-day period provided
19 by the ADEA. Each Representative Plaintiff further acknowledges that he or she has had the
20 opportunity to make counter-proposals to the ADEA Release, and has been advised that he or she
21 has seven (7) days after signing this Agreement to revoke the ADEA Release, and the ADEA Release
22 shall not become effective or enforceable until the revocation period has expired. In the event any
23 Representative Plaintiff exercises the right to revocation, as discussed above, he or she must notify
24 Defendant of such revocation in writing via facsimile and certified mail, return receipt requested.
25 Said notification will be considered timely if post-marked no later than the seventh day after the
26 Representative Plaintiff has signed this Agreement. The individual Representative Plaintiff's ADEA
27 Release will be null and void if revoked by him or her during said revocation period. The individual
28 Representative Plaintiff's revocation of the ADEA Release must be addressed to the attention of

1 Defense Counsel at the address stated herein. In the event the individual Representative Plaintiff
2 exercises revocation of the ADEA Release, said revocation shall have no effect on his or her Personal
3 Release of any and all claims unrelated to the ADEA. If any individual Representative Plaintiff
4 exercises his or her right to revoke under this provision, he or she gives up the right to any
5 Enhancement Payment under this Agreement.

6 **G. Destruction of Informal Discovery**

7 The Parties agree that in the event the Court does not approve the Settlement for any reason,
8 or if the Settlement cannot be consummated for any reason, Class Counsel expressly agrees to either:
9 (1) return all informally produced discovery by Defendant to Defendant or Defense Counsel; or (2)
10 immediately destroy all informal discovery, and provide sufficient proof (such as a declaration under
11 oath by Class Counsel) that the information was destroyed within 10 calendar days after becoming
12 aware that the Settlement has failed to become final. Retaining any copy of direct or derivative
13 information shall be a violation of this provision. Such informal discovery shall include, but is not
14 limited to: (1) Class Members' time and payroll records; (2) written policies and procedures; and (3)
15 information disclosed pursuant to the mediation and/or settlement privilege. If Class Counsel fails to
16 either destroy or return such information within a reasonable time, the Parties expressly agree that
17 Defense Counsel may apply to the Court to seek enforcement of this specific provision (including
18 any and all reasonable attorney's fees and costs in seeking such enforcement).

19 If the Court approves the settlement, Plaintiffs and Class Counsel agree to maintain the
20 information provided by Defendant only for as long as it is necessary to consummate and finalize the
21 approval process of the Settlement by the Court, up to and including the Effective Date. After such
22 time, the Parties agree that Class Counsel will return the information to Defendant or Defense
23 Counsel, or destroy the information (including any derivative information) as provided herein, except
24 as provided in Plaintiffs' personnel file.

25 Plaintiffs and Class Counsel agree to treat and maintain the information disclosed
26 confidentially, protect it, and take any and all reasonable steps to maintain it confidentially and treat
27 it as a trade secret. However, the Parties expressly agree that Class Counsel may disclose such
28 information to the Court as is necessary to consummate and finalize the approval process of the

Settlement by the Court.

H. Review of Noticed Motions And/Or Other Pleadings

Class Counsel expressly agrees that prior to any filing concerning the terms herein, including but not limited to the Motion for Preliminary Approval and the Motion for Final Approval, it shall e-mail a draft of said motion and/or pleading to Defense Counsel at least 7 calendar days prior to its filing.

I. Counterparts

This Agreement, and any amendments hereto, may be executed in any number of counterparts, or signed electronically, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. This Agreement will become effective on the date when the last person signs and dates it.

J. Integration Clause

This document, along with any exhibits attached hereto, constitutes the complete and entire Agreement between the parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions of their Agreement. Any and all prior agreements, representations, negotiations, and understandings between the parties, oral or written, express or implied, are hereby superseded and merged herein.

IN WITNESS WHEREOF, the parties hereto execute this Agreement and have caused this Agreement to be executed by their duly authorized representatives.

**PLAINTIFF &
REPRESENTATIVE PLAINTIFF**

Date: _____

BRENDA TORRES
Personally and as Representative Plaintiff

**PLAINTIFF &
REPRESENTATIVE PLAINTIFF**

Date: 04/16/2021 _____

Salvador Orozco

SALVADOR OROZCO
Personally and as Representative Plaintiff

Settlement by the Court.

H. Review of Noticed Motions And/Or Other Pleadings

Class Counsel expressly agrees that prior to any filing concerning the terms herein, including but not limited to the Motion for Preliminary Approval and the Motion for Final Approval, it shall e-mail a draft of said motion and/or pleading to Defense Counsel at least 7 calendar days prior to its filing.

I. Counterparts

This Agreement, and any amendments hereto, may be executed in any number of counterparts, or signed electronically, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. This Agreement will become effective on the date when the last person signs and dates it.

J. Integration Clause

This document, along with any exhibits attached hereto, constitutes the complete and entire Agreement between the parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions of their Agreement. Any and all prior agreements, representations, negotiations, and understandings between the parties, oral or written, express or implied, are hereby superseded and merged herein.

IN WITNESS WHEREOF, the parties hereto execute this Agreement and have caused this Agreement to be executed by their duly authorized representatives.

**PLAINTIFF &
REPRESENTATIVE PLAINTIFF**

Date: 04/16/2021

Brenda Torres
BRENDA TORRES
Personally and as Representative Plaintiff

**PLAINTIFF &
REPRESENTATIVE PLAINTIFF**

Date: _____

SALVADOR OROZCO
Personally and as Representative Plaintiff

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CALIFORNIA RICE CENTER, INC.

Date: 4/14/2021


By: DAISUKE FUJISAWA
Its Authorized Representative

APPROVED AS TO FORM AND CONTENT

PAYNE NGUYEN, LLP

Date: 4/16/2021


CODY PAYNE, ESQ.
KIM NGUYEN, ESQ.
Attorneys for Plaintiffs and the Proposed Class

LANDEGGER RIVAS VERANO & DAVIS, ALC

Date: 4/15/2021


ALFRED LANDEGGER, ESQ.
EVELYN ZARRAGA, ESQ.
Attorneys for Defendant
CALIFORNIA RICE CENTER, INC.

EXHIBIT 1

NOTICE OF CLASS SETTLEMENT

Brenda Torres, et al. v. California Rice Center, Inc.
Los Angeles County Superior Court, Case No. 20STCV18638

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

BASIC INFORMATION

1. Why did I receive this Notice?

A proposed class action settlement (the “Settlement”) is pending in the Los Angeles County Superior Court. The Settlement resolves a case against Defendant California Rice Center, Inc. (“Defendant”).

The purpose of this Notice of Class Settlement (“Notice”) is to briefly describe the case, and to inform you of your rights and options in connection with the proposed Settlement of this lawsuit.

AS A CLASS MEMBER, YOU MAY BE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE, UNLESS YOU TIMELY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT.

You are receiving this Notice because you have been identified as a member of the Class and may be entitled to receive money from the Settlement.

2. What is this Settlement about?

A lawsuit was commenced by former employees of Defendant, Brenda Torres and Salvador Orozco (also known as “Plaintiffs”) on May 13, 2020. The case is currently pending in the Los Angeles County Superior Court, Case No. 20STCV18638.

The lawsuit claims that Defendant did not provide compliant meal and rest periods or premium pay in lieu thereof, did not properly pay employees all wages owed for time worked, did not provide accurate wage statements, did not timely pay all wages during employment or at termination of employment, did not maintain accurate records, and maintained unfair business practices. The lawsuit also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The lawsuit claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties and restitution.

Defendant denies all alleged violations, maintain that it complied with all state and federal laws, and denies that it has any liability to Plaintiffs, or to any of the Class Members, or to any of the individuals whom Plaintiffs sought to represent in the lawsuit. The Court has not made a ruling on the merits of the lawsuit. However, the parties have agreed to a settlement in order to avoid the expense and uncertainty of continued litigation.

3. Why is this a class action?

In a class action lawsuit, one or more people called the Class Representative (in this case the Plaintiffs), sue on behalf of people who may have similar claims (in this case all current and former hourly-paid and non-exempt employees who worked for Defendant within the State of California at any time from May 13, 2016 to and

including [DATE OF PRELIMINARY APPROVAL]). All these people are referred to here as the Class or Class Members. In a class action, one court will resolve the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Los Angeles County Superior Court is in charge of this class action lawsuit.

4. Why is there a settlement?

The Court has not decided in favor of the Plaintiffs or Defendant. Rather, the Settlement is a compromise reached after a good faith, arms' length negotiation between Plaintiffs and Defendant, and is not an admission of liability on the part of Defendant. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate, and reasonable. Plaintiffs also believe that this Settlement is in the best interests of all Class Members. The Court has not ruled on the merits of Plaintiffs' claims or the Defendant's defenses.

The Settlement is memorialized in the Joint Stipulation and Class Settlement Agreement ("Agreement" or "Settlement"). On [DATE OF PRELIMINARY APPROVAL], the Court granted preliminary approval of the Settlement, appointed the Plaintiffs as the Class Representatives, and appointed their attorneys at Payne & Nguyen, LLP, as counsel for the Class ("Class Counsel").

WHO IS IN THE SETTLEMENT?

5. How do I know if I am part of the Settlement?

You are part of the Settlement, and a Class Member, if you are a current or former hourly-paid and non-exempt employee who worked for Defendant within the State of California at any time from May 13, 2016 to and including [DATE OF PRELIMINARY APPROVAL].

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the Settlement provide?

The Settlement provides that Defendant will pay a maximum of Three Hundred Thousand Dollars (\$300,000.00) ("Maximum Settlement Amount"). This includes all costs and attorneys' fees for Class Counsel.

The "Net Settlement Amount" is the portion of the Maximum Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion ("Participating Class Members"). The Net Settlement Amount is the Maximum Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys' Fees to Class Counsel** not to exceed 35% of the Maximum Settlement Amount or One Hundred and Five Thousand Dollars (\$105,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Fifteen Thousand Dollars (\$15,000.00);
- C. **Enhancement Payment to the Class Representatives** not to exceed Five Thousand Dollars (\$5,000.00) to each of the Plaintiffs (\$10,000.00 total);
- D. **Settlement Administration Costs** not to exceed Fifteen Thousand Dollars (\$15,000); and
- E. **PAGA Payment to the Labor Workforce Development Agency ("LWDA")** in the amount of Fifteen Thousand Dollars (\$15,000.00) which represents the LWDA's 75% portion of the Twenty Thousand

Dollars (\$20,000.00) allocated for civil penalties. The remaining 25%, or Five Thousand Dollars (\$5,000.00), will remain a part of the Net Settlement Amount for distribution to PAGA Employees (Class Members employed at any time from January 8, 2020 up to and including [DATE OF PRELIMINARY APPROVAL]). This allocation of the PAGA Payment is required by the LWDA.

After the amounts above are deducted from the Maximum Settlement Amount, the remaining Net Settlement Amount will be distributed as follows:

The portion of the Net Settlement Amount (not including the \$5,000.00 allocated for PAGA Employees) that you are eligible to receive as part of your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked for Defendant within the State of California at any time from May 13, 2016 to [DATE OF PRELIMINARY APPROVAL].

In addition, if you worked for Defendant within the State of California at any time from January 8, 2020 to and including [DATE OF PRELIMINARY APPROVAL] (“PAGA Period”), your Individual Settlement Payment will include a portion of the PAGA Payment allocated to PAGA Employees. The portion of the \$5,000.00 allocated for PAGA Employees that you are eligible to receive will be determined on a *pro rata* basis, based on the number of weeks you worked for Defendant within the State of California at any time during the PAGA Period.

Your Individual Settlement Payment (excluding any portion allocated for PAGA penalties) will be apportioned as twenty percent (20%) wages, forty percent (40%) penalties and forty percent (40%) interest. If eligible, the PAGA portion of your Individual Settlement Payment will be allocated as one hundred percent (100%) penalties. The wage portion of your Individual Settlement Payment will be subject to withholdings for the employee’s share of state and federal payroll taxes and will be reported on a W-2 Form. Defendant will separately pay the employer’s share of payroll taxes with respect to the wage portion of each Individual Settlement Payment. The penalties and interest portions of the Individual Settlement Payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

7. How do I dispute the Settlement calculation?

The Allocation Form that accompanies this Notice states the number of workweeks attributed to you, pursuant to Section 6, above. If you believe the number of workweeks stated on the Allocation Form to be inaccurate, you may state what you believe the correct number to be, and provide supporting documentation by [DATE]. All disputes regarding your workweeks will be resolved and decided by the Settlement Administrator, and the Settlement Administrator’s decision on all disputes will be final and binding.

HOW TO GET A PAYMENT FROM THE SETTLEMENT

8. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

9. What claims are being released as part of the Settlement?

Providing there is final approval of the Settlement, then upon funding of the Maximum Settlement Amount, in exchange for the consideration set forth in the proposed settlement, Plaintiffs and any Class Member who does not submit a request for exclusion will release the “Released Persons” from all “Released Claims” during the “Class Period.”

The term “Released Persons” means Defendant California Rice Center, Inc., and its respective agents, attorneys, insurers, past, present and future divisions, affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them.

The term “Released Claims” means all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which relate to any and all claims alleged or which could have been alleged based on the facts in the Operative Complaint filed by Plaintiffs, both on their behalf and on behalf of the Participating Class Members in this Action during the Class Period, including the date of preliminary approval of the Settlement under any federal, state or local law, and shall specifically include claims for failure to pay minimum wages, failure to pay overtime wages, failure to pay all hourly wages including minimum and overtime wages as a result of failing to accurately record the actual time worked and/or off-the-clock work, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to provide accurate itemized wage statements, failure to timely pay final wages, failure to timely pay wages during employment, failure to properly maintain required employment records, unfair and unlawful business practices, violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, Business and Professions Code § 17200, *et seq.*, the Industrial Welfare Commission Wage Orders (“IWC Wage Order”) including inter alia, IWC Wage Order No. 1, and any other claims, including claims for statutory and/or civil penalties, pertaining to the Participating Class Members which were alleged or could have been alleged in operative Complaint based upon the allegations and claims contained in the Operative Complaint. In addition, as to any Participating Class Member who cashes the check representing their Individual Settlement Payment, the signing and negotiation of that check shall serve as the Class Member’s consent to join the action for purposes of releasing claims arising under the Fair Labor Standards Act (“FLSA”) that are related to the claims stated in the Action, implicitly or explicitly, and, for such persons, “Released Claims” shall include all related claims arising under the FLSA. This release is limited in time to the Class Period covering the Participating Class Members who worked for the Released Persons in the State of California.

The term “Class Period” means the period from May 13, 2016 to and including [DATE OF PRELIMINARY APPROVAL].

Providing there is final approval of the Settlement, then upon funding of the Maximum Settlement Amount, all “PAGA Employees”, whether requesting exclusion from the Settlement or not, will fully release and discharge the Released Persons from any and all claims for civil Penalties under PAGA [Cal. Lab. Code §§ 2699, *et seq.*] that are based upon or arise from the factual allegations in the Operative Complaint and/or Notice to the LWDA, arising during and/or with respect to the PAGA Period, including all attorneys’ fees and costs related thereto.

The term “PAGA Employees” means all Class Members employed at any time during the PAGA Period. The term “PAGA Period” means the period from January 8, 2020 to and including [DATE OF PRELIMINARY APPROVAL].

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Claims (other than those which arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*), then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment of a portion of the Net Settlement Amount.

All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released Claims arising under the Private Attorney General Act

(California Labor Code sections 2698 *et seq.*), with respect to all of the Released Persons irrespective of whether a Class Member submits a request for exclusion.

10. How can I not participate in the Settlement?

You may request to be excluded from the Settlement, including maintaining any claim you may have against the Defendant with respect to the Released Claims. If you exclude yourself, you will not receive payment from the portion of the Net Settlement Amount allocated for Class Members. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

To exclude yourself from the Settlement, submit a signed, written Request for Exclusion, which must include your name (including any former names used during employment with Defendant), address, and the last four digits of your social security number. Your Request for Exclusion must include a clear statement that you do not wish to be included in this action similar to the following: “I wish to exclude myself from the settlement reached in the matter of *Brenda Torres v. California Rice Center, Inc.* I understand by excluding myself, I will not receive any money from the Class settlement reached in this matter.”

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

[Settlement Administrator]
[Address]

11. If I don’t exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a Request for Exclusion, you give up the right to sue Defendant and Released Persons for the Released Claims during the Class Period as defined above. If you have a pending lawsuit involving the Released Claims, speak to your lawyer in that lawsuit immediately.

12. If I exclude myself, can I still get money from this Settlement?

No (except if you worked at any time from January 8, 2020 up to and including [DATE OF PRELIMINARY APPROVAL] in which case you will still receive the portion of your Individual Settlement Payment for Released Claims that arise under PAGA). If you ask to be excluded, you will not receive payment for the release of your individual wage claims and you cannot object to the Settlement. But if you submit a timely and valid request for exclusion, you will not be legally bound by the release of Released Claims and you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against Released Persons for Released Claims (except for Released Claims that arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*)).

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has approved PAYNE & NGUYEN, LLP as Class Counsel. The firm’s contact information is:

PAYNE & NGUYEN, LLP
Cody Payne, Esq.

Kim Nguyen, Esq.
4640 Admiralty Way, Suite 500
Marina del Rey, California 90292
Telephone: (310) 360-9882
Facsimile: (310) 928-7469

You will not be charged for these lawyers. Class Counsel will ask the Court for attorneys' fees of up to \$105,000.00 and reimbursement of litigation cost/expenses of up to \$15,000.00. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

14. How do I tell the Court if I don't like the Settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must be signed and include your full name (including any former named used during employment with Defendant), dates of your employment, the last four digits of your social security number and/or employee ID number, the specific reason including any legal grounds for your objection, and if you intend to appear at the Final Approval Hearing. You may attend the Final Approval Hearing on [DATE] and make an oral objection at that time, even if you did not submit a written objection.

15. What is the difference between excluding and objecting?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FINAL SETTLEMENT FAIRNESS HEARING

16. When and where will the Court decide whether to approve the settlement?

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing") at [] a.m./p.m. on [], 2021], at the Los Angeles Superior Court—Spring Street Courthouse, located at 312 N. Spring St. Los Angeles, CA 90012.

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

17. Do I have to come to the hearing?

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

you may also attend remotely if you wish. Remote appearances may be scheduled through “LA Court Connect” at <https://www.lacourt.org/lacc/>.

18. How will I learn if the Settlement was approved?

A notice of final judgment will be posted on the Settlement Administrator website located at www. [REDACTED].

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will give up any rights you would otherwise have to sue Defendant for the Released Claims. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Controller of the State of California’s Unclaimed Property Fund. You may then claim these funds from there.

GETTING MORE INFORMATION

20. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator’s website at [REDACTED] or by contacting the Settlement Administrator or Class Counsel.

IF YOUR CONTACT INFORMATION CHANGES

21. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this Settlement. You can change or update your contact information by contacting the Settlement Administrator.

**DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO
THE CLERK OF THE COURT OR THE JUDGE**

EXHIBIT 2

ALLOCATION FORM

Brenda Torres, et al. v. California Rice Center, Inc.
Los Angeles County Superior Court, Case No. 20STCV18638

THIS IS PART OF A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.

If you do not dispute the number of workweeks stated below, please disregard this form. You do not need to do anything, and you will automatically receive a settlement check in the mail.

Use and return this form ONLY IF you dispute the number of workweeks stated below.

The amount you are eligible to receive from the settlement will be determined on a *pro rata* basis, based on the number of weeks you worked as a non-exempt employee for Defendant California Rice Center, Inc. ("Defendant") within California from May 13, 2016 to [date of preliminary approval] (Class Period). **According to Defendant's records, you worked XXX workweeks during the Class Period. Your estimated settlement share as a Class Member is [redacted].**

Based on Defendant's records, you <<were/were not>> employed by Defendant in California at any time from January 20, 2020 to [date of preliminary approval] (PAGA Period), and therefore you <<are/are not>> eligible to receive an additional amount, determined on a *pro rata* basis, based on the number of weeks you worked during the PAGA Period. **According to Defendant's records, you worked XXX workweeks during the PAGA Period. Your estimated settlement share as a PAGA Employee is [redacted].**

If you agree with the number of workweeks, you do not need to anything. You will automatically receive a settlement check in the mail.

Your eligibility for a payment as part of this settlement was determined based on Defendant's records. Although Defendant's records are presumed correct, you may wish to challenge the number of workweeks.

If you dispute the number of workweeks, in the space below, provide the position(s) in which you worked, and the dates that you worked during the Class Period. Include copies of any documents, such as paycheck stubs, that support your position.

PLEASE PRINT CLEARLY

Position:

Dates:

If you dispute the number of workweeks, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [DATE]. All disputes regarding your workweeks will be resolved and decided by the Settlement Administrator, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]

[Address]

[Telephone No.]

[Fax No.]

ALLOCATION FORM