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10 Attorneys for GENERAL PRODUCE CO.,
11 A CALIFORNIA LIMITED PARTNERSHIP

12
13 LUIS GONZALEZ, individually and on behalf
14 of all other similarly situated employees,

15 Claimant,

16 vs.

17 GENERAL PRODUCE CO., A
18 CALIFORNIA LIMITED PARTNERSHIP, a
California Limited Partnership; and DOES 1 to
19 100, inclusive,

20 Respondents.

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

1 This Joint Stipulation Regarding Class Action and PAGA Settlement and Release is made and
2 entered into between Luis Gonzalez ("Claimant"), Miguel Villarruel, and Jose Galvan, on behalf of
3 themselves, the Labor and Workforce Development Agency, Class Members, and Aggrieved Employees,
4 and Respondent General Produce Co., A California Limited Partnership ("Respondent"). This Agreement
5 is subject to the terms and conditions set forth below and the approval of the Arbitrator and Court as set
6 forth herein.

7 **1. DEFINITIONS**

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

9 1.1 "Action" means the arbitration case, *Gonzalez v. General Produce Co.*, pending before
10 Arbitrator David Perrault of Judicate West, Case No. A298161, initiated November 30, 2022, and the
11 lawsuit filed in the Sacramento County Superior Court, *Gonzalez v. General Produce Co.*, Case No. 34-
12 2022-00317208, filed March 22, 2022.

13 1.2 "Aggrieved Employee(s)" means all non-exempt employees, who have, or continue to, work
14 for Respondent, except for any employees who only worked as drivers with a Class A or B driver's license,
15 during the PAGA Claim Period.

16 1.3 "Agreement" or "Settlement" or "Settlement Agreement" means this Joint Stipulation
17 Regarding Class Action and PAGA Settlement and Release.

18 1.4 "Arbitrator" means David Perrault.

19 1.5 "Claimant" means Luis Gonzalez.

20 1.6 "Class Counsel" means Galen T. Shimoda, Justin P. Rodriguez and Brittany V. Berzin of
21 Shimoda & Rodriguez Law, PC.

22 1.7 "Class Member(s)" means all non-exempt employees, who have, or continue to, work for
23 Respondent, except for any employees who only worked as drivers with a Class A or B driver's license,
24 from January 4, 2020 up to up to either (1) the Preliminary Approval Date, or (2) 60 days after this
25 Agreement is signed, whichever is earlier. The estimated number of Class Members is 458.

26 1.8 "Class Period" means January 4, 2020 up to either (1) the Preliminary Approval Date, or
27 (2) 60 days after this Agreement is signed, whichever is earlier.

28 1.9 "Class Representatives" means Luis Gonzalez, Miguel Villarruel and Jose Galvan.

1 1.10 “Complaint” means the Class Arbitration Complaint submitted with Claimant’s Demand
2 for Class Arbitration.

3 1.11 “Court” means the Sacramento County Superior Court.

4 1.12 “Enhancement Payment” means the amount approved by the Arbitrator to be paid to the
5 Class Representatives in recognition of the time and effort expended on behalf of Class Members for the
6 benefit of Class Members, which is in addition to any Individual Settlement Amount paid to the Class
7 Representatives as a Participating Class Member.

8 1.13 “Effective Date” means the Final Approval Date unless there is a timely objection lodged
9 that has not later been withdrawn, in which case the Effective Date will be either (a) when the period for
10 filing any appeal, writ or other appellate proceeding opposing the Agreement has lapsed without any
11 appeal, writ or other appellate proceeding having been filed; or (b) the seventh (7th) calendar day after any
12 appellate proceeding opposing the settlement has been finally dismissed with no material change to the
13 terms of this settlement and there is no right to pursue further remedies or relief, whichever is later.

14 1.14 “Final Approval Date” means the date the Arbitrator signs an order granting final approval
15 of this Agreement or the date the Court enters a signed order approving the PAGA settlement, whichever
16 is later.

17 1.15 “Gross Settlement Amount” is the sum of Nine Hundred Thousand Dollars and No Cents
18 (\$900,000).

19 1.16 “Individual Settlement Amount” means an individual Class Member’s and Aggrieved
20 Employee’s allocation of the Net Settlement Amount and PAGA Payment respectively, as defined in
21 Sections 1.18, 1.23, 1.24, 5.5, and 5.8.

22 1.17 “LWDA” means the California Labor and Workforce Development Agency.

23 1.18 “Net Settlement Amount” is the portion of the Gross Settlement Amount available for
24 distribution to Class Members, as described in this Agreement, after deduction of Class Counsel’s
25 attorneys’ fees and litigation costs, Settlement Administrator Costs, the PAGA Payment, and Enhancement
26 Payment to the Class Representatives.

27 1.19 “Notice of Settlement” means the document substantially in the form attached hereto as
28 Exhibit 1.

1 1.20 "Notice Period" means sixty (60) calendar days from the initial mailing of the Notice of
2 Settlement to Class Members and Aggrieved Employees.

3 1.21 "PAGA" means Private Attorneys General Act.

4 1.22 "PAGA Complaint" means the Complaint filed in the Sacramento County Superior Court,
5 Case No. 34-2022-00317208.

6 1.23 "PAGA Claim Period" means from November 9, 2020 up to up to either (1) the Preliminary
7 Approval Date, or (2) 60 days after this Agreement is signed, whichever is earlier.

8 1.24 "PAGA Payment" means the amount allocated from the Gross Settlement Amount towards
9 resolving claims under the Private Attorneys General Act of 2004, California Labor Code §§ 2698 *et seq.*

10 1.25 "Parties" mean Respondent and Claimant.

11 1.26 "Participating Class Member" means any and all Class Members who have not made any
12 timely request to opt-out of the Agreement.

13 1.27 "Preliminary Approval Date" means the date the Arbitrator signs an order granting
14 preliminary approval of this Agreement.

15 1.28 "QSF" means a Qualified Settlement Fund set up by the Settlement Administrator for the
16 benefit of the Participating Class Members and/or Aggrieved Employees and from which the payments
17 under this Agreement shall be made. Any amounts Respondent has agreed to pay under this Agreement
18 shall remain the property of Respondent until the payments required under the Agreement are made.

19 1.29 "Qualifying Workweeks" are weeks worked by Class Members and/or Aggrieved
20 Employees during the Class Period and/or PAGA Claim Period, respectively, in California. For Class
21 Members, workweeks shall be defined as the total length of service (in days) in California during the Class
22 Period divided by seven. For Aggrieved Employees workweeks shall be defined as the total length of
23 service (in days) in California during the PAGA Claim Period divided by seven. The calculation of a Class
24 Member's and/or Aggrieved Employee's workweeks and a determination as to whether a Class Member
25 and/or Aggrieved Employee was actively employed in California in a particular workweek shall be
26 construed from Respondent's records.

27 1.30 "Released Class Claims" means any and all class claims that are alleged in the Complaint,
28 and any additional wage and hour claims that could have been brought based on the facts alleged in the

1 Complaint, through the Class Period. This release excludes the release of claims not permitted by law.
2 The Released Class Claims exclude claims for workers' compensation or unemployment insurance
3 benefits. This release will cover all Class Members who do not opt out.

4 1.31 "Released PAGA Claims" means any and all claims that were brought under the Private
5 Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in the LWDA letter or PAGA Complaint
6 and any additional wage and hour PAGA claims that could have been brought based on the facts alleged
7 in the LWDA letter or PAGA Complaint during the PAGA Claim Period. Aggrieved Employees cannot
8 opt out of this waiver of claims.

9 1.32 "Released Parties" means Respondent, as well as Respondent's officers, shareholders,
10 directors, agents, employees, attorneys, and insurers.

11 1.33 "Respondent" means General Produce Co., A California Limited Partnership.

12 1.34 "Respondent's Counsel" means Palmer Kazanjian Wohl Hodson LLP.

13 1.35 "Settlement Administrator" means and refers to ILYM Group, Inc., the third-party entity
14 that will administer the Agreement as outlined in Sections 4 and 7, or any other third-party administrator
15 agreed to by the Parties and approved by the Arbitrator for the purposes of administering this Agreement.
16 The Parties each represent that they do not have any financial interest in the Settlement Administrator.

17 1.36 "Settlement Administrator Costs" means the fees and expenses reasonably incurred by the
18 Settlement Administrator as a result of the procedures and processes expressly required by this Agreement,
19 and shall include all costs of administering the Agreement, including, but not limited to, all tax document
20 preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees
21 associated with preparing, issuing and mailing any and all notices and other correspondence to Class
22 Members and/or Aggrieved Employees; all costs and fees associated with communicating with Class
23 Members and/or Aggrieved Employees, Class Counsel, and Respondent's Counsel; all costs and fees
24 associated with computing, processing, reviewing, and paying the Individual Settlement Amounts, and
25 resolving disputes; all costs and fees associated with calculating tax withholdings and payroll taxes, if any,
26 making related payment to federal and state tax authorities, if any, and issuing tax forms relating to
27 payments made under the Agreement; all costs and fees associated with preparing any tax returns and any
28 other filings required by any governmental taxing authority or agency; all costs and fees associated with

1 preparing any other notices, reports, or filings to be prepared in the course of administering Individual
2 Settlement Amounts; and any other costs and fees incurred and/or charged by the Settlement Administrator
3 in connection with the execution of its duties under this Agreement.

4 **2. DESCRIPTION OF THE LITIGATION**

5 2.1 On November 9, 2021 Miguel Villarruel and Jose Galvan sent notice to the LWDA to
6 exhaust administrative remedies under the PAGA for failure to pay overtime wages, failure to provide meal
7 periods or pay premiums in lieu thereof, failure to provide rest periods or pay premiums in lieu thereof,
8 failure to provide accurate wage statements, failure to pay final wages, violation of provisions regulating
9 hours and days of work in the Industrial Welfare Commission Order, and failure to provide paid sick leave.
10 On January 5, 2022 the notice was amended to include Claimant. The LWDA did not respond to the notices
11 within the statutorily required time frame and, as such, Claimant became authorized to act as a Private
12 Attorneys General on all alleged PAGA claims.

13 2.2 On March 2, 2022, Claimant filed a Petition to Compel Respondent to Class Arbitration.
14 On May 3, 2022, the Court entered an order granting Claimant's Petition to Compel Class Arbitration. On
15 November 30, 2022, Claimant initiated class arbitration through Judicate West alleging class action claims
16 for failure to pay overtime wages, meal period violations, rest period violations, wage statement violations,
17 waiting time penalties, and unfair competition. On March 22, 2022, Claimant filed a Complaint in the
18 Sacramento County Superior Court alleging a single PAGA cause of action based on the violations alleged
19 in the notices sent to the LWDA. Miguel Villarruel and Jose Galvan are class members in the Gonzalez
20 class arbitration. Miguel Villarruel and Jose Galvan had previously filed nearly identical class action claims
21 against Respondent in November 2021 in the Sacramento County Superior Court, Case No. 34-2021-
22 00311463 ("Villarruel Action"). After the Final Approval Date, Miguel Villarruel and Jose Galvan intend
23 to seek to dismiss the Villarruel Action without prejudice.

24 2.3 Through informal discovery, Respondent and Respondent's Counsel provided Class
25 Counsel with copies of policies and procedures and information on Class Members including, but not
26 limited to, the number of workweeks in the Class Period, the number pay periods in the PAGA Claim
27 Period, the total number of Class Members, the number of former Class Members, the average rate of pay,
28

1 and the average shift length, as well as timecard and payroll data for a randomly selected sample of Class
2 Members.

3 2.4 On October 18, 2022, Claimant, Respondent, Miguel Villarruel and Jose Galvan
4 participated in a lengthy mediation with private mediator Hon. Ronald M. Sabraw (Ret.). Negotiations
5 continued with the help of the mediator until a resolution was reached on approximately November 22,
6 2022. At all times, the settlement negotiations have been non-collusive, adversarial, and at arm's length.

7 2.5 Discussions between Claimant, Miguel Villarruel, and Jose Galvan and Class Counsel,
8 between counsel for the Parties, document productions, extensive legal analysis, the provision of
9 information by Respondent to Claimant and the detailed analysis of the records, have permitted each side
10 to assess the relative merits of the claims and the defenses to those claims.

11 2.6 In the Action, Claimant contends that Respondent violated California law by 1) failing to
12 incorporate the value of nondiscretionary remuneration, such as bonuses and incentives, into Class
13 Members' regular rates of pay for the purpose of paying overtime and paid sick time; 2) failing to provide
14 Class Members with meal periods beginning before their fifth hour of work; 3) failing to provide Class
15 Members with second meal periods when they worked shifts over 12 hours; 4) failing to provide Class
16 Members with meal periods altogether in some instances; and 5) failing to provide all rest periods. The
17 waiting time, wage statement, unfair competition, and PAGA claims are derivative. Respondent has denied
18 each of Claimant's claims and Respondent has denied that this Action is appropriate for class certification
19 for anything other than settlement purposes. The agreed upon Gross Settlement Amount was reached after
20 evaluating the Parties' theories of potential exposure for the underlying claims and the class data supporting
21 these claims. The Parties, Miguel Villarruel and Jose Galvan, with the assistance of the mediator, also
22 assessed appropriate discounts to the potential liability based on Respondent's factual and legal contentions
23 and defenses.

24 2.7 The Parties, Miguel Villarruel and Jose Galvan agree that the above-described investigation
25 and evaluation, as well as discovery and the information exchanged to date, are more than sufficient to
26 assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable
27 basis. Claimant, Miguel Villarruel, Jose Galvan, Class Counsel, Respondent, and Respondent's Counsel
28 have concluded that it is desirable that the Action be settled in a manner and upon such terms and conditions

1 set forth herein in order to avoid further expense, inconvenience and distraction of further legal
2 proceedings, and the risk of an adverse outcome each of the Parties potentially face in the Action.
3 Therefore, the Parties, Miguel Villarruel and Jose Galvan desire to resolve the claims in the Action.
4 Claimant, Miguel Villarruel, Jose Galvan, Class Counsel, Respondent, and Respondent's Counsel are of
5 the opinion that the Agreement for the consideration and terms set forth herein is fair, reasonable, and
6 adequate in light of all known facts and circumstances.

7 **3. THE CONDITIONAL NATURE OF THIS AGREEMENT**

8 3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose of
9 settling the Action. This Agreement and the settlement it evidences are made in compromise of disputed
10 claims. Because the Action includes class action claims, this Agreement must receive preliminary and
11 final approval from the Arbitrator. Because the Action includes PAGA claims, the PAGA settlement must
12 also receive approval from the Court. Accordingly, the Parties, Miguel Villarruel and Jose Galvan enter
13 into this Agreement and associated settlement on a conditional basis. If the Effective Date does not occur,
14 or if the Arbitrator's or Court's approval of the settlement is reversed or materially modified on appellate
15 review, this Agreement shall be deemed null and void; it shall be of no force or effect whatsoever; it shall
16 not be referred to or utilized for any purpose whatsoever; and the negotiation, terms and entry of the
17 Agreement shall remain subject to the provisions of California Evidence Code Sections 1119 and 1152,
18 Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable.

19 3.2 Respondent has denied all claims as to liability, damages, liquidated damages, penalties,
20 interest, fees, restitution, injunctive relief and all other forms of relief asserted in the Action. Respondent
21 has agreed to resolve the Action via this Agreement, but to the extent this Agreement is deemed void or
22 the Effective Date does not occur, Respondent does not waive, but rather expressly reserve, all rights to
23 challenge all such claims and allegations in the Action upon all procedural and factual grounds, including,
24 without limitation, the ability to challenge class or collective treatment on any grounds, as well as to assert
25 any and all other potential defenses or privileges.

26 **4. SCOPE OF THE CLASS**

27 4.1 The scope of the class of individuals encompassed under the Agreement and subject to all
28 obligations and duties required under the Agreement, shall include all Class Members as defined in Section

1 1.7 and all Aggrieved Employees as defined in Section 1.2. However, it shall not include any Class
2 Members who submit valid and timely requests to opt-out of the Agreement and settlement, as set forth in
3 Section 7.5.1.

4 4.2 Only Participating Class Members and Aggrieved Employees are entitled to recover under
5 this Agreement.

6 4.3 Any person who believes that he or she is a Class Member or Aggrieved Employee and
7 wishes to participate in the Agreement, but did not receive a Notice of Settlement because his or her name
8 did not appear on the class list provided to the Settlement Administrator prior to mailing, may submit a
9 data request to the Settlement Administrator. The data request must contain all of the following
10 information: (a) the full name and, if applicable, Social Security Number of the individual making the
11 request; (b) the name used by such employee as of the time his or her employment with Respondent ended;
12 (c) the individual's dates of employment with Respondent; and (d) a return address to which a response
13 may be sent. Every data request must be postmarked on or before the conclusion of the Notice Period or
14 otherwise submitted to the Settlement Administrator such that it is received before the conclusion of the
15 Notice Period. Upon receipt of any data requests, the Settlement Administrator shall promptly (in no event
16 more than two business days) transmit the data requests to Respondent's Counsel and request that
17 Respondent review its records.

18 4.4 If Respondent agrees that the person listed in a data request is a Class Member and/or
19 Aggrieved Employee, the Settlement Administrator shall promptly mail a Notice of Settlement to the
20 person who submitted the data request, at the address designated for that purpose in the data request. All
21 provisions of this Agreement relating to the Notice of Settlement shall apply to Notice of Settlements sent
22 in response to data requests, and any person who submits a data request and is sent a Notice of Settlement
23 in response shall be treated by the Settlement Administrator as a Class Member and/or Aggrieved
24 Employee for all other purposes.

25 4.5 If Respondent does not agree that the person listed in a data request is a Class Member
26 and/or Aggrieved Employee, Respondent's Counsel and Class Counsel shall attempt to resolve any such
27 dispute in good faith within seven (7) calendar days of Class Counsel being advised in writing of the data
28 request dispute. Respondent's records shall control unless the individual submitting the data request

1 provides persuasive evidence to doubt the accuracy of those records. Each data request dispute that
2 Respondent's Counsel and Class Counsel cannot timely resolve shall be resolved by the Settlement
3 Administrator. The Settlement Administrator must accept and weigh all the evidence provided in a good
4 faith attempt to resolve the dispute. The Settlement Administrator must resolve any dispute submitted to
5 it within seven (7) calendar days after Respondent's Counsel and Class Counsel submit the dispute to the
6 Settlement Administrator. The decision by the Settlement Administrator shall be final as between the
7 parties, subject to Arbitrator review.

8 **5. TERMS OF THE SETTLEMENT**

9 The Parties agree as follows:

10 5.1 Gross Settlement Amount: In consideration and exchange for the releases described in
11 Section 6, Respondent shall pay the Gross Settlement Amount (\$900,000). Funding of the Gross
12 Settlement Amount shall occur within 21 calendar days after the Effective Date to be held in trust in a QSF
13 by the Settlement Administrator. The Gross Settlement Amount includes payments to Participating Class
14 Members, Aggrieved Employees, any monies necessary to satisfy Respondent's tax obligations (e.g.
15 employer FICA, FUTA and SDI contributions on wage payments) on any monies distributed to
16 Participating Class Members, all attorneys' fees, costs and litigation expenses related to the Action incurred
17 to date, as well as all such fees and costs incurred in documenting the Agreement, administering the
18 Agreement (including Settlement Administrator Costs), and obtaining final approval of the Agreement, the
19 Enhancement Payment to the Class Representatives and the PAGA Payment.

20 5.2 Attorneys' Fees and Costs: Class Counsel will apply to the Arbitrator for attorney's fees of
21 35% of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount. Respondent
22 has agreed to not oppose Class Counsel's application for attorneys' fees so long as it does not exceed the
23 35% threshold. Class Counsel will also be entitled to reimbursement for advanced litigation expenses not
24 to exceed \$25,000, which shall be paid from the Gross Settlement Amount. Respondent has agreed to not
25 oppose Class Counsel's request for reimbursement for advanced litigation expenses so long as they do not
26 exceed the \$25,000 threshold. The Settlement Administrator will issue Class Counsel an IRS Form 1099
27 for the attorneys' fees and costs paid under this Agreement. In the event that the Arbitrator awards less
28 than the requested attorney's fees and/or costs, the portion of the requested amounts not awarded to Class

1 Counsel shall be added to the Net Settlement Amount to be distributed to Participating Class Members on
2 a pro rata basis.

3 5.3 Settlement Administrator Costs: The Settlement Administrator Costs shall be paid from the
4 Gross Settlement Amount and shall not exceed \$15,000. The difference between any actual costs and the
5 allocated \$15,000 shall be added to the Net Settlement Amount to be distributed to Participating Class
6 Members on a pro rata basis.

7 5.4 Enhancement Payment: Class Counsel, on behalf of Claimant, Miguel Villarruel and Jose
8 Galvan shall apply to the Arbitrator for an Enhancement Payment to each of the Class Representatives in
9 an amount not to exceed Fifteen Thousand Dollars and No Cents (\$15,000) to compensate for the risks,
10 time, and expense of their involvement in the Action and securing the benefits of this Agreement for Class
11 Members. The Enhancement Payment is in addition to the Individual Settlement Amount Claimant, Miguel
12 Villarruel and Jose Galvan would otherwise be due under the Agreement as a Participating Class Member.
13 Respondent has agreed to not oppose Class Counsel's request for an Enhancement Payment to Claimant,
14 Miguel Villarruel and Jose Galvan so long as it does not exceed the amount stated herein. The
15 Enhancement Payment will be designated as a non-wage payment and reported on an IRS Form 1099-
16 MISC. In the event that the Arbitrator awards less than the Enhancement Payment amount requested, then
17 any portion of the requested amount not awarded to the Class Representatives shall be added to the Net
18 Settlement Amount to be distributed to Participating Class Members on a pro rata basis.

19 5.5 PAGA Payment: Fifty Thousand Dollars and No Cents (\$50,000) of the Gross Settlement
20 Amount shall be allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA
21 Payment will be paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees
22 on a pro rata basis as described below in Section 5.8. Any amount not approved by the Court for the
23 allocated PAGA Payment shall be added to the Net Settlement Amount to be distributed to Participating
24 Class Members on a pro rata basis.

25 5.6 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount or PAGA
26 Payment allocated to Participating Class Members and/or Aggrieved Employees that were not claimed by
27 cashing their respective settlement checks before the deadline to do so, that remaining amount shall be
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1 donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc., and the Center for Workers' Rights under the doctrine
2 of *cypres*. No portion of the Gross Settlement Amount will revert to Respondent for any reason.

3 5.7 No Additional Benefits Contributions: All Individual Settlement Amounts paid to
4 Participating Class Members and Aggrieved Employees shall be deemed to be income solely in the year in
5 which such amounts were actually received. It is expressly understood and agreed that the receipt of such
6 Individual Settlement Amounts will not entitle any Participating Class Member or Aggrieved Employee to
7 any new or additional compensation or benefits under any company bonus or other compensation or benefit
8 plan or agreement in place during the period covered by the Agreement, nor will it entitle any Participating
9 Class Member Aggrieved Employee to any increased retirement, 401(k) and/or 403(b) benefits or matching
10 benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual Settlement
11 Amounts provided for in this Agreement are the sole payments to be made by Respondent to the
12 Participating Class Members and Aggrieved Employees in connection with this Agreement
13 (notwithstanding any contrary language or agreement in any benefit or compensation plan document that
14 might have been in effect during the period covered by this Agreement).

15 5.8 Pro Rata Distribution Formula: Payment to Participating Class Members and Aggrieved
16 Employees of their Individual Settlement Amount will not require the submission of a claim form. A Net
17 Settlement Amount will be determined by subtracting from the Gross Settlement Amount any amounts for
18 approved attorneys' fees and costs, any Enhancement Payment to the Class Representatives, the Settlement
19 Administrator Costs, and the PAGA Payment. Each Class Member's share will be initially determined by
20 dividing their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of
21 all Class Members. That fraction will then be multiplied by the Net Settlement Amount to arrive at the
22 Class Member's individual share of the Net Settlement Amount. Any funds allocated to Class Members
23 under this formula who timely opt out of the Settlement will be redistributed to Participating Class
24 Members on a pro rata basis, *i.e.* each Participating Class Member's share will be determined by dividing
25 their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of all
26 Participating Class Members and that fraction will then be multiplied by the Net Settlement Amount to
27 arrive at the Participating Class Member's individual share of the Net Settlement Amount. Each Aggrieved
28 Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their total

1 Qualifying Workweeks within the PAGA Claim Period by the total Qualifying Workweeks by all
2 Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25%
3 portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share.

4 5.9 Tax Allocation: The Parties recognize that the Individual Settlement Amounts to be paid to
5 Participating Class Members and/or Aggrieved Employees reflect a settlement of a dispute over claimed
6 penalties and wages. The Settlement Administrator shall calculate the employer's share of payroll taxes
7 on the amounts paid to Participating Class Members as wages as well as calculating all required
8 withholdings and deductions from said wage payments. The characterization of Individual Settlement
9 Amounts to Participating Class Members and Aggrieved Employees are as follows:

10 5.9.1 One third (1/3) of each Participating Class Members' Individual Settlement Amount
11 shall be allocated for payment of disputed wages and shall be subject to required employer taxes.
12 Participating Class Members shall receive an IRS Form W-2 for reporting of this portion of their Individual
13 Settlement Amount.

14 5.9.2 Two thirds (2/3) of each Participating Class Members' Individual Settlement
15 Amount shall be allocated for disputed statutory penalties and interest, and no amount shall be deducted
16 for any taxes. This portion of the Individual Settlement Amount consists of other income, not wages, for
17 which the Participating Class Members shall receive an IRS Form 1099-MISC.

18 5.9.3 The entirety (100%) of each Aggrieved Employee's share of the 25% portion of the
19 PAGA Payment shall be allocated for payment of disputed civil penalties, and no amount shall be deducted
20 for any taxes. This portion of the Individual Settlement Amount consists of other income, not wages, for
21 which the Aggrieved Employees shall receive an IRS Form 1099-MISC.

22 5.10 Participating Class Members and Aggrieved Employees shall be solely responsible for the
23 reporting and payment of their share of any federal, state and/or municipal income or other taxes on
24 payments made pursuant to this Agreement, and shall hold the Parties, Class Counsel, and Respondent's
25 Counsel free and harmless from any claims resulting from treatment of such payments as non-taxable,
26 including the treatment of such payments as not subject to withholding or deduction for payroll and
27 employment taxes. No party has made any representation to any of the other Parties as to the taxability of
28 any payments pursuant to this Agreement, including the payments to Participating Class Members, the

1 payments to Aggrieved Employees, the payments to Class Counsel, the payments to the Class
2 Representatives, the payroll tax liability of Respondent, or the allocation of the Net Settlement Amount or
3 PAGA Payment to wage and non-wage income as provided in this Section, or otherwise as to tax
4 implications of any provision of this Agreement.

5 5.11 No Additional Contribution by Respondent: Respondent's monetary obligation under this
6 Agreement is limited to the Gross Settlement Amount. All other costs and expenses arising out of or in
7 connection with the performance of this Agreement shall be paid from the Gross Settlement Amount, unless
8 expressly provided otherwise herein. However, in the event this agreement is deemed null and void as
9 described in Section 3 because the Court or Arbitrator, in its independent determination, finds that the
10 Agreement does not meet the standards for settlement approval, then Respondent and Claimant shall be
11 equally responsible for the costs of the Settlement Administrator incurred between the date the Agreement
12 was executed and the date of such event.

13 5.12 Certification For Settlement Purposes: The Parties agree that, for purposes of settlement
14 only, certification of the class as defined in Sections 1.7, 1.8 and 4.1 is appropriate and the requisites for
15 establishing class certification have been met and are met.

16 5.13 Adequacy of Class Counsel and Class Representatives: The Parties agree that, for purposes
17 of settlement only, Class Counsel, Claimant, Miguel Villarruel and Jose Galvan are adequate
18 representatives for Class Members and Aggrieved Employees.

19 6. **RELEASE**

20 6.1 Release of Claims by Participating Class Members: Upon the Effective Date, all
21 Participating Class Members will be deemed to fully, finally and forever release the Released Class Claims
22 as to all Released Parties. In addition, on the Effective Date, all Participating Class Members and their
23 successors in interest will be permanently enjoined and forever barred from prosecuting any of Released
24 Class Claims against any of the Released Parties.

25 6.2 Release of Claims by Aggrieved Employees: Upon the Effective Date, all Aggrieved
26 Employees will be deemed to fully, finally and forever release the Released PAGA Claims as to all
27 Released Parties. In addition, on the Effective Date, all Aggrieved Employees and their successors in
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1 interest will be permanently enjoined and forever barred from prosecuting any of the Released PAGA
2 Claims against any of the Released Parties.

3 **7. SETTLEMENT ADMINISTRATION**

4 7.1 Duties of Settlement Administrator: The Settlement Administrator shall be responsible for:

5 1) receiving Class Member and Aggrieved Employee contact information and confirming addresses are
6 valid; 2) calculating estimated Individual Settlement Amounts and any and all taxes associated with the
7 Individual Settlement Amounts, including employer taxes; 3) taking appropriate steps to trace and locate
8 any individual Class Members and Aggrieved Employee whose address or contact information as provided
9 to the Settlement Administrator is inaccurate or outdated and mailing the Notice of Settlement to Class
10 Members; 4) providing notification to the appropriate state and federal officials of this Agreement as
11 required under the law; 5) receiving, independently reviewing, and resolving any challenges (in
12 consultation with Class Counsel and Respondent's Counsel) from Class Members or Aggrieved Employees,
13 including any associated documentation, regarding their Qualified Workweek calculations; 6) receiving
14 and serving on Class Counsel, Respondent's Counsel, and the Arbitrator, copies of any written objections,
15 and/or any opt out statements; 7) establishing a toll free telephone line and responding to inquiries and
16 requests for information or assistance from Class Members and/or Aggrieved Employees; 8) maintaining
17 a QSF; 9) determining and paying the final amounts due to be paid under the Agreement after resolution
18 of all challenges, disputes, opt-outs, awarded attorneys' fees and costs, Settlement Administrator Costs,
19 PAGA Payment, taxes, any Enhancement Payments, and for funds that cannot be distributed due to the
20 inability to locate Class Members or Aggrieved Employees; 10) determining the validity of any disputes
21 or late opt-outs by previously unidentified Class Members or Aggrieved Employees; 11) paying any
22 residual funds from uncashed checks; 12) reporting to Class Counsel and Respondent's Counsel regarding
23 the statistics of the administration, including (a) the number of initial Notice of Settlements mailed; (b) the
24 number of forwarded Notice of Settlements; (c) the number of re-mailed Notice of Settlements; (d) the
25 number of total undeliverable Notice of Settlements; (e) the number of address traces performed for
26 undeliverable Notice of Settlements; (f) the number of Notice of Settlements undeliverable from traced
27 addresses; (g) the number of total objections received; (h) the number of opt-out requests received; (i) the
28 number of disputes received; (j) the number of disputes resolved; 13) providing a declaration regarding the

1 final statistics of the administration and compliance with all payment obligations under the Agreement; 14)
2 completing all necessary tax reporting on the QSF and payment of the Individual Settlement Amounts to
3 Participating Class Members and Aggrieved Employees; and 15) carrying out other related tasks as
4 necessary to effectuate the terms of this Agreement and any Order of the Arbitrator or Court. All disputes
5 relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the
6 Arbitrator, if necessary, which will have continuing jurisdiction over the terms and conditions of this
7 Agreement, until all payments and obligations contemplated by the Agreement have been fully executed.

8 7.2 Notice to Class Members and Aggrieved Employees: The Notice of Settlement will be sent
9 to Class Members in English and Spanish. The Notice of Settlement will provide Class Members and
10 Aggrieved Employees with a summary of the terms and conditions of the Agreement, how to participate
11 in the settlement, how to object to the Agreement, how to dispute the individual's Qualifying Workweeks,
12 and how to opt-out from the Agreement. The Notice of Settlement will also inform Class Members and
13 Aggrieved Employees of the Gross Settlement Amount, Net Settlement Amount, proposed attorneys' fees
14 and costs allocations, any proposed Enhancement Payments, proposed Settlement Administrator Cost
15 allocations, proposed PAGA Payment allocations, the scope of the class, the nature and extent of the
16 released claims, dates set for a fairness hearing and hearing on Class Counsels' motion for attorneys' fees
17 and costs. The Notice of Settlement shall include information regarding Class Member's and Aggrieved
18 Employee's estimated Individual Settlement Amount. The Notice of Settlement will provide information
19 on how to access electronic copies online of the Notice of Settlement, any motions for approval of the
20 Agreement, any motions for approval of attorneys' fees and costs, and any other documents as the
21 Arbitrator directs.

22 7.3 Class Member Data and Mailing: No later than fourteen (14) calendar days after the
23 Preliminary Approval Date, Respondent shall provide the Settlement Administrator with the name, last
24 known mailing address, last known telephone number, Social Security Number, start and end date of
25 employment (if any) of each Class Member and Aggrieved Employee, and any other information the
26 Settlement Administrator needs to effectuate notice to Class Members and Aggrieved Employees as
27 outlined herein. The Settlement Administrator shall review the data to determine the number of Qualifying
28 Workweeks for each Class Member and Aggrieved Employee. No later than fourteen (14) calendar days

1 after receipt of such address information, the Settlement Administrator will perform a national change of
2 address ("NCOA") search, update the addresses per the results of the NCOA search, and then mail the
3 Notice of Settlement, substantially in the form attached as Exhibit I, to each Class Member and Aggrieved
4 Employee by first-class mail, postage prepaid. The Settlement Administrator shall maintain all information
5 received from Respondent confidential to itself, and Respondent's Counsel. However, Class Counsel shall
6 be able to review the breakdown of Qualified Workweeks and estimated Individual Settlement Amounts
7 for Class Members and Aggrieved Employees prior to mailing for quality assurance provided the personal
8 identifying information is redacted and/or omitted.

9 7.4 Returned and/or Re-mailed Notice of Settlements: In the event that a Notice of Settlement
10 is returned to the Settlement Administrator as undeliverable on or before the conclusion of the Notice
11 Period, the Notice of Settlement shall be sent to the forwarding address affixed thereto within five (5)
12 calendar days. If no forwarding address is provided, then the Settlement Administrator shall promptly
13 attempt to determine a correct address using a skip-trace, computer or other search using the name, address
14 and/or Social Security number of the individual involved, and shall then perform a single re-mailing within
15 five (5) calendar days to any more recent address found as a result of the search. Following each search
16 that does not result in a corrected address, for those Class Members who appear to be current employees
17 of Respondent at the time of the Preliminary Approval Date, the Settlement Administrator shall contact
18 Respondent's Counsel for assistance and Respondent shall cooperate in good faith with the Settlement
19 Administrator's reasonable efforts to obtain valid mailing addresses for Class Members to the extent they
20 are active employees of Respondent. In the event the Notice of Settlement is forwarded to a new address
21 and/or re-mailed to a Class Member, the deadline for the Class Member to submit any request to opt-out,
22 a dispute, or an objection shall be the end of the Notice Period or 10 days from the date of the re-
23 mailing/forwarding to a new address, whichever is later. In the event the procedures in this Section are
24 followed and the Class Member does not timely and properly request to opt-out, the Class Member shall
25 be bound by all terms of the Agreement, including the releases contained in Section 6.

26 7.5 Responses to Notice of Settlement:

27 7.5.1 *Opt-Outs:* The Notice of Settlement shall provide that Class Members who wish to
28 exclude themselves from the Agreement must submit a request to opt-out as provided in this Section. The

1 request to opt-out must (a) state the Class Member's full name and date of birth; (b) a statement that he or
2 she does not want to be a Class Member, does not want to participate in the settlement, and/or wants to be
3 excluded from the settlement; (c) identify the case name and number (*i.e.*, *Gonzalez v. General Produce*
4 *Co.*, Case No. A298161) (d) be signed; and (e) be post-marked no later than the conclusion of the Notice
5 Period or the re-mailing timeline stated in Section 7.4. The Class Member must personally sign the request
6 to opt-out. No request to opt-out may be made on behalf of a group of Class Members. The date of the
7 postmark on the return-mailing envelope shall be the exclusive means used to determine whether a request
8 to opt-out has been timely submitted. Any Class Member who requests to opt-out of the Agreement will
9 not be entitled to any portion of the Net Settlement Amount nor will they have any right to object, appeal
10 or comment thereon. The name of any Class Member who submits a valid and timely opt out request will
11 be specifically identified in any proposed order granting final approval. Class Members who fail to submit
12 a valid and timely request to opt-out shall be bound by all terms of the Agreement and any order or final
13 judgment thereon. Regardless of whether an Aggrieved Employee opts out of being a Class Member, they
14 will still receive their share of the PAGA Payment as Aggrieved Employees cannot opt out of this
15 Agreement as it relates to the PAGA Payment or Released PAGA Claims.

16 7.5.2 *Objection Procedures:* Any Class Member who does not opt-out but who wishes to
17 object to this Agreement or otherwise to be heard concerning this Agreement shall send their written
18 objections to the Settlement Administrator and also serve copies of the objections on Class Counsel and
19 Respondent's Counsel. The Notice of Settlement shall make clear that the Arbitrator can only approve or
20 deny the Agreement, not change the terms of the Agreement. The objection must (a) state the Class
21 Member's full name and date of birth; (b) provide evidence that the individual is, in fact, a Class Member;
22 (c) state the reasons for the objection(s), including any supporting documentation; (d) identify the case
23 name and number (*i.e.*, *Gonzalez v. General Produce Co.*, Case No. A298161) (e) be signed; and (f) be
24 post-marked no later than the conclusion of the Notice Period or the re-mailing timeline stated in Section
25 7.4. The Notice of Settlement will inform the Class Member that they should also file a notice of intent to
26 appear with the Arbitrator and serve the notice on Class Counsel and Respondent's Counsel, if they intend
27 to appear at the final approval hearing.
28

1 7.5.3 *Dispute Procedures:* Any Class Member who disputes the number of Qualifying
2 Workweeks on the Notice of Settlement shall contact the Settlement Administrator. The dispute must (a)
3 identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c)
4 be signed; and (d) be post-marked no later than the conclusion of the Notice Period or the re-mailing
5 timeline stated in Section 7.4. The Settlement Administrator shall promptly (in no event more than two
6 business days) forward all such disputes to Respondent's Counsel and request that Respondent review the
7 dispute. Respondent's records shall presumptively control unless the Class Member can produce
8 documentation evidencing other periods of employment worked. If Respondent agrees with submitted
9 information, the Class Member shall be credited or subtracted Qualifying Workweeks in accordance with
10 their submitted dispute and that final number of Qualified Workweeks shall govern the calculation of that
11 Class Member's Individual Settlement Amount. If Respondent disagrees with the submitted information,
12 Respondent's Counsel will promptly advise Class Counsel of the dispute, which includes turning over any
13 documentation submitted by the Class Member as part of the dispute. Respondent's Counsel and Class
14 Counsel shall attempt in good faith to resolve any such dispute within five (5) calendar days of Class
15 Counsel being advised of the dispute. Each dispute that Respondent's Counsel and Class Counsel cannot
16 timely resolve shall be resolved by the Settlement Administrator, subject to Arbitrator review.

17 7.5.4 *Deficient Opt-Outs, Objections, or Disputes:* In the event that a deficient opt-out,
18 objection, or dispute is received on or before the conclusion of the Notice Period, the Settlement
19 Administrator shall mail a letter to the Class Member within five (5) calendar days informing them of the
20 deficiency. If a deficiency letter is mailed to a Class Member, the deadline for the Class Member to cure
21 the deficiency shall be the end of the Notice Period or 10 calendar days from the date of the deficiency
22 letter, whichever is later.

23 7.6 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.1
24 to 7.5.4 shall constitute due and sufficient notice to Class Members of the Action and the Agreement and
25 shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Class
26 Counsel or Respondent's Counsel to provide notice of the proposed Agreement.

27 7.7 Settlement Administrator Declaration Regarding Notice Period: Within fourteen (14)
28 calendar days after the conclusion of the Notice Period, the Settlement Administrator shall provide Class

1 Counsel and Respondent's Counsel with a signed declaration under penalty of perjury providing a complete
2 and detailed report regarding the statistics and responses of settlement administration to date and all the
3 Settlement Administrators' obligations under Sections 5.8 to 5.9.3 and 7.1 to 7.5.4.

4 7.8 Settlement Administrator Payments to Participating Class Members, Class Counsel and
5 Claimant: Within seven (7) calendar days after the Effective Date and the Arbitrator's determination of
6 the amount of attorneys' fees and costs payable to Class Counsel, the Enhancement Payments payable to
7 Claimant, Miguel Villarruel and Jose Galvan, the PAGA Payment, and Settlement Administrator Costs,
8 the Settlement Administrator shall calculate the final Net Settlement Amount, the final Individual
9 Settlement Amounts for Participating Class Members and/or Aggrieved Employees, any applicable taxes
10 thereon, and report the results of these calculations Class Counsel and Respondent's Counsel. Respondent
11 shall wire the Gross Settlement Amount to fund the Settlement as described in Section 5.1 to the Settlement
12 Administrator within twenty-one (21) calendar days after the Effective Date to be to be held in trust in a
13 QSF. Within seven (7) calendar days after Respondent fund the settlement, the Settlement Administrator
14 shall deliver payment of Class Counsels' attorney's fees and costs, the Enhancement Payments payable to
15 Claimant, Miguel Villarruel and Jose Galvan, the 75% portion of the PAGA Payment payable to the
16 LWDA, Settlement Administrator Costs, and payment to Participating Class Members and/or Aggrieved
17 Employees as required under this Agreement and approved by Arbitrator or Court.

18 7.8.1 The Settlement Administrator shall wire the Arbitrator-approved attorneys' fees and
19 costs to Class Counsel unless another method is requested by Class Counsel. Class Counsel shall provide
20 the Settlement Administrator with the pertinent taxpayer identification number and payment instructions
21 after the Final Approval Date.

22 7.8.2 The Settlement Administrator shall send a check by mail for the Arbitrator-approved
23 Enhancement Payment to the Class Representatives, care of Class Counsel unless another method is
24 requested by Class Counsel.

25 7.8.3 Only Participating Class Members and Aggrieved Employees will receive their
26 Individual Settlement Amount.

27 7.8.4 The Settlement Administrator shall remit and report the applicable portions of the
28 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this

1 Agreement. Respondent agree to reasonably cooperate with the Settlement Administrator to the extent
2 necessary to determine the amount of the payroll tax payment required.

3 7.9 Settlement Check Expiration and Uncashed Checks: The Settlement Administrator shall
4 issue Individual Settlement Amounts to Participating Class Members and Aggrieved Employees in the
5 form of a check, which shall become null and void if not deposited within one hundred eighty (180)
6 calendar days of issuance. After one hundred eighty (180) calendar days of issuance, the checks shall be
7 voided and funds from all uncashed checks shall be transmitted in accordance with Section 5.6. The
8 Settlement Administrator shall deliver these funds within fourteen (14) calendar days after the check
9 cashing deadline.

10 7.10 Settlement Administrator Declaration Regarding Compliance and Settlement
11 Administration: Within twenty-one (21) calendar days after the last day for Participating Class Members
12 and Aggrieved Employees to cash their settlement checks, the Settlement Administrator shall provide Class
13 Counsel and Respondent's Counsel with a signed declaration under penalty of perjury providing a complete
14 and detailed report regarding the settlement administration documenting that all payments under the
15 Agreement have been made, that the Arbitrator's final approval order has been complied with, and that all
16 the obligations of the Settlement Administrator have been completed.

17 **8. PRELIMINARY SETTLEMENT ADMINISTRATION SCHEDULE**

18 8.1 The schedule may be modified depending on whether and when the Arbitrator grants
19 necessary approvals, orders notice to Class Members and Aggrieved Employees, and sets further hearings.
20 The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement
21 as described above. In the event of such modification, the Parties shall cooperate to complete the settlement
22 procedures as expeditiously as reasonably practicable. The preliminary schedule for notice, approval, and
23 payment procedures carrying out the Agreement is as follows:

Last day for Respondent to provide Settlement Administrator with Class Member and Aggrieved Employee information	Within 14 calendar days after the Preliminary Approval Date
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1	Last day for Settlement Administrator to complete NCOA search, update Class Member and Aggrieved Employee mailing information, and mail Notice of Settlement	Within 14 calendar days after the Settlement Administrators' receipt of Class Members' information from Respondent
2		
3		
4	Last day for Class Members to opt-out, submit disputes, submit objections, and submit data requests	60 calendar days after mailing of Notice of Settlement or within 10 days after Notice of Settlement is re-mailed, whichever is later
5		
6		
7	Last day for Settlement Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 14 calendar days after end of the Notice Period
8		
9		
10	Last day for Settlement Administrator to calculate the final Net Settlement Amount, the final Individual Settlement Amounts for Participating Class Members and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations to Class Counsel and Respondent's Counsel	Within 7 calendar days after the Effective Date
11		
12		
13		
14	Last day for Respondent to fund settlement	Within 21 calendar days after the Effective Date
15		
16		
17	Last day for Settlement Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payments, PAGA Payment, Settlement Administrator Costs, payment to Participating Class Members, and payment to Aggrieved Employees	Within 7 calendar days after Respondent has funded the settlement
18		
19		
20		
21	Last day for Participating Class Members and Aggrieved Employees to cash settlement checks	180 calendar days after issuance of checks to Participating Class Members and Aggrieved Employees
22		
23	Last day for Settlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline
24		
25		
26	Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline
27		
28		

1 **9. DUTIES OF THE PARTIES**

2 9.1 Preliminary Approval: The Parties will cooperate in obtaining, through an unopposed
3 motions to be filed as soon as reasonably practicable, an order from the Arbitrator preliminarily approving
4 this Agreement at the earliest possible date concurrently with the Arbitrator's certification of the Action as
5 a class action for settlement purposes, and order from the Court approving the PAGA settlement. The
6 Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings
7 reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Arbitrator or
8 Court relating to, or that are otherwise necessary to the approval and implementation of this Agreement
9 and shall otherwise use their respective best efforts to obtain certification for settlement purposes, approval
10 of, and implementation of this Agreement. The Parties will submit this Agreement to the Arbitrator for
11 preliminary approval of its terms and for approval of the steps to be taken to obtain its final approval.
12 Within one week of signing this Agreement Class Counsel shall provide a draft of the Preliminary Approval
13 Motion and PAGA Approval Motion to Respondent's Counsel. Respondent's Counsel will provide
14 comments and/or proposed revisions within one week after receipt of the draft Preliminary Approval
15 Motion and PAGA Approval Motion from Class Counsel. With regard to the final approval documents, a
16 similar one-week maximum review and response time shall be observed by the Parties. The Parties will
17 request that the Arbitrator's preliminary approval of this Agreement be embodied in an Order Granting
18 Preliminary Approval of Class Action Settlement.

19 9.1.1 Claimant's motion to the Arbitrator shall seek an order: 1) Preliminarily approving
20 the Agreement; 2) Approving as to form and content the proposed Notice of Settlement; 3) Directing the
21 mailing of the Notice of Settlement by first class mail to Class Members and Aggrieved Employees; 4)
22 Preliminarily appointing Claimant and Class Counsel as representatives of Class Members; 5)
23 Preliminarily approving settlement administration services to be provided by the Settlement Administrator;
24 6) Preliminarily approving the proposed Enhancement Payments to Claimant, Miguel Villarruel and Jose
25 Galvan; 7) Preliminarily approving the application for payment of reasonable attorneys' fees and
26 reimbursement of litigation-related expenses to Class Counsel; and 8) Scheduling a fairness hearing on the
27 question of whether the proposed Agreement should be finally approved as fair, reasonable and adequate
28 as to the Class Members.

1 9.1.2 Respondent shall not oppose Claimant's motions for approval of the proposed
2 Agreement.

3 9.1.3 The Parties shall cooperate with each other and the Settlement Administrator during
4 the process of giving Class Members notice and opportunity to object to the Agreement, as necessary and
5 appropriate to assure effective communication to individual Class Members of information about their
6 rights and obligations under this Agreement.

7 9.2 Final Approval and Fairness Hearing: On a date approved by the Arbitrator and set forth in
8 the Notice of Settlement, the Arbitrator shall hold the Final Approval and Fairness Hearing where
9 objections, if any, may be heard. Class Counsel shall provide the Arbitrator as part of the motion for final
10 approval of the Agreement, a declaration by the Settlement Administrator of due diligence and proof of
11 mailing of the Notice of Settlement required to be mailed to Class Members by this Agreement, and of the
12 delivery results of the Settlement Administrator's mailings including tracing and re-mailing efforts. The
13 names of any Class Members who opt out of participating in the class settlement shall be identified in the
14 Final Approval Order

15 9.2.1 Class Counsel and Respondent shall work in good faith to draft a mutually agreeable
16 Proposed Order Granting Final Approval of Class Action Settlement and Final Judgment. The Proposed
17 Order Granting Final Approval of Class Action Settlement and Final Judgment shall include findings and
18 orders: 1) Approving the Agreement, adjudging the terms thereof to be fair, reasonable and adequate, and
19 directing that its terms and provisions be carried out; 2) Approving the payment of an Enhancement
20 Payment to the Class Representatives; 3) Approving Class Counsel's application for an award of attorneys'
21 fees and reimbursement of out-of-pocket litigation expenses; 4) Approving the Settlement Administrator
22 Costs; and 5) Providing that the Arbitrator will retain jurisdiction to oversee administration and
23 enforcement of the terms of the Agreement and the Arbitrator's orders.

24 9.2.2 Following entry of the Arbitrator's order granting final approval of the Agreement,
25 the Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the
26 following: 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside
27 the judgement be filed, all parties will support the final approval order on appeal or otherwise; 2) Class
28 Counsel will assist the Settlement Administrator as needed or requested in the process of identifying and

1 locating Participating Class Members and Aggrieved Employees entitled to payments under the Agreement
2 and assuring delivery of such payments; 3) Class Counsel and Respondent's Counsel will cooperate with
3 each other and assist the Settlement Administrator as needed or requested in completing the distribution of
4 any residual amounts, as specified above, to the *cy pres* beneficiaries; 4) Class Counsel, in conjunction
5 with the Settlement Administrator, will certify to the Arbitrator completion of all payments required to be
6 made by this Agreement.

7 9.3 Final Judgment: If the Arbitrator approves this Agreement at the final approval and fairness
8 hearing, the Parties will request that the Arbitrator enter an Order Granting Final Approval of Class Action
9 and Settlement and Final Judgment.

10 9.4 Notice to LWDA: Claimant will provide notice to the Labor and Workforce Development
11 Agency ("LWDA") of this settlement in accordance with Labor Code § 2699(I)(2).

12 **10. MISCELLANEOUS TERMS**

13 10.1 Respondent's Right to Withdraw Based on Opt-Outs: If, prior to the Final Approval Date,
14 10% or more of the Class Members have submitted proper and timely requests to opt-out in accordance
15 with the provisions of the Agreement, Respondent may rescind the Agreement and all actions taken in its
16 furtherance will be thereby null and void. Respondent must exercise this right of rescission, in writing, to
17 Class Counsel, within seven (7) calendar days after the Settlement Administrator notifies the Parties of the
18 total number of opt-outs. If the option to rescind is exercised, then any Settlement Administrator Costs
19 shall be paid by Respondent. Respondent has represented that as of the date of the mediation there were
20 no more than 23,000 workweeks during the Class Period. In the event the number of workweeks during
21 the Class Period is more than 25,300 (*i.e.*, greater than 10% more than 23,000), then the Gross Settlement
22 Amount shall be increased proportionally by the workweeks in excess of 23,000, multiplied by the
23 workweek value. For example, if there were 11,900 workweeks represented to exist during the Class
24 Period, but there are actually 15,000 workweeks in the Class Period, and the actual workweek value is
25 \$5.00 per workweek, Respondent would have to increase the Gross Settlement Amount by \$15,500.00
26 (15,000 workweeks - 11,900 workweeks = 3,100 workweeks x \$5.00/workweek).

27 10.2 Circular 230 Disclaimer: EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF
28 THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT

1 OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND
2 AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
3 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
4 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
5 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
6 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
7 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
8 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
9 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
10 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
11 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
12 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
13 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX
14 PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
15 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
16 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX
17 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
18 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
19 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY
20 THIS AGREEMENT.

21 10.3 No Prior Assignments: The Parties represent, covenant, and warrant that they have not
22 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
23 any person or entity any portion of any liability, claim, demand, action, cause of action or right released
24 and discharged in this Agreement.

25 10.4 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by
26 signing this Agreement Respondent is waiving any rights to appeal from the Arbitrator's or Court's
27 approval of the settlement unless the Arbitrator or Court materially modifies the settlement. Furthermore,
28

1 by signing this Agreement Claimant, Miguel Villarruel and Jose Galvan are waiving any right or ability to
2 opt out of this Agreement during the Notice Period or otherwise.

3 10.5 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set
4 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
5 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

6 10.6 Judgment and Retention of Jurisdiction to Enforce: Upon the Effective Date, judgment will
7 be entered according to this Agreement. The Parties stipulate and agree that the Arbitrator shall have
8 continuing jurisdiction to enforce the terms of the Agreement and that the prevailing party any action
9 necessary to enforce the terms of the Agreement after default by the other party may recover reasonable
10 attorney's fees and costs related thereto. The Parties stipulate and agree that the Court shall have continuing
11 jurisdiction to enforce the terms of the PAGA settlement pursuant to Civil Procedure Code section 664.6
12 and that the prevailing party any action necessary to enforce the terms of the Agreement after default by
13 the other party may recover reasonable attorney's fees and costs related thereto.

14 10.7 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish
15 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution
16 of such other documents and the taking of such other action as may reasonably be necessary to fulfill the
17 terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts
18 contemplated by this Agreement and any other efforts that may become necessary by Arbitrator or Court
19 order, or otherwise, to effectuate this Agreement and the terms set forth herein.

20 10.8 No Admission of Liability: Neither the acceptance nor the performance by Respondent of
21 the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to
22 be, construed as, or deemed to be, an admission by Respondent of the truth of any of the allegations in the
23 Complaint, the representative character of the Action, the validity of any of the claims that were or could
24 have been asserted by Claimant and/or Class Members in the Action, or of any liability or guilt of
25 Respondent in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by
26 Respondent of any liability, culpability, negligence, or wrongdoing toward Claimant, the Class Members,
27 or any other person, and Respondent specifically disclaim any liability, culpability, negligence, or
28

1 wrongdoing toward Claimant, the Class Members, or any other person. Each of the Parties has entered
2 into this Stipulation with the intention to avoid further disputes and litigation.

3 10.9 Notices: Unless otherwise specifically provided herein, all notices, demands, or other
4 communications given hereunder shall be in writing and shall be deemed to have been duly given as of the
5 third business day after mailing by United States certified mail, return receipt requested, addressed as
6 follows:

7 To Claimant and the Class:

8 Galen T. Shimoda
9 Justin P. Rodriguez
10 Brittany V. Berzin
11 Shimoda & Rodriguez Law, PC
12 9401 East Stockton Blvd., Suite 120
13 Elk Grove, CA 95624

14 To Respondent:

15 Larry Kazanjian
16 Palmer Kazanjian Wohl Hodson LLP
17 2777 Fair Oaks Blvd., Suite 455
18 Sacramento, California 95825

19 10.10 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of
20 this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that
21 this Agreement shall not be construed in favor of or against any party by reason of the extent to which any
22 party or its counsel participated in the drafting of this Agreement.

23 10.11 Attorneys' Fees and Costs Limitations: Neither Class Counsel nor any other attorneys
24 acting for, or purporting to act for, the Class, Class Members, or Claimant, may recover or seek to recover
25 any amounts for fees, costs, or disbursements from the Releasees or the Gross Settlement Amount except
26 as expressly provided in this Agreement.

27 10.12 No Modifications: This Agreement may be amended or modified only by a written
28 instrument signed by counsel for all Parties or their successors-in-interest. This Agreement may not be
discharged except by performance in accordance with its terms.

 10.13 Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and
represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and

1 to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement
2 to effectuate its terms and to execute any other documents required to effectuate the terms of this
3 Agreement.

4 10.14 Class Member Signatories: Because the Action has not yet been certified, and the Class
5 Members are so numerous, the Parties agree that it is impossible or impractical to have each Class Member
6 sign this Agreement. It is agreed that, for purposes of seeking approval of the Agreement, this Agreement
7 may be executed on behalf of all Class Members by the Class Representatives.

8 10.15 Counterparts: This Agreement shall become effective upon its execution by all of the
9 undersigned. Claimant, Class Counsel, Respondent and Respondent's Counsel may execute this
10 Agreement in counterparts, and execution of counterparts shall have the same force and effect as if each
11 had signed the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the
12 same force and effect of originals.

13 10.16 Choice of Law: The Agreement and any exhibits hereto shall be considered to have been
14 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and the
15 rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance with,
16 and governed by, the substantive laws of the State of California without giving effect to that State's choice
17 of law principles.

18 10.17 Headings and Captions: Section titles or captions contained in the Agreement are inserted
19 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of
20 this Agreement, or any provision thereof.

21 10.18 No Retaliation or Discouragement: The Parties agree they will take no action that could be
22 construed as retaliation against any Class Members for participating or seeking to participate in this class
23 action settlement. The Parties will not discourage any class member from participating or seeking to
24 participate in this class action settlement. This is a material term of the Agreement and non-breaching
25 Parties will seek Arbitrator or Court intervention if this provision is breached.

26 10.19 Integrated Agreement: This Agreement sets forth the entire understanding between the
27 Parties and supersedes any and all prior agreements, oral or written, pertaining to the subject matter hereof.
28 Each party acknowledges that there is no representation, inducement, promise or agreement which has been

1 made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement, which
2 is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent that the
3 terms of this Agreement are fully understood and voluntarily accepted by the Parties.

4 10.20 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to the
5 benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

6 10.21 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the
7 Arbitrator or Court will first attempt to construe the provision as valid to the fullest extent possible
8 consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and
9 enforceable.

10 10.22 Waiver of Compliance: No waiver of any condition or covenant contained in this
11 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply
12 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

13 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized
14 attorneys, as of the day and year herein set forth.

15 **For Claimant & Class Representatives:**

16 Date: _____

17 _____
Luis Gonzalez

18
19 Date: _____

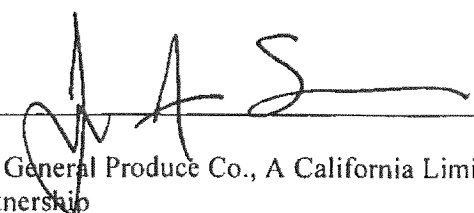
20 _____
Miguel Villarruel

21 Date: _____

22 _____
Jose Galvan

23 **For Respondent:**

24 Date: 1/12/2023

25 By: 
26 For General Produce Co., A California Limited
27 Partnership
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APPROVED AS TO FORM

Dated: 1/13/23_____

Shimoda & Rodriguez Law, PC

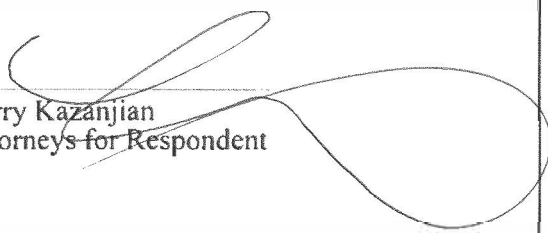
By: 

Galen T. Shimoda
Justin P. Rodriguez
Brittany V. Berzin
Attorney for Claimant, Miguel Villarruel,
Jose Galvan and Aggrieved Employees

APPROVED AS TO FORM

Dated: Jan 12, 2023

**PALMER KAZANJIAN WOHL HODSON
LLP**

By: 

Larry Kazanjian
Attorneys for Respondent

made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement, which is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent that the terms of this Agreement are fully understood and voluntarily accepted by the Parties.

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

IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Claimant & Class Representatives:

Date: 1/12/23

DocuSigned by:
Luis Gonzalez
8A3432EF80FD40B...

Luis Gonzalez

Date: _____

Miguel Villarruel

Date: _____

Jose Galvan

For Respondent:

Date: _____

By:
For General Produce Co., A California Limited
Partnership

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IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Claimant & Class Representatives:

Date: _____

Luis Gonzalez

Date: 1/13/2023

DocuSigned by:
Miguel Villarruel

9647852274D3470...
Miguel Villarruel

Date: _____

Jose Galvan

For Respondent:

Date: _____

By:
For General Produce Co., A California Limited Partnership

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IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Claimant & Class Representatives:

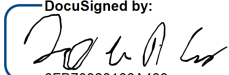
Date: _____

Luis Gonzalez

Date: _____

Miguel Villarruel

Date: 1/17/2023

DocuSigned by:


Jose Galvan

For Respondent:

Date: _____

By:
For General Produce Co., A California Limited
Partnership

EXHIBIT 1

NOTICE OF SETTLEMENT

LUIS GONZALEZ, individually and on behalf of all other similarly situated employees,

Claimant,

vs.

GENERAL PRODUCE CO., A CALIFORNIA LIMITED PARTNERSHIP, a California Partnership; and DOES 1 to 100, inclusive,

Respondents.

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT, AND HEARING DATE FOR FINAL APPROVAL OF SETTLEMENT

ATTENTION: All non-exempt employees, who have, or continue to, work for General Produce Co., A California Limited Partnership, except for any employees who only worked in the job position driver with a Class A or B driver's license, from January 4, 2020 up to [REDACTED] (the "Class Members").

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF A CLASS ACTION AND POTENTIAL DISBURSEMENT OF SETTLEMENT FUNDS TO YOU. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO PARTICIPATE IN OR OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

You are receiving this notice pursuant to an arbitration order granting Claimant Luis Gonzalez ("Claimant")'s motion for preliminary approval of a class action settlement as fair, reasonable, and adequate. This notice also contains information about a settlement of Private Attorneys General Act ("PAGA") claims for civil penalties that is subject to Court approval. The Joint Stipulation Regarding Class Action and PAGA Settlement Release ("Agreement" or "Settlement") was entered into between Claimant, Miguel Villarruel, and Jose Galvan ("Class Representatives"), and Respondent General Produce Co., A California Limited Partnership ("Respondent") on behalf of Class Members as defined above. The terms of the Settlement are outlined herein. You are receiving this notice because Respondent's records indicate you fall within the definition of "Class Member." Respondent's records also indicate that you worked [REDACTED] weeks during the applicable Class Period (as defined below), which means your total share of the settlement proceeds is estimated to be [REDACTED]. Your actual share of the settlement proceeds will vary depending on the total number of Class Members that choose to participate, and the resolution of any workweek disputes as described in this notice.

The terms of the Agreement and a description of the case are identified in this notice. Pursuant to the Arbitrator's order, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

I. BACKGROUND OF THE CASE

On November 10, 2021, Miguel Villarruel and Jose Galvan filed a wage and hour class action against Respondent in the Sacramento County Superior Court alleging class action claims for failure to pay overtime wages, meal period violations, rest period violations, wage statement violations, waiting time penalties, and unfair competition. On November 30, 2022, Claimant initiated a class arbitration through Judicate West alleging class action claims for failure to pay overtime wages, meal period violations, rest period violations, wage statement violations, waiting time penalties, and unfair competition ("Class Action"). On March 22, 2022, Claimant filed an action against Respondent in the Sacramento County Superior Court seeking civil penalties pursuant to the Private Attorneys General Act ("PAGA") for Labor Code violations ("PAGA Action").

In the Class Action, Claimant sought to obtain unpaid wages, interest, statutory penalties, fees, and costs on behalf of himself and Class Members. In the PAGA Action Claimant sought to obtain civil penalties, fees, and costs on behalf of himself and Aggrieved Employees. Claimant alleged that Respondent violated California law by 1) failing to incorporate the value of nondiscretionary remuneration, such as bonuses and incentives, into Class Members' regular rates of pay for the purpose of paying overtime and paid sick time; 2) failing to provide Class Members with meal periods beginning before their fifth hour of work; 3) failing to provide Class Members with second meal periods when they worked shifts over 12 hours; 4) failing to provide Class Members with meal periods altogether in some instances; and 5) failing to provide all rest periods. Respondent has denied all of Claimant's, Miguel Villarruel's and Jose Galvan's allegations. There have been on-going investigations, and there has been an exchange of extensive documentation and information. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class-wide settlement. This Settlement was the result of a joint effort to resolve the class action and PAGA claims by Claimant, Miguel Villarruel, and Jose Galvan. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Agreement, Respondent continues to deny all allegations and

claims. Respondent has entered into this Settlement to fully, finally, and forever resolve the Class Action and PAGA Action, based on the terms set forth in the Agreement, in order to avoid the burden and expense associated with ongoing litigation.

The Agreement applies to any and all Class Members, which are defined as all non-exempt employees, who have, or continue to, work for Respondent, except for any employees who only worked in the job position driver with a Class A or B driver's license, from January 4, 2020 up to [REDACTED]. The Agreement also applies to Aggrieved Employees, which are defined as all non-exempt employees, who have, or continue to, work for Respondent, except for any employees who only worked in the job position driver with a Class A or B driver's license, from November 9, 2020 up to [REDACTED]. If you are a Class Member, you have the opportunity to participate in the Settlement, or to exclude yourself ("opt out") from the Settlement. This notice is to advise Class Members of how they can either participate in the Settlement or be excluded from the Settlement. As set forth below, Aggrieved Employees cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA Claims regardless of whether they opt out of being a Class Member. Aggrieved Employees will receive their share of the PAGA Payment regardless of whether they opt out of being a Class Member.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Agreement, Respondent has agreed to pay a total sum of Nine Hundred Thousand Dollars and No Cents (\$900,000) ("Gross Settlement Amount"). Deducted from this Gross Settlement Amount will be sums approved by the Arbitrator for attorneys' fees not to exceed 35% of the Gross Settlement Amount, attorneys' costs not to exceed \$25,000, employer taxes, Settlement Administrator Costs estimated not to exceed \$15,000, Class Representatives' Enhancement Payment of \$15,000 each, and the sum of \$50,000 approved by the Court for alleged PAGA penalties (the "PAGA Payment"), which will result in a "Net Settlement Amount" for distribution to all Class Members. As explained further below, the amount of each Class Member's share of the Net Settlement Amount will depend on the number of weeks worked by participating Class Members during the Class Period. Of the \$50,000 allocated to resolving the PAGA claims, 75% of the PAGA Payment will be paid to the State of California Labor and Workforce Development Agency and 25% of the PAGA Payment will be divided among Aggrieved Employees.

The number of weeks you worked during the Class Period and your estimated total share of the Net Settlement Amount and PAGA Payment ("Individual Settlement Amount") is stated on the first page of this notice. The actual amount received may be more or less than the amount stated depending on the actual number of weeks worked by Participating Class Members (*i.e.*, those who do not opt out of the Settlement), the resolution of any disputes regarding workweeks, and on the distributions finally approved and allocated by the Arbitrator. However, whether Class Members opt out will have no effect on Aggrieved Employees' allocations for the PAGA claims.

B. Individual Settlement Amounts and Allocation Between Class Members and Aggrieved Employees

Respondent will pay Individual Settlement Amounts through the Settlement Administrator, as described below, to each Participating Class Member and to Aggrieved Employees. All Individual Settlement Amounts will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action that all Individual Settlement Amounts payable to eligible Class Members will be allocated from the Net Settlement Amount and paid as 2/3 for disputed interest, statutory penalties, and other non-wage damages for which IRS Forms 1099-MISC and 1099-INT will issue and 1/3 for disputed wages for which IRS Forms W-2 will issue. The PAGA Payment to Aggrieved employees will be paid as 100% for civil penalties.

Payment to Participating Class Members and Aggrieved Employees will not require the submission of a claim form. Each Participating Class Member's share will be determined by dividing their total weeks worked within the Class Period by the total weeks worked by all Participating Class Members within the Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their total weeks worked within the PAGA Claim Period by the total weeks worked by all Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share. The PAGA Claim Period is defined as November 9, 2020 to [REDACTED]. Respondent's records indicate that you worked [REDACTED] weeks during the applicable PAGA Claim Period, which means your share of the PAGA Payment is estimated to be [REDACTED]. This amount is included in your estimated Individual Settlement Amount stated on the first page of this notice, not in addition to it. You will still receive your share of the PAGA Payment even if you opt out of being a Class Member. Receipt of the Individual Settlement Amounts will not entitle any Class Member or Aggrieved Employee to additional compensation or benefits under any compensation, retirement or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Respondent's Records and Resolution of Workweek Disputes

For each Class Member, the amount payable will be calculated by the Settlement Administrator from Respondent's records. Respondent's records will be presumed correct unless evidence to the contrary is provided to the Settlement Administrator. Respondent's records and any additional evidence will be reviewed by the Settlement Administrator in the event of a dispute about the number of workweeks worked by an individual Class Member. If a Class Member disputes the accuracy of Respondent's records, all supporting documents evidencing additional workweeks must be submitted by the Class Member. The dispute must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than [redacted]. The dispute will be resolved by the Settlement Administrator based on the records and evidence provided.

D. Release of Claims

For those Class Members who do not opt out and Aggrieved Employees, the Agreement contains the following releases:

Class members who do not opt out will be deemed to have released any and all class claims that are alleged in the Complaint in the Class Action, and any additional wage and hour claims that could have been brought based on the facts alleged in the Complaint in the Class Action, through the Class Period. This release excludes the release of claims not permitted by law. The Released Class Claims exclude claims for workers' compensation or unemployment insurance benefits. This release will cover all Class Members who do not opt out.

Aggrieved Employees will be deemed to have released any and all claims that were brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in the LWDA letter or Complaint in the PAGA Action and any additional wage and hour PAGA claims that could have been brought based on the facts alleged in the LWDA letter or Complaint in the PAGA Action during the PAGA Claim Period. Aggrieved Employees cannot opt out of this waiver of claims.

The individuals released ("Released Parties") include Respondent, as well as Respondent's officers, shareholders, directors, agents, employees, attorneys, and insurers.

Class Members and/or Aggrieved Employees can talk to one of the lawyers appointed as Class Counsel (listed below) for free or talk to their own lawyer if they have questions about the released claims and what they mean.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Participating in the Settlement as a Class Member

If you wish to be a Participating Class Member and believe your workweek information is accurate, **you do not need to take any further action**. Payment will be automatically made to you consistent with the terms of the Agreement and Arbitrator Order. If you wish to dispute the workweek calculation, you may follow the procedures outlined in Section II.C above. California law protects Class Members from retaliation based on their decision to participate in the Settlement.

B. Excluding Yourself from the Settlement as a Class Member

The Arbitrator will exclude you from the being a Class Member if you request this by [redacted]. If you do not wish to be bound by the Settlement as a Class Member, you may request to be excluded (*i.e.*, "opt out") by submitting a timely written request to the Settlement Administrator. The request to opt-out must (a) state your full name and date of birth; (b) a statement that you do not want to be a Class Member, do not want to participate in the Settlement, and/or wants to be excluded from this Settlement; (c) identify the case name and number (*i.e.*, *Gonzalez v. General Produce Co.*, Case No. [redacted]); (d) be signed; and (e) be post-marked no later than [redacted]. The request to opt out must be mailed by First Class U.S. Mail, or the equivalent, to:

[admin info]

If you submit a request to opt out which is not postmarked by [redacted], your request to opt out will be rejected, and you will be bound by the release and all other terms of the Agreement. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your request to opt out. Any Class Member who submits a complete and timely request to opt out shall, upon receipt by the Settlement Administrator, no longer be a Class Member and not received their share of the Net Settlement Amount.

Aggrieved Employees cannot opt out of this Agreement and will receive their share of the PAGA Payment regardless of whether they opt out of being a Class Member.

C. Objection to Settlement

If you do not opt out of the Settlement, you can object to the terms of the Settlement. However, if the Arbitrator rejects your objection, you will still be bound by the terms of the Settlement. You can ask the Arbitrator to deny approval by filing an objection. You cannot ask the Arbitrator to order a larger settlement; the Arbitrator can only approve or deny the settlement. If the Arbitrator denies approval, no settlement payments will be sent out and the lawsuit will continue. The objection must (a) state your full name and date of birth; (b) provide evidence that you are, in fact, a Class Member; (c) state the reasons for the objection(s), including supporting documentation; (d) identify the case name and number (*i.e.*, *Gonzalez v. General Produce Co.*, Case No. [REDACTED]) (e) be signed; and (f) be post-marked no later than [REDACTED]. The objection must be sent to the Settlement Administrator at the address identified in Section III.B and to counsel for Claimant and Respondent at the addresses identified in Section VI of this notice.

If you have submitted a written objection as outlined above, you may also appear at the final approval hearing to state your objection. Any Class Member who does not request exclusion may, if the Class Member so desires, enter an appearance through an attorney. If you appear through your own attorney, you are responsible for paying that attorney. You should also file a notice of intent to appear with the Arbitrator and serve the notice on counsel for Claimant and Respondent.

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

If the Arbitrator grants final approval of the Settlement, the Arbitrator will make and enter judgment consistent therewith. The judgment, whether favorable or not, will bind all Class Members who do not request exclusion. After final approval, each and every Class Member who does not opt out of the Settlement and Aggrieved Employee, will release Respondent and the Released Parties from the Released Class Claims and the Released PAGA Claims described above. In other words, if you were employed as a Class Member by Respondent in California during the Class Period, and you do not exclude yourself from the Settlement, you will be deemed to have entered into these releases and to have released the above-described claims. In addition, you will be barred from ever suing Respondent and the Released Parties with respect to the claims covered by this Settlement. If the Settlement is not approved by the Arbitrator, the PAGA Payment is not approved by the Court, or the Settlement does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Arbitrator will hold a hearing at [REDACTED] on [REDACTED] at [REDACTED] to determine whether the Agreement should be finally approved as fair, reasonable and adequate. The Arbitrator also will be asked to approve Class Counsel's request for attorneys' fees and costs, the Settlement Administrator Costs, and the Class Representatives' Enhancement Payment. The hearing may be continued without further notice. It is not necessary for you to appear at this hearing.

VI. ADDITIONAL INFORMATION

You may access the Complaint, Class Counsel's motion for preliminary approval, the Agreement, and any other documents required by the Arbitrator at the Settlement Administrator's website: [admin web address]. You can also contact Class Counsel or Respondent's Counsel as follows:

Galen T. Shimoda
Justin P. Rodriguez
Brittany V. Berzin
Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
On behalf of Claimant

Larry Kazanjian
Palmer Kazanjian Wohl Hodson LLP
2777 Fair Oaks Blvd., Suite 455
Sacramento, California 95825
Telephone: (916) 442-3553
On behalf of Respondent

PLEASE DO NOT TELEPHONE THE ARBITRATOR OR THE ARBITRATOR'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS. IF YOU HAVE ANY QUESTIONS, CALL [number]

BY ORDER OF THE ARBITRATOR

