

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF IMPERIAL

JOSE LUIS MADRIGAL, individual and
class representative on behalf of himself and
all other similarly situated non-exempt
former and current employees,

Plaintiff,

vs.

TFT FARMS, LLC, a California Limited
Liability Company; SIDNEY M. TANAKA,
an individual; and DOES 1 through 100,
inclusive,

Defendants.

CASE NO.: ECU002144
[Unlimited Jurisdiction]
[Assigned for all purposes to the
Honorable Jeffrey B. Jones, Dept. 7]

CLASS ACTION

**JOINT STIPULATION OF CLASS ACTION
AND PRIVATE ATTORNEYS GENERAL
ACT SETTLEMENT AND RELEASE**

Complaint Filed: November 9, 2021
Trial Date: None Set.

This Joint Stipulation of Class Action and Private Attorneys General Act Settlement and Release (“Settlement” and/or “Agreement”) is entered into between Plaintiff JOSE LUIS MADRIGAL (“Plaintiff”), an individual and class representative on behalf of himself and all other similarly situated non-exempt former and current employees, and Defendants TFT FARMS, LLC (“TFT”) and SIDNEY M. TANAKA (“Tanaka”)(together, TFT and Tanaka referred to as “Defendants”) (collectively, Plaintiff and Defendants are referred to as the “Parties”) in the Action (as defined below).

DEFINITIONS

1. Action. The “Action” means the class action complaints and charges, including the lawsuit entitled, *Jose Luis Madrigal, et al. v. TFT Farms, LLC, et al.* (Imperial County Superior Court Case No. ECU002144).

2. Agreement. “Settlement” and/or “Agreement” shall refer to the instant Joint Stipulation of Class Action and Private Attorneys General Act Settlement and Release.

3. Class Counsel. “Class Counsel” means Grant Joseph Savoy, Esq. and Shoham J. Solouki, Esq. of SOLOUKI | SAVOY, LLP.

4. Class Members, the Class, and Settlement Class Members. “Class Members” means all individuals who are or previously were employed by Defendants in California who were classified as hourly non-exempt employees during the period November 9, 2017, to the date preliminary approval of the class action settlement (the “Class Period”). The “Settlement Class” or “Settlement Class Members” means all Class Members other than those who opt-out (see Paragraphs 21 and 57.d).

5. Class Notice. “Class Notice” means the document mutually agreed upon by the Parties and approved by the Court to be sent to the Class in English and Spanish following preliminary approval that includes the scope of release language for Settled Claims, notifies Class Members of the Settlement, explains the Settlement and Class Members’ options, including how Class Members may opt out or object to the Settlement, and explains the facts and

1 methods based on which the Class Member's estimated settlement payments are calculated,
2 substantially in the form attached hereto as "**Exhibit A**".

3 6. Class Period. "Class Period" means the period of time beginning on
4 November 9, 2017, to the date preliminary approval of the class action settlement, subject to the
5 Settlement Cap Provision in Paragraph 51g.

6 7. Complaint. "Complaint" means the lawsuit entitled, *Jose Luis Madrigal,*
7 *et al. v. TFT Farms, LLC, et al.* (Imperial County Superior Court Case No. ECU002144), filed
8 with the Imperial County Superior Court on or around November 9, 2021, including any
9 amendments such as those identified in paragraph 46.

10 8. The Court. The "Court" refers to the Imperial County Superior Court or
11 other court or courts that will approve the Action, whether individually or together.

12 9. Day. "Day" refers to a calendar day(s) unless otherwise stated. If any
13 designated date or deadline falls on a weekend or holiday, the designated date or deadline will
14 occur on the next business day.

15 10. Defendant. "Defendant" means TFT FARMS, LLC, a California Limited
16 Liability Company ("TFT") and SIDNEY M. TANAKA, an individual ("Tanaka"). Defendants
17 TFT and Defendant Tanaka are collectively referred to as "Defendants."

18 11. Effective Date. "Effective Date" means the first business day following
19 the last of the following occurrences: (i) if no Class Member and/or PAGA Member timely and
20 properly intervenes, files a timely motion to vacate the Final Judgment under, or objects or
21 otherwise challenges the Settlement, then sixty (60) days after the date the Court enters an Order
22 Granting Final Approval of the Settlement and Final Judgment; or (ii) if a Class Member timely
23 intervenes or files a motion to vacate the Final Judgment, or objects or otherwise challenges the
24 Settlement, and files a timely appeal, then five (5) days after the Court receives the mandate
25 reflecting the final resolution of that appeal (including any requests for rehearing and/or petitions
26 for *certiorari*), resulting in final and complete judicial approval of the Settlement in its entirety

without modification, with no further challenge to the Settlement being possible. Defendant shall deposit all sums necessary to fund the Settlement after the Effective Date based on the schedule explained in Paragraph 52 of this Agreement. In the event an appeal, writ, motion challenging the judgment or other collateral attack is made after the Effective Date, the funds shall not be distributed until all challenges are resolved in a manner that upholds the Settlement in its entirety and shall be returned if the Agreement is not finally and completely approved in all respects.

12. Exclusion Period. The “Exclusion Period” means the time period commencing on the date the Class Notice is mailed to Class Members via First Class U.S. and ending forty-five (45) days later on the deadline to submit an Opt-Out Request or Objection.

13. Final Judgment. “Final Judgment” means the judgment entered and filed by the Court that: (1) finally approves this Agreement and the Settlement and disposes all class issues raised in this Action, bars through collateral estoppel and/or res judicata Settlement Class Members from reasserting Settled Claims against Released Parties; (2) finally approves this Agreement and the Settlement and disposes all PAGA issues and claims raised in this Action, bars through collateral estoppel and/or res judicata PAGA Members from reasserting PAGA Claims against Released Parties; and (3) awards and orders the payment of all required amounts pursuant to the terms of this Agreement (approved Class Counsel’s attorneys’ fees and costs, Settlement Payments to Class Members and PAGA Payments to PAGA Members, etc.). The Final Judgment will constitute a binding and final resolution of any and all claims by the Named Plaintiff and all Settlement Class Members as to all Settled Claims and all PAGA Members as to all Settled PAGA Claims as set forth in this Agreement.

14. Final Settlement Approval Hearing. “Final Settlement Approval Hearing” means the hearing at which the Court shall consider the motion for final approval of this Settlement and determine whether to fully and finally approve the fairness and reasonableness of this Settlement and Agreement, and enter an order barring through collateral estoppel and/or res

judicata Settlement Class Members from asserting Settled Claims against Released Parties and all PAGA Members from pursuing Settled PAGA Claims against Released Parties.

15. Funding Payments. “Funding Payments” means the payment(s) remitted to the Third Party Administrator or Settlement Administrator (“TPA” or “SA”) by or on behalf of Defendant following Final Judgment and the Effective Date in full and complete discharge of the entire monetary obligation of Defendant in an amount equal to the GSA, which, as set forth herein, shall satisfy all outstanding and awarded Settlement Payments, PAGA Payments, attorneys’ fees and costs awarded to Class Counsel, the Named Plaintiff’s enhancement awards as awarded by the Court, outstanding payments to the SA as approved by the Court for settlement administration costs, and the payment to the Labor Workforce Development Agency (or “LWDA”), minus any amounts already paid under the Agreement.

The GSA shall be payable in two equal installments, the first due 30 days from the Effective Date, and the second due 6 months thereafter.

16. Gross Settlement Amount or GSA. “Gross Settlement Amount” or “GSA” means a fixed total payment of Ninety Thousand Dollars and Zero Cents (\$90,000.00), payable by Defendant under this Agreement, which shall satisfy all outstanding and awarded Settlement Payments, PAGA Payments, attorneys’ fees and costs awarded to Class Counsel, the Named Plaintiff’s enhancement awards as awarded by the Court, outstanding payments to the SA as approved by the Court for settlement administration costs, and the payment to the LWDA.

17. Last Known Address. “Last Known Address” means the most recently recorded mailing address for a Class Member and/or PAGA Member contained in Defendant’s records.

18. Named Plaintiff. “Named Plaintiff” individually and collectively means Jose Luis Madrigal.

19. Net Settlement Amount or “NSA”. “Net Settlement Amount” or “NSA” means the Gross Settlement Amount less the amounts deducted pursuant to Paragraphs 51a

1 through 51e of this Agreement, including deductions of the amounts awarded to Class Counsel,
2 the enhancement award to the Named Plaintiff, the payment to the LWDA to resolve claims
3 under the PAGA, and the costs awarded for settlement administration owed pursuant to this
4 Agreement.

5 20. Objection. “Objection” means a written request, which a Class Member
6 may submit no later than the last day of the Exclusion Period and in the form specified in
7 Paragraph 58 in order to object to the Settlement, or a personal appearance, or other appearance
8 permitted by the Court, at the final approval hearing to object.

9 21. Opt-Out Request. “Opt-Out Request” must (1) contain the name, address,
10 and telephone number of the person requesting exclusion; (2) contain the last four numbers of
11 the Class Members’ social security number or the employee number or dates of employment or
12 provide a similar basis to identify the individual; (3) be signed by the Class Member; (4) be
13 postmarked or fax stamped within the Exclusion Period/Response Deadline [45 days after
14 mailing date] and returned to the Settlement Administrator at the specified address or fax
15 number. (See Paragraph 57.d) A Class Member who opts-out and otherwise qualifies as a
16 PAGA Member will remain a PAGA Member despite opting out of the Class Settlement.

17 22. Order of Final Approval or Order Granting Final Approval of Settlement.
18 “Order of Final Approval” or “Order Granting Final Approval of Settlement” or “Final
19 Approval” means the order issued in conjunction with the entry of the Final Judgment to be
20 submitted by the Named Plaintiff together with the Motion for Final Approval of the Settlement
21 for entry and filing by the Court as specified in this Settlement.

22 23. PAGA Period. “PAGA Period” means the period of time beginning on
23 July 10, 2022, and ending on the date the Court grants Preliminary Approval, subject to the
24 Settlement Cap Provision in Paragraph 51g.

1 24. PAGA Member. “PAGA Members” means all current and former
2 employees of Defendants who were employed or have been employed by Defendant in the state
3 of California as non-exempt employees during the PAGA Period.

4 25. PAGA Payment and PAGA Allocation. Of the Gross Settlement Amount,
5 \$4,000 shall be paid for the PAGA claims. “PAGA Allocation” means the amounts distributed
6 among PAGA Members and is the amount remaining from the \$4,000.00 (after subtracting the
7 \$3,000 allocated to the LWDA) divided by the total number of PAGA Workweeks Worked
8 credited to all PAGA Members. Each PAGA Member’s PAGA Payment is equal to the PAGA
9 Workweek Rate multiplied by his or her individual PAGA Workweeks Worked pursuant to the
10 records of Defendant, and will be paid to the PAGA Member even if they opt-out of the Class
11 Settlement.

12 26. PAGA Workweeks Worked. “PAGA Workweek Worked” means the
13 number of workweeks credited to a PAGA Class Member during the PAGA Period (for the
14 Settled PAGA Claims), as determined by Defendant’s records and estimates and as only subject
15 to revision pursuant to this Agreement.

16 27. Parties. “Parties” means Named Plaintiff, individually on behalf of
17 himself and on behalf of all Class Members, PAGA Members and interests of the Labor
18 Workforce Development Agency (“LWDA”), and Defendants.

19 28. Preliminary Approval Order. “Preliminary Approval Order” is the order
20 entered and filed by the Court that preliminarily approves the terms and conditions of this
21 Agreement, including approval of the Parties’ Agreement that specifies the content of notice and
22 manner in which notice will be provided to the Class and responded to by the Class.

23 29. Released Parties. “Released Parties” means Defendants and each of their
24 respective parent companies, including subsidiaries, affiliates, joint ventures, predecessors,
25 successors, and related parties and all of their past and present directors, officers, shareholders,
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1 members, managers, joint employers, co-employers, integrated enterprises, representatives,
2 employees, and anyone else acting for any of them

3 30. Settlement Administrator. “Settlement Administrator” or “SA” means
4 Phoenix Class Action Settlement Administrators (“Phoenix”) or such other neutral administrator
5 as chosen by the Parties and approved by the Court (see Paragraph 55a).

6 31. Settled Claims. “Settled Claims” means all claims and/or causes of action
7 arising from or related to this case under any federal, state or local law or administrative order
8 that were or which could have been plead based on the facts alleged in the operative class action
9 complaints, whether known or unknown, including the failure to pay wages, the failure to pay
10 overtime compensation, the failure to provide meal periods, the failure to provide rest periods,
11 the failure to maintain or provide accurate itemized statements, the failure to maintain records,
12 the failure to timely pay wages, the failure to pay wages due to discharged or quitting employees,
13 the failure to reimburse for necessary business expenses, and any other claims whatsoever that
14 were or could have been alleged in this case, including without limitation all related claims for
15 restitution and other equitable relief under Business and Professions Code § 17200, conversion,
16 liquidated damages, punitive damages, waiting-time penalties, civil penalties under the Labor
17 Code Private Attorneys General Act of 2004 and Labor Code sections 200, 201, 202, 203, 204,
18 206.5, 210, 218.5, 226-226.5, 226.7, 510, 512, 558, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, and
19 2802; related IWC Wage Orders including Wage Order Nos. 13 & 14; Fair Labor Standards Act,
20 29 U.S.C. sections 201, *et seq.* and any other related claims and/or penalties of any nature
21 whatsoever.

22 32. Settled PAGA Claims. “Settled PAGA Claims” means all claims for
23 PAGA penalties that were alleged, or reasonably could have been reasonably alleged in the
24 operative Complaint and the PAGA Notice based on the facts, allegations, assertions and claims
25 in the operative Complaint and PAGA Notice, and, including, (a) Failure to provide or pay
26 premium payments for meal periods (see Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC

1 Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for
2 rest periods (see Labor Code §§ 226.7, 512; IWC Wage Order No. 1-2001, § 12); (c) any and all
3 claims involving any alleged failure to pay minimum wage, contract wages, overtime, or other
4 amounts of wages for failing to compensate Named Plaintiff and PAGA Members for all wages
5 earned and all hours worked (see Cal Labor Code §§ 510, 1194, 1197, 1198; IWC Wage Order
6 No. 1-2001, §§ 3-4); (d) failure to timely pay wages during employment (see Labor Code § 204);
7 (e) failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203);
8 (f) failure to maintain required records (see Labor Code §§ 226, 1174; IWC Wage Order No. 1-
9 2001, § 7); (g) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a));
10 (h) Failure to reimburse business expenses (see Labor Code § 2800-2802); and (i) failure to
11 properly calculate, accrue, display and pay mandatory sick pay (see Labor Code § 246, et seq.).
12 “Settled PAGA Claims” includes all types of relief available for the above-referenced claims,
13 including, without limitation, any claims for civil penalties, attorneys’ fees, costs, and
14 declaratory relief. The Final Judgment shall expressly provide that it covers and based on the
15 doctrines of res judicata and/or collateral estoppel bars Plaintiff, LWDA, the State of California,
16 and any other representative, proxy, or agent thereof, including but not limited to any and all
17 PAGA Members from prosecuting “Settled PAGA Claims” that arose during the PAGA Period.

18 33. Settlement Class/Settlement Class Member(s). “Settlement Class
19 Member” means all Class Members other than those who have timely and validly submitted Opt-
20 Out Requests and thereby excluded themselves from releasing Settled Claims from the
21 Settlement.

22 34. Settlement Payment. “Settlement Payment” means a payment pursuant to
23 a Settlement Class Member’s pro rata allocation of the NSA as specified in Paragraph 51.

24 35. Settlement Proceeds Distribution Deadline. “Settlement Proceeds
25 Distribution Deadline” means a date that is fourteen (14) days after the Funding Payment has
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1 been made by Defendant to the SA based on the schedule explained in Paragraph 61 of this
2 Agreement.

3 36. Updated Address. “Updated Address” means a mailing address that was
4 updated by a reasonable address verification measure of the SA or by an updated mailing address
5 provided by the United States Postal Service for a Class Member or PAGA Member.

6 37. Workweek Rate. “Workweek Rate” for the Settled Claims means the
7 amount yielded from dividing the Net Settlement Amount by the total of all Workweeks Worked
8 credited to all Settlement Class Members during the Class Period. Each Settlement Class
9 Member’s settlement payment is equal to his or her individual Workweeks Worked during the
10 Class Period and multiplied by the Workweek Rate. Therefore, the amount of each Settlement
11 Class Member’s Individual Settlement Payment is tied to the number of Workweeks Worked that
12 each Settlement Class Member worked for Defendant in the State of California in comparison to
13 all Workweeks Worked by all Settlement Class Members in the State of California during the
14 Class Period. Similarly, for the Settled PAGA Claims, “Workweek Rate” means the amount
15 yielded from dividing the PAGA Allocation by the total of all Workweeks Worked credited to all
16 PAGA Members during the PAGA Settlement Period.

17 38. Workweeks Worked. A “Workweek Worked” means the number
18 workweeks worked by a Class Member during the Class Period or PAGA Member during the
19 PAGA Settlement Period (for the Settled PAGA Claims), as determined or estimated by
20 Defendant’s records and as only subject to revision pursuant to this Agreement.

21 RECITALS

22 39. Named Plaintiff filed a class action lawsuit on November 9, 2021 against
23 Defendants alleging ten causes of action for: (1) Failure to provide required meal periods; (2)
24 Failure to provide required rest periods; (3) Failure to pay overtime wages; (4) Failure to pay
25 minimum wage; (5) Failure to timely pay wages; (6) Failure to pay all wages due to discharged
26 and quitting employees; (7) Failure to maintain required records; (8) Failure to furnish accurate

1 itemized statements; (9) Failure to indemnify employees for necessary expenditures incurred in
2 discharge of duties; and (10) Unfair and unlawful business practices. On or about December 13,
3 2023, Plaintiff filed a First Amended Complaint alleging an additional cause of action for
4 Penalties pursuant to California's Private Attorneys General Act. Defendants deny all
5 allegations.

6 40. Named Plaintiff submitted his Amended PAGA Notice on November 29,
7 2021, in case number LWDA-CM-851743-21, alleging the same claims as the operative
8 Complaint.

9 41. Defendants filed answers to the Complaint and denied all allegations and
10 claims asserted therein. Defendants deny that they engaged in any misconduct in connection
11 with its wage-and-hour practices and that they have any liability or engaged in wrongdoing of
12 any kind associated with the claims alleged in the Action, including any Settled PAGA Claims.
13 Defendants contend that they have complied at all times with both federal and state wage-and-
14 hour laws, and all other laws regulating the employer-employee relationship that relate to the
15 employment of Named Plaintiff and the Class and PAGA Members.

16 42. Defendants and Class Counsel, on behalf of Named Plaintiff and the Class
17 Members and aggrieved employees, attended mediation with Steven Kruis, Esq. on July 10,
18 2023. The Parties hereto agree that the terms and conditions of this Agreement are the result of
19 lengthy, intensive arms-length negotiations between the Parties supervised by an experienced
20 employment law mediator. The Parties agree that the Agreement is entered into in good faith as
21 to each Class Member and PAGA Member and that the Settlement is fair, reasonable and
22 adequate as to each Class Member and PAGA Member.

23 43. Class Counsel is of the opinion that this Settlement is fair, reasonable, and
24 adequate, and in the best interest of the Class and PAGA Members and other relevant interests in
25 light of all known facts and circumstances, including the benefits conferred by the Settlement,
26 the risk of significant delay, the uncertainty and risk of the outcome of further litigation, the
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1 burdens of proof necessary to establish liability, defenses asserted to the merits, including but not
2 limited to the affirmative defenses asserted as to Settlement Class Members, the risks of
3 proceeding on any class claims and PAGA claims, including class certification, the difficulties in
4 establishing damages and penalties, and the numerous potential appellate issues. While
5 Defendants specifically deny any liability or wrongdoing in the Action, Defendants have agreed
6 to enter into this Settlement to avoid the cost and business disruption associated with defending
7 the Action. Defendants have claimed and continue to claim that the Settled Claims and Settled
8 PAGA Claims have no merit and do not give rise to liability. This Agreement is a compromise
9 of disputed claims. This Agreement, made and entered into by and between the Named Plaintiff
10 (on behalf of himself and on behalf of the Class Members and PAGA Members and interests of
11 the state of California, including the LWDA) and Defendant, each with the assistance of its
12 respective counsel or attorneys of record, is intended to fully, finally, and forever settle,
13 compromise and discharge the Settled Claims and Settled PAGA Claims against the Released
14 Parties, subject to the terms and conditions set forth herein.

15 44. Because the Action is pled as a class action, this Settlement must receive
16 preliminary and final approval by the Court. Because the PAGA portion of this case is pled as a
17 PAGA representative action, this Settlement is subject to further approval by the Court.
18 Accordingly, the Parties enter into this Agreement on a conditional basis.

19 **TERMS AND CONDITIONS OF SETTLEMENT**

20 NOW THEREFORE, in consideration of the recitals listed above and the promises and
21 warranties set forth below, and intending to be legally bound and acknowledging the sufficiency
22 of the consideration and undertakings set forth herein, the Named Plaintiff, individually on
23 behalf of himself and on behalf of the Class Members and PAGA Members and LWDA and state
24 of California's interests, on the one hand, and Defendant, on the other hand, agree that the Action
25 shall be, and is finally and fully compromised and settled on the following terms and conditions.

45. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, that they or any of them have: violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees or any other person or entity. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it or proceedings, payouts or other events associated with it, shall be construed as an admission or concession by Defendants of any such violation(s) or failure(s) to comply with any applicable law by Defendants or any other Released Parties. Except as necessary in a proceeding to approve, interpret or enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of the Released Parties or to establish the existence of any condition constituting a violation of, or noncompliance with, federal, state, local or other applicable law. In addition, as set forth herein, the Parties intend this Settlement to be contingent upon the preliminary and Final Approval of this Agreement; and in the event Final Approval of this Agreement is not obtained the Parties do not waive, and instead expressly reserve, their respective rights to prosecute and defend this Action as if this Agreement never existed in the event the Settlement is not fully and finally approved as set forth herein. In the event that this Agreement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court or any other court with jurisdiction over the Action, the Agreement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, further proceedings in this Action, except that the Court may award less than the amounts listed in Paragraph 51a through 51e

1 without impacting the validity and enforceability of this Agreement and the Parties will be
2 returned to their respective positions prior to entering this Agreement.

3 46. Amendment of Complaint. Solely for purposes of settling this matter,
4 Named Plaintiff has filed a First Amended Complaint ("FAC") with the approving Court, which
5 shall be the operative Complaint in this Action. The FAC added a claim under the California
6 Private Attorney General Act of 2004. Solely for purposes of implementing the Settlement, the
7 Parties stipulate that the amendments of the claims shall relate back to the filing of the original
8 Complaint, and shall cover the Class Period and PAGA Period; the Parties agree the proposed
9 preliminary approval order and Final Judgment shall request that should the Settlement not be
10 fully and finally approved, the amendments will be withdrawn, the original complaint shall be
11 deemed the operative complaint, any preliminary certification of a class for settlement purposes
12 shall be deemed void and the Parties shall revert to their positions prior to entering the
13 Settlement in all respects. Subject to Court approval, Defendants' current answer shall be
14 deemed as the operative answer to the Complaint on behalf of Defendants without the need to
15 file an amended answer.

16 47. Stipulation for Class Certification. The Parties stipulate to the
17 certification of this Settlement Class for purposes of this Settlement only. If, however, the
18 Settlement does not become final for any reason, the Parties' Agreement shall become null and
19 void *ab initio* and shall have no bearing on, and shall not be admissible in connection with,
20 whether class certification would be appropriate in any other context in this Action.

21 48. Release of Settled Claims. As of the Effective Date, Named Plaintiff and
22 all Settlement Class Members hereby do and shall be deemed to have fully, finally, and forever
23 released, settled, compromised, relinquished and discharged any and all Settled Claims against
24 any and all Released Parties. The Settlement includes a release of all Settled Claims during the
25 Class Period by Settlement Class Members employed at any time during the Class Period.

1 a. The Parties agree for settlement purposes only that, because the
2 Class Members are so numerous, it is impossible or impracticable to have each Class Member
3 execute this Agreement. Accordingly, the Class Notice will advise all Class Members of the
4 binding nature of the Agreement and such notice shall have the same force and effect as if the
5 Agreement were executed by each Class Member.

6 b. Named Plaintiff and Class Counsel represent, covenant, and
7 warrant that they have not directly or indirectly assigned, transferred, encumbered or purported
8 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
9 demand, action, cause of action, or rights herein released and discharged, except as set forth
10 herein.

11 c. The Parties agree that this is a settlement of disputed claims not
12 involving undisputed wages, and that Labor Code Section 206.5 is therefore inapplicable.

13 49. Release of Settled PAGA Claims. As of the Effective Date, Named
14 Plaintiff, LWDA, the State of California, and any other representative, proxy, or agent thereof,
15 including but not limited to any and all PAGA Members, hereby do and shall be deemed to have
16 fully, finally, and forever released, settled, compromised, relinquished and discharged are barred
17 from prosecuting "PAGA Claims" that arose during the PAGA Period against any and all of the
18 Released Parties. Subject to Court approval, the Agreement includes a settlement of all Settled
19 PAGA Claims during the PAGA Period by PAGA Members employed at any time during the
20 PAGA Period to the fullest extent permitted under the PAGA, including settlement contemplated
21 in Labor Code section 2699(1)(2).

22 50. Individual Releases of Claims. In addition to the releases made by the
23 Settlement Class Members and PAGA Members set forth in this Agreement, Named Plaintiff
24 releases, as an individual and in addition to the Settled Claims described above, all claims,
25 whether known or unknown, under federal law or state law against the Released Parties. The
26 Parties understand and agree that Plaintiff is not, by way of this release, releasing any claims

1 which cannot be released as a matter of law. Notwithstanding the foregoing, Named Plaintiff
2 understands that this release includes unknown claims and that Named Plaintiff is, as a result,
3 waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which
4 provides:

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

12 This release excludes any release of any claims not permitted to be released by law and any and
13 all claims subject to the separate settlement agreement and release of Plaintiff's individual
14 claims, including Plaintiff's claims for relief stemming from his age national origin and age
15 discrimination claims filed with the California Civil Rights Department, which are subject to a
16 separate confidential settlement agreement between Plaintiff and Defendants.

17 51. Settlement Payments and Calculation of Claims. Subject to the Final
18 Approval of the Settlement and the conditions specified in this Agreement, and in consideration
19 of the mutual covenants and promises set forth herein, Defendant agrees to make a payment or
20 payments as set forth herein totaling the fixed amount of Ninety Thousand Dollars and Zero
21 Cents (\$90,000.00). The GSA shall fully satisfy Defendants' obligations for any and all
22 payments, fees and costs identified in the Agreement, including, but not limited to, any payments
23 to be made to the Named Plaintiff, Settlement Class Members, PAGA Members, the LWDA,
24 Class Counsel's attorneys' fees and out-of-pocket litigation expenses and costs, and settlement
25 administration costs. Other than employer-side payroll taxes, in no event shall Defendant be
26 required to pay any amounts above the GSA under this Settlement and this Agreement except as

1 set for in Paragraph 51g. The Parties agree, subject to Court approval, that the GSA shall be
2 apportioned as follows:

3 a. Attorneys' Fees. Class Counsel will apply to the Court for an
4 award of attorneys' fees of no more than one third (1/3) or thirty-three point three, three, four
5 percent (33.334%) of the GSA or Thirty Thousand Dollars and Zero Cents (\$30,000.00). The
6 attorneys' fees shall come from and be deducted from the GSA and paid out as set forth herein.
7 Defendant will not oppose such application.

8 b. Attorneys' Costs. Named Plaintiff and Class Counsel shall request
9 approval of payment of up to but not to exceed Ten Thousand Dollars and Zero Cents
10 (\$10,000.00) in attorneys' costs, including any litigation costs, which will be deducted from the
11 GSA and paid out as set forth herein. Defendant will not oppose such application. Attorneys'
12 fees as specified in the preceding Paragraph and costs as specified in this Paragraph shall cover
13 all claimed and unclaimed attorneys' fees, attorneys' costs and other amounts payable or
14 awardable against Defendant for Class Counsel's work, effort or involvement in the Action and
15 in carrying out the Agreement and includes any and all work, effort or involvement to carry out
16 the terms of the Agreement and as may be potentially or actually necessary or advisable to
17 defend the Agreement and/or Settlement through appeal, or collateral attack or in any other
18 forum or proceeding. These specified Attorneys' Fees and Costs shall be the sole payment for
19 attorneys' fees and costs and, otherwise, the Parties and Class Members and their counsel shall
20 bear their own fees and costs in connection with the Action. Should the Court approve lesser
21 amounts for Attorneys' Fees and Costs, the difference shall be added to the NSA.

22 c. Administration Fees and Costs. Class Counsel will also apply to
23 the Court for approval of SA costs in an amount not to exceed \$5,750.00, which will be deducted
24 from the GSA. Defendant will not oppose such application. Class Counsel will specify the
25 amount sought for such costs, up to the foregoing maximum, in Named Plaintiff' motions for
26 preliminary and Final Approval of the Settlement.

d. Named Plaintiff's Enhancement and General Release Payment.

Class Counsel will apply to the Court for approval of an enhancement award in an amount not to exceed One Thousand, Five Hundred Dollars, and Zero Cents (\$1,500.00) to be paid to Named Plaintiff, Defendant will not oppose such application. The enhancement award is included in, and shall be deducted from, the GSA. Should the Court approve a lesser amount, the difference shall be added to the NSA.

e. PAGA Allocation and Payments. Pursuant to California Labor

Code Section 2698, *et seq.*, the Parties designate Four Thousand Dollars and Zero Cents (\$4,000.00) of the GSA to resolve any PAGA claims (including penalties sought for Named Plaintiff' employment and penalties sought under the PAGA for all other PAGA Members' employment and payment to the LWDA).

i. Defendant shall pay seventy five percent (75%) of that

amount, or Three Dollars and Zero Cents (\$3,000.00), to the LWDA, and the remainder to PAGA Members. In the event the LWDA refuses to accept the above amount in full for all civil penalties to PAGA Members in connection with the civil penalty claims alleged in this Action, or in the event the LWDA or anyone on its behalf otherwise challenges the above allocation or the Settlement, the Parties shall work in good faith to revise the allocation so that it is accepted.

ii. The remaining One Thousand Dollars and Zero Cents

(\$1,000.00) shall be paid to PAGA Members by multiplying the PAGA Workweek Rate by each individual PAGA Member's PAGA Workweeks Worked.

f. Net Settlement Amount. The NSA will be the amount remaining

after deducting the amounts specified in Paragraphs 51a through 51e above (including deducting the amount in 51e.ii, which will be separately distributed to PAGA Members).

g. Estimate of Workweeks Worked and Escalator Provision and

Discretionary Cap. Class distribution is based on workweeks during the Class Period. It is estimated that there are approximately 59 Class Members who worked an estimated 1,800

workweeks during the Class Period as of July 7, 2023. Should the number of workweeks in the Class Period increase by more than 15% (270 workweeks) or exceed a total of 2,070 workweeks, Defendants will have the option to increase the Gross Settlement Amount by a proportionate additional amount for each additional workweek or, if Defendants declines to exercise this option, the Gross Settlement Amount will cover no more than 2,070 workweeks (15% more than 1,800, the number of workweeks disclosed at mediation), and the Release date will be moved back to only cover the Class Period during which no more than 2,070 workweeks were worked by the Class Members

h. Settlement Payments to Settlement Class Members. Only the following individuals will receive Settlement Payments under the Settlement Agreement: (1) the Named Plaintiff, (2) Settlement Class Members, and (3) PAGA Members. PAGA Payments will be calculated as set forth in paragraph 25, above, and Settlement Payments will be calculated as follows:

i. The NSA will be divided by the total Workweeks Worked by all Settlement Class Members during the Class Period as reflected in Defendant's records and estimates based on existing records. All Settlement Class Members shall be paid an amount equal to their individual Workweeks Worked during the Class Period, multiplied by the Workweek Rate. Workweeks Worked shall be determined by the SA based on data to be provided by Defendant, as may be modified by the resolution of any challenges.

ii. The Parties agree that under no circumstances shall Defendant be obligated to pay any amount under this Agreement to any Class Member other than Settlement Class Members and PAGA Members. In addition, the Parties agree that in no event shall Defendant be obligated to pay more than the GSA, except for the separate payment of employer-side payroll taxes, as provided in paragraphs 53, 61.

iii. The Parties acknowledge and agree that the formula used to calculate Workweeks Worked, individual Settlement Payments, PAGA Workweeks Worked, and

1 PAGA Payments does not imply that all of the elements of damages covered by the release are
2 not being taken into account. The above formulas were devised as practical and logistical tools
3 to simplify the payment process.

4 52. No Credit Toward Benefit Plans. The Settlement Payments made to
5 Settlement Class Members and PAGA Payments made to PAGA Members under this Agreement
6 shall not be utilized to calculate any additional benefits under any benefit plans to which any
7 Settlement Class Members or Class Members or PAGA Members may be eligible, including, but
8 not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation
9 plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
10 that this Agreement will not affect any rights, contributions, or amounts to which any Settlement
11 Class Members, Class Members and PAGA Members may be entitled under any benefit plans.

12 53. Taxation of Settlement Proceeds. All taxable portions of Settlement
13 Payments shall be paid in a net amount after applicable employee state and federal tax
14 withholdings, including employee-side payroll taxes, if any, have been deducted.

15 a. The Parties agree that the Settlement Payments will be allocated as
16 follows: ten percent (10%) for alleged unpaid wages, for which an IRS Form W-2 shall be
17 issued, and ninety (90%) for alleged penalties and interest. The PAGA Payments to PAGA
18 Members will be designated as payments for alleged penalties and other non-wage amounts. The
19 portions of the Settlement Payments allocated to penalties, interest or other non-wage amounts
20 and the PAGA Payments will be paid without tax withholdings and will be reported as such to
21 each Settlement Class Member and/or PAGA Member on an IRS Form 1099.

22 b. The SA shall calculate, withhold from the Settlement Payments,
23 and remit to applicable governmental agencies sufficient amounts, if any, as may be owed by
24 Settlement Class Members for applicable employee taxes. The SA will issue appropriate tax
25 forms, if required, to each such Settlement Class Member consistent with the foregoing
26 breakdown. The SA shall also calculate and obtain from Defendant and remit to applicable

1 governmental agencies sufficient amounts, if any, as may be owed for employer-side payroll
2 taxes based on the wage portion of the Settlement Payments.

3 c. All Parties represent that they have not received, and shall not rely
4 on, advice or representations from other parties or their agents, including Class Members and
5 PAGA Members, regarding the tax treatment of payments under federal, state, or local law. In
6 this regard, Defendants make no representations regarding the taxability of the Settlement
7 Payments and PAGA Payments.

8 d. Class Counsel will be issued an IRS Form 1099 for any fees and
9 costs awarded by the Court pursuant to Paragraph 51. Except as provided in Paragraph 51, each
10 Party shall bear his, her or its own attorneys' fees, costs, and expenses incurred in the
11 prosecution, defense, or settlement of the Action. Class Counsel agrees that any allocation of
12 fees between or among each of the Class Counsel or among the Class Counsel and any other
13 attorney that may be representing Named Plaintiff or the Class, if any, shall be the sole
14 responsibility of Class Counsel. Each Party to this Agreement (for purposes of this section, the
15 "acknowledging party" and each Party to this Agreement other than the acknowledging party, an
16 "other party") acknowledges and agrees that no provision of this Agreement, and no written or
17 oral communication or disclosure or other representation by Defendant and/or Released Parties is
18 or was intended to be, nor shall be construed or be relied upon as, tax advice, and Named
19 Plaintiff, Class Members and PAGA Members shall not rely on Defendant and/or Released
20 Parties for any tax advice with respect to the Settlement of this Action.

21 e. The Named Plaintiff will be issued an IRS Form 1099 for any
22 enhancement award approved by the Court pursuant to Paragraph 51. The enhancement award
23 payable to the Named Plaintiff shall be in addition to the Settlement Payments and PAGA
24 Payments that Named Plaintiff will receive.

54. Provisional Approval of Settlement. Named Plaintiff shall file a motion in the Action and take all other action to request that the Court enter the Preliminary Approval Order based on an agreed-upon Settlement schedule, subject to Court approval:

a. Seeking class certification on the terms set forth in this Agreement solely for purposes of the Class Settlement;

b. Preliminarily approving the proposed Settlement and this Agreement, including the payments to the Settlement Class Members, Class Counsel, the Named Plaintiff, PAGA Members, the SA, and the LWDA;

c. Preliminarily approving the appointment of the Named Plaintiff as representative of the Class for settlement purposes;

d. Preliminarily approving the appointment of counsel for Named Plaintiff as Class Counsel;

e. Appointing and approving a SA as chosen by the Parties and approved by the Court, to administer the notice, opt-out requests, objections and Settlement Payment and PAGA Payment procedures required by this Agreement;

f. Approving the form of the Class Notice mutually agreed by the Parties;

g. Scheduling the Final Settlement Approval Hearing for consideration of Final Approval of this Agreement;

h. Requiring that any Class Members who object to the Settlement Agreement submit any objection to the SA postmarked by the end of the Exclusion Period or appear in person or by other Court approved means at the Final Approval Hearing, and that the Parties be given an opportunity to file written responses to any objection(s) with the Court;

i. Approving the procedure for Class Members to submit Opt-Out Requests, and setting a date after which no Class Members shall be allowed to submit Opt-Out Requests; and

j. Approving the procedure for Settlement Class Members to object to the Settlement.

k. Defendants shall not oppose Class Counsel's motions for preliminary approval and Final Approval of the Settlement so long as the motions and supporting papers are consistent with the terms of this Agreement. Class Counsel shall provide Defendants with an opportunity of 5 days to review, and provide comments on the motions for preliminary and Final Approval of the Settlement before the motion and supporting papers are filed with the Court. The Parties will meet and confer and agree upon the wording of the settlement packages to be sent to Class Members, as well as the proposed orders for preliminary and Final Approval before filing. Failure of the Court to grant the Preliminary Approval Order will be grounds for the Parties to terminate the Settlement and the terms of the Agreement, except that the Parties must work in good faith to comply with any changes to the Settlement proposed by the Court to the extent the changes are acceptable by both Parties, and the Court may award less than the amounts listed in Paragraph subparts 51a through 51e without impacting the validity and enforceability of this Agreement.

55. Notice Procedure.

a. Settlement Administrator. The Parties will use Phoenix or a another mutually agreeable third-party SA to distribute the Class Notice and the Settlement Payments and PAGA Payments and handle the tax reporting and field any questions from Class Members and/or PAGA Members with a hotline. The SA (along with any of its agents) shall represent and warrant that it will: (a) provide reasonable and appropriate administrative, physical and technical safeguards for any personally identifiable information ("PII"), which it receives from Defendant; (b) not disclose the PII to Class Counsel, Named Plaintiff, any party or third parties, including agents or subcontractors, without Defendant's consent; (c) not disclose or otherwise use the PII other than to carry out its duties as set forth herein; (d) promptly provide

1 Defendant with notice if PII is subject to unauthorized access, use, disclosure, modification, or
2 destruction; and (e) continue to protect the PII upon termination of its services.

3 b. Class Member Data. Within ten (10) days after filing of the
4 Preliminary Approval Order, Defendant shall provide to the SA a list of Class Members and
5 PAGA Members that identifies for each Class Member/PAGA Member, his/her Social Security
6 number, last-known address, and the workweek numbers and other Class Member data confirm
7 qualifying Workweeks Worked and PAGA Workweeks Worked or will forward the start and end
8 date(s) of employment for the SA to calculate the Workweeks Worked and PAGA Workweeks
9 Worked. Defendant agrees to consult with the SA as required to provide the list in a format
10 reasonably acceptable for the duties of the SA. The SA will keep the list confidential, use it only
11 for the purposes described herein, take adequate safeguards to protect confidential or private
12 information and return or certify the destruction of the information or continued safeguarding of
13 the information upon completion of the Settlement Administration process.

14 56. Class Notice. The SA will send to each Class Member and PAGA
15 Members by First-Class U.S. Mail the Class Notice, which includes information on how Class
16 Members may opt-out of or object to the Settlement and a procedure by which a Class Member
17 may challenge the number of Workweeks Worked identified on his/her Class Notice. The
18 Named Plaintiff will seek approval of language in the Class Notice in the motion for preliminary
19 approval and will seek permission for the Parties in conjunction with the SA to be able to correct
20 immaterial errors on these forms or other mailed materials without approval from the Court,
21 provided the changes do not alter the preliminary approval by the Court.

22 a. Settlement Administrator Duties. Prior to mailing the Class
23 Notice, the SA will update the addresses for the Class Members and PAGA Members using the
24 National Change of Address database and other available resources deemed suitable by the SA.
25 To the extent this process yields a different address from the one supplied by Defendant
26 (“Updated Address”), that Updated Address shall replace the address supplied by Defendant

1 (“Last Known Address”) and be treated as the new Last Known Address for purposes of this
2 Agreement and for subsequent mailings in particular. The Settlement Administrator shall be
3 permitted to provide notices and communicate to the Class and PAGA Members in a format and
4 statement to be provided to the Court, which Named Plaintiff will submit in conjunction with the
5 motion for preliminary approval and/or motion for Final Approval.

6 b. Class Notice Procedure. Within ten (10) days after receipt of the
7 above information from Defendant, the SA shall send the Class Notice to each Class Member’s
8 and PAGA Member’s Last Known Address or Updated Address (if applicable) via First-Class
9 U.S. mail.

10 c. Exclusion Period. Class Members will have forty-five (45) days
11 from the postmark of the initial mailing of the Class Notice by the SA to submit by U.S. mail
12 their Opt-Out Requests, with proof of date of submission to be the postmark date of the
13 completed Opt-Out Request. Class Members will also have forty-five (45) days to object to the
14 Settlement by submitting a written objection with the SA that sets forth the basis of the objection
15 pursuant to Paragraph 58, which the SA shall submit to the Parties within 10 days after the end
16 of the Exclusion Period, and Class Counsel shall submit to the Court. Opt-Out Requests do not
17 apply to the Settled PAGA Claims and will not exclude PAGA Members from the release of
18 Settled PAGA Claims.

19 d. SA Follow-up efforts.

20 i. The SA shall re-mail by First-Class U.S. mail the Class
21 Notice returned by the Post Office with a forwarding address, and shall re-mail by First-Class
22 U.S. mail the Class Notice to any Class Member/PAGA Member who personally provides an
23 updated address to the SA.

24 ii. In the event that the first mailing of the Class Notice to any
25 Class Member/PAGA Member is returned without a forwarding address, the SA will
26 immediately perform skip trace(s) if necessary using social security numbers provided by
27

1 Defendant and National Change of Address searches, as needed, to verify the accuracy of the
2 addresses provided and will conduct a second round of mailings of the Class Notice by First-
3 Class, U.S. mail within an agreed number of days for those forms returned to sender. If no new
4 information is ascertained by means of a skip trace, or if the Class Notice is returned to SA after
5 using an address obtained from a standard skip trace, the SA will immediately perform a manual
6 “in-depth skip trace” to locate a more recent or accurate address. If an Updated Address is
7 identified by this method, the SA will resend the Class Notice to the Updated Address within
8 three (3) days of identifying the Updated Address.

9 iii. If the SA re-mails the Class Notice, it shall note for its own
10 records the date and the address of each re-mailing. Those Class Members who receive a re-
11 mailed Class Notice, whether by skip-trace or forwarded mail, will have forty-five (45) days
12 from the postmark mailing/re-mailing date to submit an Exclusion Form, or file and serve an
13 objection to the Settlement or dispute the information provided in their Class Notice. The
14 Settlement Administrator shall mark on the envelope whether the Class Notice is a re-mailed
15 notice.

16 e. Documenting Communications. The SA shall date stamp
17 documents it receives, including Opt-Out Requests, Objections and any correspondences and
18 documents from Class Members/PAGA Member.

19 f. Settlement Administrator Declaration. At least seven (7) days
20 prior to the deadline for filing the motion for final approval, the SA shall prepare, subject to
21 Class Counsel’s/PAGA Member’s and Defendants’ input and approval, a declaration setting
22 forth the due diligence and proof of mailing of the Class Notices, the results of the SA’s
23 mailings, including tracing and re-mailing efforts, and the Class Members’/PAGA Member’s
24 responses to those mailing and provide additional information deemed necessary to approve the
25 settlement.

g. SA Written Reports. Each week during the Exclusion Period, the SA shall provide the Parties with a report listing the number of Class Members that submitted Opt-Out Requests and Objections. Within seven (7) days after the close of the Exclusion Period, the SA will provide a final report listing the number of Class Members who submitted Opt-Out Requests or Objections.

h. SA Calculations of Settlement Payments. Within seven (7) days after resolving all challenges made by Settlement Class Members, and following the Final Approval Order, the SA shall provide to the Parties a report showing its calculation of all Settlement Payments to be made to Settlement Class Members and PAGA Members. After receiving the SA's report, Class Counsel and Defendant's counsel shall review the same to determine if the calculation of payments to Settlement Class Members/PAGA Members is consistent with this Agreement, and shall notify the SA if either counsel does not believe the calculation is consistent with the Agreement. After receipt of comments from counsel, the SA shall finalize its calculation of Settlement Payments and PAGA Payments, at least five (5) days prior to the distribution of such payments, and shall provide Class Counsel and Defendant's Counsel with a final report listing the amount of all payments to be made to each Settlement Class Member from the NSA and listing the amount of all payments to be made to each PAGA Member from the amount allocated for PAGA Payments. The SA will also provide information that is requested and approved by both Parties regarding its duties and other aspects of the Settlement and that is necessary to carry out the terms of the Settlement.

57. Requirements for Recovery of Settlement Payments.

a. Class Members. No claim form is necessary to participate in the Settlement. Unless a Class Member submits a valid and timely Opt-Out Request (as described in Paragraphs 12, 21, and 57d), a Class Member will be a Settlement Class Member, bound by the Judgment, and will receive a payment from the NSA. All Class Members except for those who timely and validly opt-out of the Settlement shall be bound by the release of Settled Claims in

1 this Agreement. All PAGA Members, including any who opt-out of the Class Settlement, shall
2 be bound by the release of Settled PAGA Claims and shall be barred from seeking any action for
3 civil penalties for Settled PAGA Claims in this Agreement. At Defendant's option, checks in
4 payment of amounts due to Settlement Class Members under the Settlement may contain a brief
5 statement of waiver of Settled Claims and/or Settled PAGA Claims as part of the endorsement
6 language.

7 b. Late Submissions. The SA shall not accept as valid any Opt-Out
8 Request postmarked after the end of the Exclusion Period, as extended for remailings, absent
9 agreement from the Parties or order of the Court. It shall be presumed that, if an Opt-Out
10 Request is not postmarked on or before the last day of the Exclusion Period, the Class Member
11 did not return the Opt-Out Request in a timely manner.

12 c. Challenges. Class Members will have the right to challenge the
13 number of Workweeks Worked allocated to them. The following challenge procedure will be
14 established for the Class Member to dispute information on which his/her payment amount is
15 based: Challenges to the number of Workweeks Worked shall be sent directly to the SA at the
16 address indicated on the Class Notice. A Class Member challenging the number of Workweeks
17 Worked identified may also submit documentary evidence in order to prove the claimed number
18 of Workweeks Worked during the Class Period. Defendant shall have the right to respond to the
19 challenge by any Settlement Class Member. No challenge to the number of Workweeks Worked
20 will be accepted unless sent by U.S. mail within forty-five (45) days from the initial mailing of
21 the Class Notice by the SA, with proof of date of submission to be the postmark date unless
22 ordered by the Court. Additional time may be provided to a Class Member only upon a showing
23 of good cause and within an amount of time determined by the SA that will not delay the
24 distribution of Settlement Payments to other Class Members/PAGA Members and in no event
25 beyond the date of filing of the motion for final approval. The SA will inform Class Counsel and
26 Defendant's counsel in writing of any timely filed challenges and will preliminarily determine all

1 such disputes after consulting with the Parties regarding the number of Workweeks Worked. If
2 each of the Parties does not agree with the SA's preliminary determination, the dispute will be
3 submitted to the Court for a decision, and the Court's determination shall be final and binding
4 without a right of appeal.

5 d. Opt-Out Procedure. Unless a Class Member timely opts out of the
6 Settlement described in this Agreement, he/she shall be bound by the terms and conditions of this
7 Agreement, and shall also be bound by the Final Judgment. A Class Member will not be entitled
8 to opt-out of the Settlement established by this Agreement unless he or she submits to the SA a
9 request or notice of opting out via U.S. mail postmarked on or before the expiration of the
10 Exclusion Period. The request must be in writing on an Opt-Out Request and include the Class
11 Member's name, address, date, signature, to the notice that indicates he or she "opts out" of the
12 Settlement. Opt-Out Requests do not apply to the Settled PAGA Claims and will not exclude
13 PAGA Members from the release of Settled PAGA Claims.

14 i. Upon receipt of any Opt-Out Request within the Exclusion
15 Period, the SA shall review the request to verify the information contained therein, and confirm
16 that the request complies with the requirements of this Agreement.

17 ii. Any Class Member who fails to submit via U.S. mail a
18 timely, complete and valid Opt-Out Request shall be barred from opting out of this Agreement or
19 the Settlement. The SA shall not have the authority to extend the deadline for Class Members to
20 file a request to opt out of the Settlement absent agreement by both Parties.

21 iii. Class Members shall be permitted to rescind in writing
22 their request to opt-out by submitting a written rescission statement to the SA no later than the
23 Effective Date and provided that Individual Settlement Payments can be recalculated to reflect
24 the rescission.

25 iv. Defendant alone has the option to withdraw from and void
26 the settlement if the number of opt outs reaches or exceeds ten percent (10%) of all Class

1 Members or the number of Workweeks Worked by the opt-outs equals or exceeds ten percent
2 (10%) of the total Workweeks worked by the Settlement Class Members. Defendant shall
3 provide written notice of such withdrawal to Class Counsel. In the event that Defendant elects to
4 so withdraw, the withdrawal shall have the same effect as a termination of this Agreement for
5 failure to satisfy a condition of Settlement for affected individuals and amounts, and the
6 Agreement shall become null and void and have no further force or effect in that respect, but
7 shall remain binding and enforceable in all other respects. In the event that Defendant exercises
8 this option, it will be solely responsible for any additional Settlement Administrator's costs
9 related to those affected by this provision.

10 58. Objections to Settlement. Any Settlement Class Member may object to
11 the Settlement. Any such objection may be submitted to the SA in writing on or before the close
12 of the Exclusion Period or may appear at the Final Approval Hearing object orally. If any
13 Settlement Class Member wish to object in writing, any such written Objection shall include: (1)
14 the full name of the Settlement Class Member; (2) address of the Settlement Class Member; (3)
15 the basis for the objection; and (4) if the Settlement Class Member intends to appear at the Final
16 Approval Hearing. The Parties shall be permitted to file responses to the Objection in addition to
17 any motion for final approval documents. Settlement Class Members may also appear at the
18 Final Approval Hearing to object. At no time shall any of the Parties or their counsel seek to
19 solicit or otherwise encourage Settlement Class Members to submit written objections to the
20 Settlement or appeal from the Order granting final approval and/or Final Judgment. Class
21 Counsel shall not represent any Settlement Class Members with respect to any such objections.

22 59. Final Fairness Hearing, Final Approval and Final Judgment.

23 a. Entry of Final Judgment. At the Final Approval Hearing, Named
24 Plaintiff will request, and Defendants will concur in said request, that the Court enter a Final
25 Judgment.

b. Motion. Named Plaintiff will draft and file a motion for final approval and for approval of any attorneys' fees and costs and enhancement award in conformity with any requirements from the Court and will take other action to request the entry of Final Judgment in accordance with this Agreement. The motion for final approval and corresponding paperwork will be subject to input and approval from Defendants and the proposed judgment finally approving the Settlement shall be subject to the input from and approval by Defendants, provided that Defendants shall have five (5) days from receipt to provide such input. Defendants will concur in or not object to said request that the Court enter Final Judgment finally approving this Agreement. In conjunction with the motion for final approval, Class Counsel shall file a declaration from the SA confirming that the Class Notice and related forms were mailed to all Class Members as required by this Agreement, as well as any additional information Class Counsel, with the input and approval of Defendants, deems appropriate to provide to the Court.

c. Objections. Before and/or at the Final Fairness Hearing, Named Plaintiff and Defendants, through their counsel of record, may address any written objections from Class Members or any concerns from Class Members who attend the hearing as well as any concerns of the Court.

60. Post-Final Approval Requirements and Procedures. Following entry of the Court's Order Granting Final Approval of Settlement and Final Judgment, the Parties will act to assure the timely execution and fulfillment of all its provisions, including, but not limited to, the following:

a. Should an appeal be taken from the Final Approval of the Settlement, all Parties will support the Order of Final Approval and Final Judgment on appeal;

b. The Parties will assist the SA as needed or requested in the process of identifying and locating Settlement Class Members entitled to Settlement Payments from the NSA and PAGA Members entitled to PAGA Payments and assuring delivery of such payments;

1 c. Class Counsel will assist the SA as needed or requested in
2 completing the distribution of any uncashed checks as directed by the Court; and

3 d. Class Counsel will certify to the Court completion of all payments
4 required to be made by this Settlement Agreement.

5 61. Payment of Settlement. Defendant will deposit the Funding Payment into
6 an account established by the SA within 30 days of the Effective Date. The GSA (including all
7 employer-side payroll taxes) shall be payable in two equal installments, the first due 30 days
8 from the Effective Date, and the second due 6 months thereafter. The full remittance of the
9 Funding Payment to the SA shall constitute full and complete discharge of the entire monetary
10 obligation of Defendant under this Agreement. No Released Party shall have any further
11 monetary obligation or liability to Class Counsel, Named Plaintiff, Settlement Class Members
12 and/or PAGA Members under this Agreement after receipt by the SA of the Funding Payment.

13 a. The Parties agree that the Funding Payment will qualify as a
14 settlement fund pursuant to the requirements of Section 468(B)(g) of the Internal Revenue Code
15 of 1986, as amended, and Section 1.468B-1 *et seq.* of the income tax regulations. Furthermore,
16 the SA is hereby designated as the “Administrator” of the qualified Settlement funds for
17 purposes of Section 1.468B-2(k) of the income tax regulations. As such, all employee taxes
18 imposed on the gross income of that settlement fund and any tax-related expenses arising from
19 any income tax returns or other reporting documents that may be required by the Internal
20 Revenue Service or any state or local taxing body will be paid from the Funding Payment by the
21 SA.

22 b. The distribution of Settlement Payments to Settlement Class
23 Members shall occur no later than the Settlement Proceeds Distribution Deadline. The SA shall
24 be deemed to have timely distributed Settlement Payments if it places said payment in the mail
25 (First-Class U.S.). When the SA receives notice from Settlement Class Members that they have
26 not received such Settlement Payments due to changes of address or other circumstances, the SA

1 shall be deemed to have timely distributed those Settlement Payments if (after satisfying itself
2 that the amounts have not been received or negotiated) it re-mails the payments to the updated
3 addresses or provides for delivery by other reasonable methods requested by such Settlement
4 Class Members, provided that any and all requests for re-mailing shall be actually received and
5 acknowledged by the SA before the 180-day deadline referenced in Paragraphs 62, 63, and 64 or
6 will be deemed ineffective, and have no effect and the original mailed amount shall be deemed
7 timely distribution of the Settlement Payment. If any checks are returned to the SA without a
8 forwarding address the SA shall conduct a skip-trace and re-mail the checks. The SA shall mail
9 all Settlement Payments by the Settlement Proceeds Distribution Deadline. To comply with
10 California Rule of Court 3.771, settlement checks shall include the following language on the
11 check: "A Court has approved settlement of the class action and PAGA representative actions
12 and entered judgment for claims asserted *Jose Luis Madrigal, et al v. TFT Farms LLC, et al.*,
13 Imperial County Superior Court Case No. ECU002144." No person shall have any claim against
14 the SA, Defendants or other Released Parties, Class Counsel, Defendants' counsel, or any other
15 agent designated by Named Plaintiff or Defendants based upon the distribution of Settlement
16 Payments made substantially in accordance with this Agreement or further orders of the Court.

17 c. The distribution of attorneys' fees, costs, and the Named Plaintiff's
18 enhancement/general release awards shall occur no later than the payment date of the payment
19 under the Settlement Proceeds Distribution Deadline.

20 d. Upon Defendant's transfer of the Funding Payment and employer-
21 side taxes to the SA, Defendants and the other Released Parties, and Defendants' counsel shall
22 have no further monetary liability or financial responsibility to Class Counsel or to any vendors
23 or third parties employed by the Named Plaintiff or Class Counsel in connection with the Action.

24 e. Defendants shall not be obligated to make any payments
25 contemplated by this Agreement unless and until the Court enters the Final Approval Order and
26 Final Judgment, and after the Effective Date of the Agreement, and no amounts will be owed or
27

1 payable until all appeals if taken or other collateral attacks have lapsed or have been favorably
2 resolved in favor of the Settlement and no further challenge to the Settlement is possible.

3 62. Settlement Class Members and/or PAGA Members who are sent
4 Settlement Payments and/or PAGA Payments shall have one hundred and eighty (180) days after
5 mailing by the SA to cash their settlement checks.

6 63. If such Settlement Class Members and/or PAGA Members do not cash
7 their checks within that period, those checks will become void and a stop payment will be placed
8 on the uncashed checks. Checks that are not cashed within one hundred and eighty (180) days of
9 mailing shall, subject to Court approval, be distributed as follows:

10 a. Twenty-five percent (25%) to the State Treasury for deposit in the Trial
11 Court Improvement and Modernization Fund established in Section 77209
12 of the Government Code, and subject to appropriation in the annual Budget
13 Act for the Judicial Council to provide grants to trial courts for new or
14 expanded collaborative courts or grants for Sargent Shriver Civil Counsel;
15 and Seventy-Five percent (75%) to Free To Thrive, a nonprofit
16 organization helping survivors of human trafficking by providing
17 restorative justice by expunging their criminal records to enable them to
18 become gainfully employed and rejoin the community. The Parties and/or
19 Counsel for the Parties do not have any interests or involvement within the
20 governance or work of USA.

21 b. In such event, those Settlement Class Members and/or PAGA Members
22 Settlement Class Members and/or PAGA Members that do not cash their
23 checks within the aforementioned period will be deemed to have waived
24 irrevocably any right in or claim to a Settlement Payment and/or PAGA
25 Payment subject to their rights, if any, to recover the Settlement Payments
26 and/or PAGA Payments from the Unclaimed Property Fund if ordered or

1 otherwise will be extinguished. Settlement Class Members and/or PAGA
2 Members who fail to negotiate their check(s) in a timely fashion shall, like
3 all Settlement Class Members who did not validly opt out of the
4 Settlement, remain subject to the terms of the Settlement and the Final
5 Judgment.

6 64. The SA shall keep Class Counsel and Defendants' counsel apprised of all
7 distributions from the GSA. Upon completion of administration of the Settlement, the SA shall
8 provide written certification of such completion to the Court, Class Counsel and Defendants'
9 Counsel.

10 65. Binding Effect of Agreement on Settlement Class Members and PAGA
11 Members. Subject to final Court approval, all Settlement Class Members and PAGA Members
12 shall be bound by this Agreement, and Final Judgment shall be entered in the Action. In
13 addition, unless the Class Member opts out of the Settlement described in this Agreement, he/she
14 shall be bound by the Court's Order of Final Approval and Final Judgment, and PAGA Members
15 shall be bound by the Court's Order of Final Approval and Final Judgment regardless of whether
16 they opt-out of the Class Settlement. As set forth more fully in Paragraph 69, if the Court does
17 not enter an Order of Final Approval and Final Judgment granting Final Approval of the
18 Settlement, which becomes final, the Settlement shall become null and void, and its terms and all
19 documents setting out its terms shall be inadmissible in further litigation of this Action or any
20 other case.

21 66. Non-Interference with Opt-Out Procedure. The Parties and their counsel
22 agree that they shall not seek to solicit or otherwise encourage Class Members to submit Opt-Out
23 Requests or objections to the Settlement or to appeal from the Final Judgment.

24 67. Waiver of Appeal. Subject to preliminary and Final Approval of this
25 Settlement, all Class Members, except those Class Members who make timely and valid
26 objections pursuant to the terms of this Agreement, expressly waive the right to appeal.

68. Preliminary Timeline for Completion of Settlement. The preliminary schedule for notice, approval, and payment procedures carrying out this Settlement is set forth in the subsections below. This schedule may be modified depending on whether and when the Court grants necessary approvals and orders notice to the Class and PAGA Members, and sets further hearings. In the event of such modification, the Parties shall cooperate in order to complete the Settlement procedures as expeditiously as reasonably practicable.

a. Preliminary Approval Hearing as permitted by the Court;

b. Defendant to provide information described in Paragraph 55b (name, address, dates of employment, etc.) no later than ten (10) days after filing of the Preliminary Approval Order;

c. The SA to mail the Class Notice by U.S. First Class mail to Class Members and PAGA Members by approximately ten (10) days after receipt from Defendant of the information described in the preceding subparagraph;

d. The SA to conduct trace/search efforts and send a follow up mailing, no later than three (3) days after receiving a returned Class Notice, to individuals whose Class Notice was returned as undeliverable or whose listed address is found to be inaccurate or outdated;

e. Opt-Out Requests and Objections to the Settlement must be postmarked no later than forty-five (45) days after the date of initial mailing of the Class Notice;

f. The SA will provide to the Parties, and to the Court as directed by the Parties, information regarding Opt-Out Requests and written objections or statements of intention to object to the Settlement received from Class Members within seven (7) days of the close of the Exclusion Period;

g. Class Counsel will file a timely motion for final approval of the Settlement and a separate application for award of attorneys' fees and costs and an enhancement

award to the Named Plaintiff by the date set by the Court, or if no date is set, at least sixteen (16) court days prior to the scheduled Final Approval Hearing date;

h. The Parties will request a Final Approval Hearing before the Court within a reasonable time after the close of the Exclusion Period, or as soon thereafter as the Court will hear the Motion for Final Approval. After entry of the Final Approval Order and Judgment Defendant shall remit the Funding Payment to the SA.

i. Settlement Payments to Settlement Class Members, including the Named Plaintiff, and payments to Class Counsel for litigation costs and expenses and awarded attorneys' fees, and the enhancement award to Named Plaintiff, and PAGA Payments to the LWDA and PAGA Members shall be made by the Settlement Proceeds Distribution Deadlines by mailing of checks by First Class U.S. mail or by wire (as to Class Counsel's payments only).

69. Automatic Voiding of Agreement if Settlement Not Finalized. If for any reason the Effective Date does not occur, the Settlement shall be null and void and the orders, judgment, and dismissal to be entered pursuant to this Agreement shall be vacated; and the Parties will be returned to the status quo prior to entering this Agreement with respect to the Action, as if the Parties had never entered into this Agreement. In addition, in such event, the Agreement and all negotiations, court orders and proceedings relating thereto shall be without prejudice to the rights of any and all Parties hereto, and evidence relating to the Agreement and all negotiations shall not be admissible or discoverable in the Action or otherwise in any other proceeding.

70. No Injunctive Relief. The Parties agree that the Settlement does not include injunctive relief against Defendants or the other Released Parties.

71. Confidentiality and Non-Disparagement.

a. Parties and their counsel will keep the Settlement confidential, through the Court's order granting the Parties' Motion for Preliminary Approval, but the Parties will be able to disclose to the Court, when and as necessary before preliminary approval, that

1 they have reached an agreement in principle, subject to completion of a final Agreement and
2 Court approval.

3 b. Following the Court's order granting the Parties' Motion for
4 Preliminary Approval, the Parties and their counsel agree to make no comments to the media or
5 otherwise publicize the terms of the settlement on any social media or websites. This shall not
6 restrict Class Counsel from responding to inquires posed by Class Members. Further, Class
7 Counsel may include the case name, number, and settlement information in declarations setting
8 out their qualifications as class counsel.

9 c. Named Plaintiff and Class Counsel agree to maintain the
10 confidentiality of any documents produced, formally or informally, during the course of the
11 Action. Named Plaintiff and Class Counsel agree to return to Defendants' counsel or destroy, at
12 their option, any information designated as confidential during the course of the Action,
13 including but not limited to any information and/or documents provided to Class Counsel for
14 purposes of mediation.

15 d. Defendant shall direct all inquiries by Class Members and /or
16 PAGA Members to the SA, which shall provide general information about the lawsuit, including
17 responding to questions about the lawsuit, by providing neutral information about the agreement
18 consistent with the Agreement.

19 72. Notices. All notices, requests, demands and other communications
20 required or permitted to be given pursuant to this Agreement shall be in writing, and shall be
21 delivered by First-Class U.S. mail to the attorneys listed in the caption above and the SA, with
22 additional copies to be sent via electronic mail.

23 73. Modification in Writing. This Agreement may be altered, amended,
24 modified or waived, in whole or in part, only in a writing signed by counsel for the Parties and
25 approved by the Court, and supersedes any memorandum of understandings or prior
26 agreement(s). This Agreement may not be amended, altered, modified or waived, in whole or in

1 part, orally. Any waiver of any provision of this Agreement shall not constitute a waiver of any
2 other provision of this Agreement unless expressly so indicated.

3 74. Ongoing Cooperation. Named Plaintiff and Defendants, and each of their
4 respective counsel, shall cooperate in good faith to execute all documents and perform all acts
5 necessary and proper to effectuate and implement the terms of this Agreement, including but not
6 limited to drafting and submitting the motions for Preliminary and Final Approval, and
7 defending the Agreement and Final Judgment against objections and appeals. Named Plaintiff
8 shall, as necessary, properly and completely take all steps, including but not limited to
9 submitting any required documents to the LWDA and take any other actions necessary to resolve
10 the Released PAGA Claims pursuant to this Agreement. The Parties to this Agreement shall use
11 their best efforts, including all efforts contemplated by this Agreement and any other efforts that
12 may become necessary by order of the Court or otherwise, to effectuate this Agreement and the
13 terms set forth herein.

14 75. No Prior Assignments. The Parties hereto represent, covenant, and
15 warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported
16 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
17 demand, action, cause of action or rights herein released and discharged except as set forth
18 herein.

19 76. Binding on Successors. This Agreement shall be binding and shall inure
20 to the benefit of the Parties and their respective successors, assigns, executors, administrators,
21 heirs and legal representatives, including the Released Parties.

22 77. Entire Agreement. This Agreement constitutes the full, complete and
23 entire understanding, agreement and arrangement between Named Plaintiff and the Class
24 Members/PAGA Members on the one hand, and Defendants on the other hand, with respect to
25 the Settlement of the Action and the Settled Claims and Settled PAGA Claims against the
26 Released Parties, including Defendants. This Agreement supersedes any and all prior oral or

1 written understandings, agreements and arrangements between the Parties with respect to the
2 Settlement of the Action and the Settled Claims and Settled PAGA Claims against the Released
3 Parties. Except those set forth and included expressly in this Agreement, there are no other
4 agreements, covenants, promises, representations or arrangements between the Parties with
5 respect to the Settlement of the Action and the Settled Claims/Settled PAGA Claims against the
6 Released Parties.

7 78. Execution in Counterparts. This Agreement may be signed in one or more
8 counterparts by facsimile, electronic signature, or email. All executed copies of this Agreement,
9 and photocopies thereof (including facsimile, electronic signature or email copies of the
10 signature pages), shall have the same force and effect and shall be as legally binding and
11 enforceable as the original.

12 79. Captions. The captions and section numbers in this Agreement are
13 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope
14 or intent of the provisions of this Agreement.

15 80. Governing Law. This Agreement shall be interpreted, construed,
16 enforced, and administered in accordance with the laws of the State of California, without regard
17 to conflict of law rules.

18 81. Reservation of Jurisdiction. Notwithstanding the entry and filing of Final
19 Judgment, the Court shall retain jurisdiction under Section 664.6 of the Code of Civil Procedure
20 and California Rule of Court 3.769 for purposes of interpreting and enforcing the terms of this
21 Agreement.

22 82. Mutual Preparation. The Parties have had a full opportunity to negotiate
23 the terms and conditions of this Agreement. Accordingly, this Agreement shall not be construed
24 more strictly against one Party than another merely by virtue of the fact that it may have been
25 prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
26

1 negotiations between the Parties, all Parties have contributed to the preparation of this
2 Agreement.

3 83. Warranties and Representations. With respect to themselves, each of the
4 Parties to this Agreement and/or their agents or counsel represent, covenant and warrant that
5 (a) they have full power and authority to enter into and consummate all transactions
6 contemplated by this Agreement and have duly authorized the execution, delivery and
7 performance of this Agreement, and (b) the person executing this Agreement has the full right,
8 power and authority to enter into this Agreement on behalf of the Party for whom he/she has
9 executed this Agreement, and the full right, power and authority to execute any and all necessary
10 instruments in connection herewith, and to fully bind such Party to the terms and obligations of
11 this Agreement, except that the Parties understand that the Named Plaintiff and Class Counsel
12 only have the power to bind Class Members and PAGA Members to the extent this Agreement is
13 approved by the Court.

14 84. Representation by Counsel. The Parties acknowledge that they have been
15 represented by counsel throughout all negotiations that preceded the execution of this
16 Agreement, and that this Agreement has been executed with the consent and advice of counsel.
17 Further, the Named Plaintiff and Class Counsel warrant and represent that there are no liens on
18 the Agreement, and that after entry by the Court of the Final Judgment, Defendant, through the
19 SA, may distribute funds to Settlement Class Members, PAGA Members, Class Counsel, and the
20 Named Plaintiff as provided by this Agreement.

21 85. Authorization by Named Plaintiff. Named Plaintiff authorizes Class
22 Counsel to sign this Agreement and further agrees not to request to be excluded from the Class
23 and not to object to any terms of this Agreement. Any such Opt-Out Request or objection by
24 Named Plaintiff shall therefore be void and of no force or effect.

25
26 **IT IS SO AGREED:**

Dated: March , 2024

JOSE LUIS MADRIGAL
*Named Plaintiff/Class and PAGA
Representative/Aggrieved Plaintiff*

Dated: March ²⁰, 2024

TFT FARMS, LLC

Sidney Tanaka
By: Sidney Tanaka
Its: managing member

Dated: March ²⁰, 2024

Sidney Tanaka
SIDNEY M. TANAKA, *Defendant*

APPROVED AS TO FORM ONLY:

Dated: March , 2024

SOLOUKI | SAVOY, LLP

BY: GRANT JOSEPH SAVOY, ESQ.
*Attorneys for JOSE LUIS MADRIGAL , on
behalf of himself and all others similarly
situated and aggrieved employees, and on
behalf of the general public.*

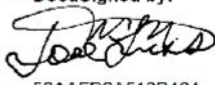
Dated: April 12, 2024

JACKSON LEWIS, P.C.

BY: Lara Besser
LARA P. BESSER, ESQ.
*Attorneys for Defendant TFT FARMS, LLC
and SIDNEY M. TANAKA*

3/19/2024

Dated: March , 2024

DocuSigned by:

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JOSE LUIS MADRIGAL
*Named Plaintiff/Class and PAGA
Representative/Aggrieved Plaintiff*

Dated: February , 2024

TFT FARMS, LLC

By:
Its:

Dated: February , 2024

SIDNEY M. TANAKA, *Defendant*

APPROVED AS TO FORM ONLY:

Dated: March 20, 2024

SOLOUKI | SAVOY, LLP

BY:


GRANT JOSEPH SAVOY, ESQ.
*Attorneys for JOSE LUIS MADRIGAL , on
behalf of himself and all others similarly
situated and aggrieved employees, and on
behalf of the general public.*

Dated: February , 2024

JACKSON LEWIS, P.C.

BY:

LARA P. BESSER, ESQ.
*Attorneys for Defendant TFT FARMS, LLC
and SIDNEY M. TANAKA*

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EXHIBIT A

IMPERIAL COUNTY SUPERIOR COURT

Jose Luis Madrigal, et al. v. TFT Farms, LLC et al. Imperial Superior Court
Case No. ECU002144

**NOTICE OF PROPOSED CLASS ACTION
AND PAGA SETTLEMENT**

To: ALL NON-EXEMPT HOURLY-PAID EMPLOYEES CURRENTLY AND/OR FORMERLY EMPLOYED BY DEFENDANTS TFT FARMS, LLC AND SIDNEY M. TANAKA IN CALIFORNIA AT ANY TIME FROM NOVEMBER 9, 2017 THROUGH [DATE]

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

WHY DID I GET THIS NOTICE?

You have received this Notice because TFT FARMS, LLC's ("TFT") records reflect that you are or may be a class member in a pending class action entitled *Jose Luis Madrigal, et al. v. TFT Farms, LLC, et al.* Imperial County Superior Court Case No. ECU002144 (the "Action"), and you may be entitled to money from the settlement of that Action.

This Notice is court approved and informs you of the terms of the agreement of the Parties to settle the claims as set forth and embodied in a Class Action Settlement Agreement, Release and Stipulation ("Settlement"). This Notice explains what steps you may take to participate in, object to, or exclude yourself from the Settlement.

WHAT IS THIS ACTION ABOUT?

The Action was filed on November 9, 2021, on behalf of Plaintiff, Jose Luis Madrigal ("Named Plaintiff"), and other similarly situated current and former employees of TFT. The Action, as amended, pleads class allegation claims against TFT and SIDNEY M. TANAKA (both referred to as "Defendants") for: (1) Failure to provide required meal periods; (2) Failure to provide required rest periods; (3) Failure to pay overtime wages; (4) Failure to pay minimum wage; (5) Failure to timely pay wages during employment and to pay contract or agreed wages and sick pay; (6) Failure to pay all wages due to discharged and quitting employees; (7) Failure to maintain required records; (8) Failure to furnish accurate itemized statements; (9) Failure to indemnify employees for necessary expenditures incurred in discharge of duties; and (10) Unfair and unlawful business practices; (11) civil penalties under the Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 *et seq.* or "PAGA"). Named Plaintiff seeks to recover various damages and costs and penalties, including unpaid wages,

restitution (including under California Business and Professions Code Section 17200 *et seq.*), interest, statutory and civil penalties (including under PAGA), and attorneys' fees and costs. A copy of the complaint is on file with the Court.

Defendants deny each and all of the claims and contentions alleged by Named Plaintiff. Defendants believe strongly that they each have multiple valid defenses to the claims and that TFT's employees have been properly paid and treated in accordance with the law. Absent the Settlement, Defendants would continue to vigorously defend against the lawsuit. By agreeing to this Settlement, Defendants are not admitting that they have any liability.

After engaging in formal and informal discovery, an all-day mediation before an experienced mediator Steven Kruis, Esq., and follow up negotiations, the Parties agreed to the Settlement, which was preliminarily approved by the trial court in the Action ("Court") on [Date]. Named Plaintiff and Class Counsel support the Settlement.

Neither the Court nor any other fact finder has decided whether the claims brought by the Named Plaintiff (or Defendants' defenses) are meritorious. By approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. Rather, the Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and any final determination of those issues will be made at the final hearing. Defendants reserve the right, if for any reason the Settlement fails, to resume the defense against the factual and legal allegations in the Action and whether this Action should proceed as a class or representative PAGA action.

WHAT IS A CLASS AND REPRESENTATIVE PAGA ACTION?

In a class and representative PAGA action lawsuit, one or more persons sue on behalf of other people who may have similar claims and/or who may claim to have been similarly aggrieved. Jose Luis Madrigal is the Class and PAGA Representative or Named Plaintiff in the Action, and has asserted claims on behalf of himself and the class and group of alleged aggrieved employees. A class and representative PAGA action allows one court to resolve all of the issues in a lawsuit for all the class members who choose not to exclude themselves from the class and the alleged aggrieved employees.

A class member and/or a PAGA alleged aggrieved employee is bound by the determination or judgment entered in the case, whether the class or group of alleged aggrieved employees wins or loses, and may not file his or her own lawsuit on the same claims that were decided in the class and/or representative PAGA action.

WHO IS INCLUDED IN THE SETTLEMENT CLASS?

The settlement class includes any and all non-exempt hourly-paid employees currently and/or formerly employed by TFT at any time during from November 9, 2017 through [date] (referred to as the "Class Period"), other than those who opt-out (as discussed below). This group individually and collectively will be referred to as "Class Members."

WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

TFT will pay a fixed “Gross Settlement Amount” in the amount of Ninety Thousand Dollars and Zero Cents (\$90,000.00) in exchange for: the release by Settlement Class Members of Released Claims (defined below) against it and Released Parties (defined below); final judgment on the Action; and the other terms set forth in the Settlement. Subject to Court approval, the Gross Settlement Amount will be allocated as follows:

- Individual Settlement Allocation: \$ [REDACTED] shall be allocated to all Settlement Class Members (defined below) and referred to in this notice as the “Net Settlement Amount” or “NSA.” Settlement Class Members who do not request to be excluded from the Settlement will receive a pro-rata share of the Net Settlement Amount automatically, which will be referred to in this notice as the “Individual Settlement Allocation.” The Individual Settlement Allocation will be calculated by dividing the number of workweeks reflected in the company’s records and estimates for you during the Class Period by the total workweeks worked by all Settlement Class Members during the Class Period as reflected in company records and estimates. Workweeks worked shall be determined by the Settlement Administrator based on data to be provided by Defendant, as may be modified based on evidence provided by a Settlement Class Member. The Court will resolve any workweek disputes not otherwise resolved by the Parties with input from the Settlement Administrator.
 - o **Your estimated Individual Settlement Allocation is \$ [REDACTED].**
 - o **Your estimated number of workweeks worked is \$ [REDACTED].**
 - o **Your estimated PAGA Allocation is \$ [REDACTED].**
 - o **Your estimated number of workweeks in the PAGA Period is \$ [REDACTED].**

Settlement Class Members who do not request to be excluded from the Settlement will be forever barred from pursuing the Released Claims against Defendants or any other Released Parties.

You have the right to challenge the number of workweeks allocated to you. If you dispute the number of workweeks please contact the Settlement Administrator with any and all evidence supporting your dispute. You will have until [INSERT DATE] to submit your dispute.

- Enhancement Payment: Named Plaintiff will request an award not to exceed One Thousand Five Hundred Dollars and Zero Cents (\$1,500.00) in recognition of his work in this Action on behalf of the Class and a general release of all of his claims.
- Attorney’s Fees and Expenses Payment: Class Counsel (listed below) will seek a total amount of money not to exceed Thirty-Thousand Dollars and Zero Cents (\$30,000.00) to be paid in accordance with the Settlement for any and all attorney’s fees. The costs and expenses relating to the Action shall not exceed Ten Thousand Dollars and Zero Cents (\$10,000.00).
- Settlement Administration: The cost of settlement administration will not exceed Five-Thousand Seven-Hundred Fifty Dollars (\$5,750.00), which pays for tasks such as translating and mailing this Notice, mailing checks and tax forms, reporting to the parties and the Court, and tracking submitted requests for exclusions.
- PAGA Penalty Payment: Pursuant to California Labor Code Section 2698 *et seq.*, known as the Private Attorney General Act or “PAGA”, the Parties have allocated Four-Thousand

Dollars and Zero Cents (\$4,000.00) of the Gross Settlement Amount as payment for Named Plaintiff's claims on his own behalf and as a representative for the State of California and on behalf of all alleged aggrieved employees for penalties under the PAGA. Seventy-five percent (75%) of that amount, or Three-Thousand Dollars and Zero Cents (\$3,000.00), will be paid to California's Labor & Workforce Development Agency ("LWDA"). The remainder will be divided among and paid to the alleged aggrieved employees and you will not be able to opt-out or exclude yourself from this portion of the settlement.

WHAT AM I RELEASING UNDER THE CLASS ACTION PORTION OF THE SETTLEMENT?

Unless you timely exclude yourself from the class (as discussed below), you on behalf of yourself and your respective heirs, executors, administrators, legal representatives, successors and assigns irrevocably and unconditionally forever and fully release (and covenant not to sue or otherwise pursue claims, whether known or unknown, against) any and all Released Parties from any and all Settled Claims.

"Released Parties" means Defendants and each of their respective parent companies, including subsidiaries, affiliates, joint ventures, predecessors, successors, and related parties and all of their past and present directors, officers, shareholders, members, managers, joint employers, co-employers, integrated enterprises, representatives, employees, and anyone else acting for any of them.

"Settled Claims" means all claims and/or causes of action arising from or related to this case under any federal, state or local law or administrative order that were or which could have been plead based on the facts alleged in the operative class action complaints, whether known or unknown, including the failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, the failure to timely pay wages, the failure to pay wages due to discharged or quitting employees, the failure to reimburse for necessary business expenses, and any other claims whatsoever that were or could have been alleged in this case, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code § 17200, conversion, liquidated damages, punitive damages, waiting-time penalties, civil penalties under the Labor Code Private Attorneys General Act of 2004 and Labor Code sections 200, 201, 202, 203, 204, 206.5, 210, 218.5, 226-226.5, 226.7, 510, 512, 558, 1194, 1197, 1197.1, 1198, 2698, et seq., and 2802; related IWC Wage Orders including Wage Order Nos. 13 & 14; Fair Labor Standards Act, 29 U.S.C. sections 201, et seq. and any other related claims and/or penalties of any nature whatsoever.

WHAT IS BEING RELEASED UNDER THE PAGA PORTION OF THE SETTLEMENT?

Through the settlement, Named Plaintiff, LWDA, the State of California, and any other representative, proxy, or agent thereof, including but not limited to any and all PAGA Members, release all Released Parties (defined above) of all "Released PAGA Claims" (defined below) that arose during the PAGA Period.

"PAGA Members" means all persons who are employed or have been employed by TFT in the state of California as non-exempt employees during the PAGA Period, which is from July 10, 2022 through [DATE].

“Settled PAGA Claims” means all claims for PAGA penalties that were alleged, or reasonably could have been reasonably alleged in the operative Complaint and the PAGA Notice based on the facts, allegations, assertions and claims in the operative Complaint and PAGA Notice, and, including, (a) Failure to provide or pay premium payments for meal periods (see Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 226.7, 512; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, contract wages, overtime, or other amounts of wages for failing to compensate Named Plaintiff and PAGA Members for all wages earned and all hours worked (see Cal Labor Code §§ 510, 1194, 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) failure to timely pay wages during employment (see Labor Code § 204); (e) failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203); (f) failure to maintain required records (see Labor Code §§ 226, 1174; IWC Wage Order No. 1- 2001, § 7); (g) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); (h) Failure to reimburse business expenses (see Labor Code § 2800-2802); and (i) failure to properly calculate, accrue, display and pay mandatory sick pay (see Labor Code § 246, et seq.). “Settled PAGA Claims” includes all types of relief available for the above-referenced claims, including, without limitation, any claims for civil penalties, attorneys’ fees, costs, and declaratory relief. The Final Judgment shall expressly provide that it covers and based on the doctrines of res judicata and/or collateral estoppel bars Plaintiff, LWDA, the State of California, and any other representative, proxy, or agent thereof, including but not limited to any and all PAGA Members from prosecuting “Settled PAGA Claims” that arose during the PAGA Period.

WHAT DO I NEED TO DO TO RECEIVE AN INDIVIDUAL SETTLEMENT ALLOCATION AND/OR A PAGA PAYMENT?

To receive your Individual Settlement Allocation and/or your PAGA payment, you do not need to do anything. You must, however, notify the Settlement Administrator of any change in your name, mailing address and/or telephone number. It is your responsibility to keep the Settlement Administrator informed of any such change, as your Individual Settlement Allocation will be mailed to the address on file.

Once you receive your Individual Settlement Allocation and/or your PAGA payment, you shall have One Hundred and Eighty (180) calendar days after mailing by the Settlement Administrator to cash your Settlement checks. If you do not cash your check within that period, your check will become void and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within One Hundred and Eighty (180) days of mailing shall be voided and Twenty-five percent (25%) will be distributed to the State Treasury for deposit in the Trial Court Improvement and Modernization Fund established in Section 77209 of the Government Code, and subject to appropriation in the annual Budget Act for the Judicial Council to provide grants to trial courts for new or expanded collaborative courts or grants for Sargent Shriver Civil Counsel; and Seventy-Five percent (75%) to Free To Thrive, a nonprofit organization helping survivors of human trafficking by providing restorative justice by expunging their criminal records to enable them to become gainfully employed and rejoin the community. The Parties and/or Counsel for the Parties do not have any interests or involvement within the governance or work of USA. You will still be bound by the Settlement even if you don’t negotiate your settlement check(s).

Neither Defendants, nor any other of the Released Parties offers tax advice regarding this Settlement.

You may consider contacting an accountant and/or tax attorney to determine the appropriate amount of taxes that should be paid on your Individual Settlement Allocation. Payments awarded to you will not form the basis for additional contributions to or benefits under any benefit plans, policies or bonus programs that may exist and/or be offered to you through, by or in conjunction with TFT or any of the other Released Parties.

WHAT IF I DON'T WANT TO PARTICIPATE IN THIS SETTLEMENT?

You have the right to request exclusion from the Class Settlement (but you are not able to exclude yourself from the PAGA settlement). To exclude yourself from the class portion of the settlement, you must submit Opt-Out Request to the Settlement Administrator at the following address: [REDACTED] via U.S. mail. To be valid, the Opt-Out Request must: (1) contain your name, address, and date; (2) be signed by you; (3) indicate that you “opt-out” of the settlement (4) be postmarked or fax stamped within the Exclusion Period [45 days after mailing date] and returned to the Settlement Administrator at the specified address. As indicated above, the Opt-Out Form will not impact your inclusion in the settlement and release of claims under the PAGA.

If you timely request to be excluded from the Settlement, you will not be entitled to receive any payment under the Settlement, but you will still receive your PAGA payment. Class Counsel will not represent your interests if you request to be excluded.

WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Settlement Class Member (that is, Class Member who has not asked to be excluded from the Settlement) may object to the Settlement. If you object to the Settlement, you may, but you are not required to, appear at the hearing where the Court will make a final decision whether or not to approve the Settlement (“Final Approval Hearing”). The Final Approval Hearing is scheduled to take place on [REDACTED], 2024, at [REDACTED] a.m. in Department 7 of the Imperial County Superior Court, located at the address below. The hearing may be continued (moved to another date) without further notice to you.

If you wish to object in writing, you may submit a written objection to the Settlement Administrator at the following address: [REDACTED]. To be valid, the written objection must state: (1) your full name; (2) your address; (3) the basis for the objection; and (4) if the Class Member intends to appear at the Final Approval Hearing. A Class Member who wishes to object must submit his or her objection to the Settlement Administrator no later than [45 days after mailing date]. The Parties shall be permitted to file responses to the objection in addition to any motion for final approval documents. You may also object in person by appearing at the Final Approval Hearing.

The Court has decided that the law firms listed below under “CLASS COUNSEL” are qualified to represent the Settlement Class Members and PAGA Members. However, you have the right to retain your own attorney, at your own expense, to submit an objection or appear on your behalf at the Final Approval Hearing.

<u>CLASS COUNSEL</u> GRANT JOSEPH SAVOY SHOHAM J. SOLOUKI SOLOUKI SAVOY, LLP 316 W. 2nd Street, Suite 1200 Los Angeles, California 90012 Telephone: (213) 814-4940 Facsimile: (213) 814-2550	<u>DEFENDANT’S COUNSEL</u> DAVID G. HOILES, JR. LARA P. BESSER MARCO A. GARCIA JACKSON LEWIS P.C. 225 Broadway, Suite 2000 San Diego, CA 92101 Telephone: (619) 573-4900 Facsimile: (619) 573-4901
	<u>THE COURT</u> EL CENTRO COURTHOUSE 939 W. Main Street El Centro, CA 92243

Submitting an objection will *not* exclude you from the Settlement. If the Court grants final approval of the Settlement, you will still have the right to receive an Individual Settlement Allocation and will be barred from pursuing the Released Claims. Do not submit both an objection and request for exclusion. If you submit both a request for exclusion and an objection, you will be excluded from the Class Settlement and the objection will not be considered, but you will remain part of the PAGA settlement.

WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?

The Settlement, if finally approved by the Court, will bind all Settlement Class Members who do not request to be excluded from the Settlement and PAGA Members whether or not they receive or timely cash their Individual Settlement Allocations and/or PAGA payment. Final approval of the Settlement will bar any Settlement Class Member who does not request to be excluded from the Settlement from hereafter initiating a lawsuit or proceeding regarding any Released Claims and PAGA Members from pursuing released PAGA claims. The Joint Stipulation of Class Action and PAGA Settlement and Release on file with the Court contains additional details about the scope of the release.

FURTHER INFORMATION

The foregoing is only a summary of the Settlement. The Settlement, pleadings and all other records of this litigation may be examined and copied any time during regular office hours in the Clerk’s Office of the Imperial County Superior Court listed above as “THE COURT.” In addition, you may obtain these records on the Imperial County Superior Court’s website at <https://www.imperial.courts.ca.gov/online-services/electronic-court-recordsdocuments>. You will need to create an account if you do not already have one, proceed to the document search tab and enter the case number listed at the top of this Notice.

If you have any questions about the Settlement, you can contact Class Counsel, whose contact information is listed above in “CLASS COUNSEL” or the Settlement Administrator at:

[List claims administrator information].

You may seek the advice and guidance of your own attorney at your own expense.

Any Class Member who receives a re-mailed notice will have forty-five (45) days from the postmark mailing/re-mailing date to submit an Exclusion Form, or file and serve an objection to the Settlement or dispute the information provided in their Class Notice. Whether the Notice has been re-mailed or not will be indicated on the envelope.

***PLEASE DO NOT TELEPHONE OR CONTACT THE COURT FOR INFORMATION
REGARDING THIS SETTLEMENT.***

***IF YOU HAVE ANY QUESTIONS ABOUT THE SETTLEMENT OR ANYTHING IN THIS
NOTICE YOU CAN CONTACT THE CLAIMS ADMINISTRATOR AT [REDACTED]. YOU MAY
ALSO CONTACT CLASS COUNSEL WHOSE INFORMATION IS LISTED ABOVE.
ALTERNATIVELY YOU CAN SEEK ADVICE FROM YOUR OWN COUNSEL AT YOUR OWN
EXPENSE.***

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