

STIPULATION OF CLASS AND PAGA SETTLEMENT

This Stipulation of Class and PAGA Settlement (“**Settlement Agreement**”) is reached by and between: (i) Plaintiff Claudio Valdez (“**Plaintiff**”), individually and on behalf of all Aggrieved Employees and members of the Settlement Class, defined below, on the one hand; and (ii) Defendants Labor Force Management, Inc. (“**LFM**”) and Fowler Packing Company, Inc. (“**Fowler**”) (collectively “**Defendants**”) on the other hand (Plaintiff and Defendants are referred to herein as the “**Parties**”). Plaintiff, Aggrieved Employees, and the Settlement Class are represented by Daniel J. Brown of Stansbury Brown Law, PC (“**Class Counsel**”). Defendant LFM is represented by James D. Miller and Ryan W. Porte of Raimondo Miller, ALC and Defendant Fowler is represented by Ian B. Wieland and Charles P. Hamamjian of Sagaser, Watkins & Wieland, PC.

Plaintiff filed a class action complaint (“**Complaint**”) against Defendants on March 1, 2022, in Madera County Superior Court, Case No. MCV086790, which alleges causes of action for: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) failure to reimburse for necessary business expenses; (6) failure to provide accurate, itemized wage statements; (7) waiting time penalties; and (8) unfair competition. Plaintiff filed a First Amended Class and Representative Action Complaint (“**FAC**”) on May 16, 2022, to add an additional cause of action for civil penalties under the Private Attorneys General Act (“**PAGA**”) pursuant to Labor Code section 2698 *et seq.* based on claims asserted in the PAGA letters Plaintiff submitted to the LWDA on March 1, 2022 and May 16, 2022, in Case No. LWDA-CM-870697-22. The Complaint and FAC are referred to herein as the “**Action**.” The FAC is the Operative Complaint for settlement purposes.

On March 23, 2023, and continuing thereafter in subsequent negotiations that occurred between then and the present, Plaintiff and Defendants, represented by their respective counsel of record, privately mediated the Action before Hon. David R. Lampe (Ret.) of Common Ground Solutions. The Parties were unable to reach a resolution at the mediation, but continued to have ongoing settlement discussions. On June 14, 2023, the Parties reached an agreement, which is now presented to the Court for approval.

Prior to entering into settlement discussions, the Parties conducted significant investigation of the facts and law both through formal and informal discovery, which included completing the *Belaire West* process, review and analysis of Defendants’ policies and putative class members’ and Aggrieved Employees’ time records and payroll records. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff’s claims, the defenses thereto, and the damages and penalties claimed by Plaintiff in the Action. As a result of the Parties’ thorough investigation of the allegations and defenses thereto, they were able to reach an agreement for a global settlement after extensive negotiations.

Given the risks and uncertainties of litigation, the Parties have agreed to settle this Action on the terms set forth herein and subject to the approval of Court. Nothing herein shall be construed as an admission of any wrongdoing or of liability as the Settlement Agreement is intended solely to allow the Parties to buy their peace and resolve the disputed claims asserted in this Action.

1. Certification for Settlement Purposes.

For the purposes of this Settlement Agreement only, the Parties stipulate to conditional certification of the following Settlement Class (hereinafter, the “**Settlement Class**” or “**Settlement Class Members**”):

All current and former non-exempt employees of Labor Force Management, Inc. who performed work for Fowler Packing Company, Inc. in California at any time from November 13, 2020, through March 17, 2022 (the “**Class Period**”).

The Parties agree that conditional certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure or Federal Rule of Civil Procedure Rule 23. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. Aggrieved Employees.

For the purposes of this Settlement Agreement only, the Parties stipulate that the “**Aggrieved Employees**” shall be defined as:

All current and former non-exempt employees of Labor Force Management, Inc. who performed work for Fowler Packing Company, Inc. in California at any time from March 1, 2021, through March 17, 2022 (the “**PAGA Period**”).

The Parties agree that the definition of the Aggrieved Employees for purposes of settlement is not an admission that the PAGA representative claim alleged in the Action meets the applicable standard of manageability. If this Settlement Agreement is not approved or is terminated, in whole or in part, this definition of Aggrieved Employees, and this Settlement Agreement in general, will be inadmissible and will have no effect in the Action or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

3. Releases.

- A. **Released Parties.** As referenced herein, **Released Parties** shall collectively mean: Defendants Labor Force Management, Inc. and Fowler Packing Company, Inc., and their respective past and present officers, directors, shareholders, employees, agents, principals, heirs and representatives.
- B. **Releases Effective Upon Full Payment of the GSA.** Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the wage portion of the individual Participating Member

Payments, Plaintiff, Settlement Class Members, and Aggrieved Employees will release claims against all Released Parties as described below.

- C. **Released Class Claims.** All Settlement Class Members who do not opt out of the settlement (collectively, “**Participating Settlement Class Members**”) on behalf of themselves and their respective past and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties, from all claims that were alleged based on the facts pled in the Action during the Class Period, including: (a) minimum wage violations; (b) failure to pay all overtime wages; (c) meal period violations; (d) rest period violations; (e) failure to reimburse for necessary business expenses; (f) failure to provide accurate, itemized wage statements; (g) waiting time penalties; and (h) all claims arising out of unfair business practices under Business & Professions Code § 17200, *et seq.* premised on the claims pled based on the factual allegations in the Action. The release extends to the limits of the Class Period. This Release is expressly limited to shifts in which Settlement Class Members performed work for Defendant Fowler Packing Company, Inc.
- D. **Released PAGA Claims.** Aggrieved Employees, on behalf of themselves and their respective past and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, regardless of whether they opt out of the Settlement Class, will release and discharge the Released Parties from all claims for PAGA civil penalties that were alleged based on facts pled in the Action for alleged Labor Code violations that arose during the PAGA Period. The release extends to the limits of the PAGA Period. This Release is expressly limited to shifts in which Aggrieved Employees performed work for Defendant Fowler Packing Company, Inc.
- E. **Plaintiff’s Release of Unknown Claims.** In light of his Class Representative Service Award, Plaintiff agrees to release, in addition to the Released Class and PAGA Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers compensation claims or any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims and that he is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that if known by him or her, would have materially affected his or her settlement with the debtor or released party.

4. **Settlement Payment.** In exchange for the releases set forth in this Settlement Agreement, Defendants agree to pay a common fund of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) (“**Gross Settlement Amount**” or “**GSA**”) in full and complete settlement of this matter. Besides the triggering of the escalator clause pursuant to paragraph 4(D) of this Settlement Agreement and Defendants’ payment of their share of payroll taxes pursuant to

paragraph 4(C) of this Settlement Agreement, in no event shall Defendants be required to pay more than the GSA. The GSA shall be paid as follows:

A. **Funding of the Gross Settlement Amount.** The GSA shall be deposited with the Settlement Administrator within thirty (30) days after the Effective Settlement Date (defined below), except if the Effective Settlement Date occurs on or before December 1, 2023, in which case the funding of the GSA shall occur on January 1, 2024.

B. **Non-revisionary.** This is a non-reversionary settlement. The Gross Settlement Amount includes:

- i. All payments to the Aggrieved Employees and Settlement Class;
- ii. Settlement Administrator. All fees and expenses of the settlement administrator associated with the administration of the settlement, which are anticipated to be no greater than Thirteen Thousand Seven Hundred Fifty Dollars and Zero Cents (\$13,750.00). The Parties agree to the appointment of Phoenix Settlement Administrators as the settlement administrator (“**Settlement Administrator**”) and to Class Counsel seeking Court approval to pay up to Thirteen Thousand Seven Hundred Fifty Dollars and Zero Cents (\$13,750.00) from the Gross Settlement Amount for the Settlement Administrator’s services. The Settlement Administrator shall be responsible for sending all required notices in both English and Spanish, providing written reports to Class Counsel and Defense Counsel that, among other things, tally the number of Notices mailed or re-mailed, Notices returned undelivered, Requests for Exclusion, objections and disputes received from Settlement Class Members, calculating the Net Settlement Amount, calculating each Settlement Class Member’s and Aggrieved Employees’ Participating Member Payment, defined below, amount, preparing all checks and mailings and disbursing all residuals resulting from uncashed settlement checks as set forth in Paragraph 5(C), and providing declarations regarding the Settlement Administrator’s background and services for Preliminary Approval, attesting to its due diligence and compliance with all of its obligations under this Agreement for Final Approval, and a final report detailing disbursement of the Gross Settlement Amount in compliance with the Final Approval Order. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after checks have been mailed to all Aggrieved Employees and Participating Settlement Class Members (collectively “**Participating Members**”);
- iii. Class Representative Service Award. Up to Five Thousand Dollars (\$5,000) for a class representative service award to Plaintiff subject to Court approval, in recognition of Plaintiff’s general release of claims, contributions to the Action, and service to the Settlement Class. Defendants will not object to a request for a Class Representative Service Award for Plaintiff in exchange for the general release of his claims and waiver of Civil Code Section 1542, his time and risks in prosecuting this case, and his service to the Settlement Class. This payment

will be in addition to Plaintiff's Participating Member Payment (defined below) as a Participating Member and shall be reported on an IRS Form 1099 by the Settlement Administrator. It is the intent of the Parties that the Class Representative Service Award to the Plaintiff is for his services in connection with this Action and is not wages, therefore the Settlement Administrator shall not withhold any taxes from the Class Representative Service Award and shall report it on an IRS Form 1099, which shall be provided to Plaintiff and to the pertinent taxing authorities as required by law. Although it is the contemplation of the Parties that the Class Representative Service Award does not represent wages, the Internal Revenue Service, the California Franchise Tax Board, or some other taxing authority may take the position that some or all of the Class Representative Service Award constitutes wages for income tax and withholding purposes. Plaintiff agrees to assume all responsibility for remitting to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority the amounts required by law, if any, to be withheld by Defendants from the Class Representative Service Award paid under this Settlement Agreement, and all liability associated therewith. In the event that the Court reduces or does not approve the requested Class Representative Service Award, the Settlement Agreement remains in full force and effect, Plaintiff shall not have the right to revoke the settlement for that reason, and it shall remain binding;

- iv. Class Counsel Fees and Costs. Up to one-third (1/3) of the Gross Settlement Amount in attorneys' fees, which is currently estimated to be Fifty Thousand Dollars (\$50,000.00), plus up to Twelve Thousand Dollars (\$12,000.00) in verified costs and expenses related to the Action as supported by declaration. In the event that the Court reduces or does not approve Class Counsel's requested fees and costs, the Settlement Agreement remains in full force and effect, Plaintiff shall not have the right to revoke the settlement for that reason, and it shall remain binding. If the Gross Settlement Amount increases pursuant to Paragraph 4(D), the amount of fees requested by Class Counsel will increase proportionally such that the requested award is one-third of the GSA. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised, responses to any intervenors and any appeals necessitated by those objections or intervenors. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when it pays the fee award as approved by the Court; and
- v. PAGA Penalties. Ten Thousand Dollars (\$10,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Seven Thousand Five Hundred Dollars (\$7,500.00) will be payable to the Labor & Workforce Development Agency ("**LWDA Payment**"), and the remaining

twenty-five percent (25%), or Two Thousand Five Hundred Dollars (\$2,500.00) will be payable to the Aggrieved Employees as the “**PAGA Amount.**” The LWDA Payment and PAGA Amount are collectively referred to herein as the “**PAGA Penalties.**”

C. **Payroll Tax Payments.** Defendants’ share of payroll taxes shall be paid by Defendants separately from, and in addition to, the Gross Settlement Amount.

D. **Escalator Clause.** Defendants represent there are approximately 2,007 Settlement Class Members and approximately 6,046 Class Workweeks within the Class Period. If, the actual number of Settlement Class Members or the number of Class Workweeks released by this Settlement increased by 10% or more (i.e., increase by more than 201 Settlement Class Members or 605 Class Workweeks), then Defendants shall increase the Gross Settlement Amount on a pro-rata basis equal to the increase in class size or number of workweeks (e.g., if the number of Settlement Class Members or Class Workweeks increases by 11%, the GSA will increase by 11%).

A “Class Workweek” shall be any calendar week in which the Settlement Class Member worked at least one shift performing work for Defendant Fowler Packing Company, Inc. during the Class Period based on Defendants’ records.

E. **Effective Date of Settlement.** The Effective Settlement Date of this settlement shall be the later of the time when: either (i) the Judgment in the Action granting final approval of the settlement is final and no longer subject to appeal, if there are objections, or (ii) 30 days after Notice is provided by Plaintiff to Defendants that the Court entered the order on final approval of the settlement, if there are no objections (“**Effective Settlement Date**”).

F. **Disbursement of Gross Settlement Amount.** Within ten (10) calendar days following the funding of the Gross Settlement Amount with the Settlement Administrator by Defendants, the Settlement Administrator will calculate Participating Member Payments (defined below) and mail individual Participating Member Payments to Participating Settlement Class Members and Aggrieved Employees and transfer to Class Counsel its attorney’s fees and verified costs.

5. **Participating Member Payment Procedures.** Participating Members are not required to submit a claim form to receive their share of the Settlement (“**Participating Member Payment**”). Participating Member Payments will be determined and paid as follows:

A. **Net Settlement Amount:** The Net Settlement Amount is the Gross Settlement Amount after the following deductions are made: (a) all costs of settlement administration; (b) Class Representative Service Award to Plaintiff; (c) the LWDA Payment; and (d) costs and attorneys’ fees for Class Counsel. The Net Settlement Amount shall be available for Participating Members. From the Net Settlement Amount, the Settlement Administrator will calculate each Participating Member Payment based on the following formula:

- i. PAGA Amount. Each Aggrieved Employee shall receive a portion of the Two Thousand Five Hundred Dollars (\$2,500.00) that has been designated as the PAGA Amount based on their proportionate share of PAGA Workweeks (i.e., any calendar week in which the Aggrieved Employee worked at least one shift performing work for Defendant Fowler Packing Company, Inc. during the PAGA Period based on Defendants' records), by multiplying the PAGA Amount by a fraction, the numerator of which is the Aggrieved Employee's PAGA Workweeks, and the denominator of which is the total PAGA Workweeks of all Aggrieved Employees.
 - ii. Remainder. The remainder of the Net Settlement Amount shall be distributed to each Participating Settlement Class Member based on their proportionate share of Class Workweeks, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Participating Settlement Class Member's Class Workweeks, and the denominator of which is the total Class Workweeks of all Participating Settlement Class Members.
- B. **Participating Member Payment Tax Treatment**. For purposes of calculating applicable taxes and withholdings for the payment to Participating Members described in Paragraph 5(A)(ii), twenty percent (20%) of each such payment shall be designated as wages subject to W-2 reporting and normal payroll withholdings; the remaining eighty percent (80%) of each such payment shall be designated as penalties and interest subject to IRS Form 1099 reporting with no withholdings. Additionally, 100% of the PAGA Amount paid to Aggrieved Employees shall be designated as penalties and interest subject to IRS Form 1099 reporting with no withholdings. Notwithstanding the treatment of these payments to each Participating Member above, none of the Participating Member Payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- C. **Deadline to Negotiate Participating Member Payment**. Each Participating Member who receives a Participating Member Payment must negotiate the settlement check within one hundred eighty (180) days from the date of issuance. The one hundred eighty (180) day expiration of the settlement checks will be pre-printed on the front of the settlement check. Any funds payable to Participating Members whose checks are not negotiated within one hundred eighty (180) days period will not be reissued, except for good cause and as mutually agreed by the Parties in writing. If a Participating Member does not cash his or her settlement check within 180 days, the uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those Participating Members who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Participating Members, whether or not they cash

their settlement checks. Therefore, Defendants will not be required to pay any interest on such amounts. The Parties agree no unclaimed funds will result from the settlement.

- D. Defendants shall be deemed to have fully discharged their obligations to each Participating Member when the Settlement Administrator mails each Participating Member a settlement check, regardless of whether such checks are actually received and/or negotiated by Participating Members. Neither Plaintiff nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by his, her, or its own acts of omission or commission, the same is true for the Settlement Administrator.

6. **Preliminary Approval.** Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Daniel J. Brown of Stansbury Brown Law, PC as Class Counsel;
- C. Appointing Claudio Valdez as the Class Representative for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Class Notice Packet (which is comprised of the Class Notice and Request for Exclusion Form, substantially in the form attached here as **Exhibits A and B**), and directing the mailing of same in English and Spanish;
- G. Scheduling a Final Approval hearing;
- H. Plaintiff shall submit the proposed settlement to the Labor Workforce Development Agency ("LWDA") pursuant to Labor Code § 2699(1)(2). Proof of this submission will be provided to the Court and to Defendants' counsel; and
- I. If Final Approval is granted, Plaintiff shall submit a copy of the Superior Court's judgment to the LWDA after entry of the judgment or order, pursuant to Labor Code § 2699(1)(3).

7. **Notice Procedures.** Following preliminary approval, Settlement Class Members and Aggrieved Employees shall be notified as follows:

- A. Within fourteen (14) days after entry of an order preliminarily approving this Settlement Agreement, Defendants will provide the Settlement Administrator with a class list (in electronic format) including the full names, last known addresses, social

security numbers, dates of employment, Class Workweeks and PAGA Workweeks for each Aggrieved Employee and Settlement Class Member.

- B. Within seven (7) days from receipt of the class list information, the Settlement Administrator shall: (i) run the names of all Settlement Class Members and Aggrieved Employees through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class Members and Aggrieved Employees; (ii) update the addresses of any Settlement Class Member or Aggrieved Employee for whom an updated address was found through the NCOA search; and (iii) mail the Notice Packet to each Settlement Class Member or Aggrieved Employee in English and Spanish at their last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline (defined below) shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class Member or Aggrieved Employee immediately, and in any event within three (3) business days of obtaining the updated address.
- D. **Opt-Out/Request for Exclusion Procedures.** Any Settlement Class Member who wishes to opt-out of the Settlement must complete and mail or fax a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) days of the date of the initial mailing of the Notice Packets (the "Response Deadline").
 - i. The Request for Exclusion Form must: (1) contain the name, address, telephone number of the Settlement Class Member; (2) contain a statement that the Settlement Class Member wishes to be excluded from the class settlement; (3) be signed by the Settlement Class Member; and (4) be faxed or postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion Form fails to comply with items (1), (2), or (4), it will not be deemed a valid Request for Exclusion from this settlement, except a Request for Exclusion Form not containing a Settlement Class Member's telephone number will be deemed valid. The date of the postmark on the Request for Exclusion Form, shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement (although the PAGA settlement and release provisions will apply to each such individual, and such individual shall be entitled to their share of the PAGA Amount) or have any right to object, intervene, appeal, or comment thereon.

Any Settlement Class Member who does not submit a Request for Exclusion Form is automatically deemed a Participating Settlement Class Member.

- E. **Objections.** Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendants' counsel as well as filing them with the Court). Defendants' counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendants' counsel and Class Counsel shall have ten (10) days to respond. To be valid, any objection must: (1) contain the objecting Settlement Class Member's full name and current address; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) objections must be postmarked on or before the Response Deadline.
- F. **Challenges to Participating Member Payment Calculations.** Each Notice Packet mailed to a Settlement Class Member or Aggrieved Employee shall disclose the amount of the Settlement Class Member's or Aggrieved Employee's estimated Participating Member Payment as well as all of the information that was used from Defendants' records in order to calculate the Participating Member Payment, including the number of Class Workweeks and the number of PAGA Workweeks. Settlement Class Members and Aggrieved Employees will have the opportunity, should they disagree with Defendants' records regarding the number of Class Workweeks and PAGA Workweeks stated in their Notice Packet, to challenge the data provided. In order to challenge Defendants' data, the Settlement Class Member or Aggrieved Employee must provide documentation and/or an explanation demonstrating that Defendants' data is incorrect and evidencing the correct number of Class Workweeks and/or PAGA Workweeks that the Settlement Class Member or Aggrieved Employee believes they should have been credited with and/or evidence of the correct date their employment ended. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. The Settlement Administrator shall provide a copy of the challenge and any supporting documentation to counsel for the Parties within five (5) days of receipt.
- G. **Dispute Resolution.** The Settlement Administrator shall have the responsibility of resolving all disputes that arise during the settlement administration process, including, without limitation, disputes (if any) regarding the calculation of Settlement Class Member's or Aggrieved Employee's Participating Member Payment, the allocation of W-2 wages, and the number of Class Workweeks and PAGA Workweeks. Where the information submitted by Defendants from their records differ from the information submitted by the Settlement Class Member or Aggrieved Employee, the Settlement Administrator shall request a conference call between the Settlement Administrator, Class Counsel, and Defendants' counsel to discuss and resolve the dispute. In advance of the conference call, the Settlement Administrator shall email copies of all available

information to all counsel. After consulting with the Parties to determine whether an adjustment is warranted, the Settlement Administrator will finally determine the eligibility for and amount of any Participating Member Payment. Such determination shall be binding upon the Settlement Class Member, Aggrieved Employee, and the Parties.

8. **Final Approval Process.** Following preliminary approval and the close of Response Deadline under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:
 - A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
 - B. Approving Plaintiff's application for Settlement Administrator's fees and expenses, Plaintiff's Class Representative Service Award, Class Counsel's attorneys' fees, Class Counsel's costs and expenses, and the PAGA Penalties; and
 - C. Entering judgment pursuant to California Rule of Court 3.769.
9. **Non-Admission.** Defendants deny that they have engaged in any unlawful activity, that they have failed to comply with the law in any respect, that they have any liability to anyone under the claims asserted in the Action, and that but for this settlement a class should not be certified in this Action. Nothing in this Settlement Agreement is intended or shall be construed as an admission of liability or wrongdoing by Defendants. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code section 1152.
10. **No Public Comment:** The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement.
11. **Amendments or Modifications.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by the Parties or their representatives, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.
12. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery or by e-mail at the addresses of the Parties' representatives set forth below, or such other addresses as the Parties may designate in writing from time to time:

If to Defendant LFM: Ryan W. Porte, Esq.

RAIMONDO MILLER, ALC
7110 N. Marks Ave., Suite 104
Fresno, CA 93711
rwp@raimondomiller.com

If to Defendant Fowler: Ian B. Wieland, Esq.
SAGASER, WATKINS & WIELAND, PC
5260 North Palm Avenue, Suite 400
Fresno, CA 93704
ian@sw2law.com

If to Plaintiff: Daniel J. Brown, Esq.
STANSBURY BROWN LAW, PC
2610 ½ Abbot Kinney Blvd.
Venice, CA 90291
dbrown@stansburybrownlaw.com

13. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.
14. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.
15. **Failure to Obtain Final Approval.** If the court fails to grant either preliminary or final approval, the Parties shall be restored to their positions at the time of the execution of this memorandum, which shall include but not be limited to, all funds paid by Defendants shall be returned to Defendants, with the exception that if any settlement administration costs are due and payable, Plaintiff and Defendants agree to split those costs.

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[SIGNATURES ON FOLLOWING PAGE]

EXECUTION BY PARTIES AND COUNSEL

Date: 7/28/2023



Claudio Valdez, Plaintiff

Date: _____

_____, on behalf of
Defendant Labor Force Management, Inc.

Date: _____

_____, on behalf of
Defendant Fowler Packing Company, Inc.

Approved as to form:

Date: _____

RAIMONDO MILLER, ALC

Ryan W. Porte
Counsel for Defendant Labor Force
Management, Inc.

Date: _____

SAGASER, WATKINS & WIELAND, PC

Ian B. Wieland
Counsel for Defendant Fowler Packing Company,
Inc.

Date: _____

STANSBURY BROWN LAW, PC



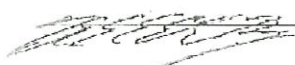
Daniel J. Brown
Counsel for Plaintiff and the Settlement
Class

EXECUTION BY PARTIES AND COUNSEL

Date: _____

Claudio Valdez, Plaintiff

Date: 8-8-2023


_____, on behalf of
Defendant Labor Force Management, Inc.

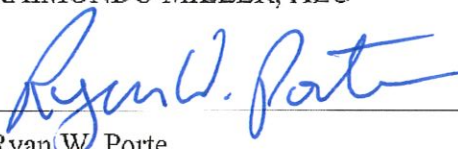
Date: _____

_____, on behalf of
Defendant Fowler Packing Company, Inc.

Approved as to form:

Date: 8/8/23

RAIMONDO MILLER, ALC



Ryan W. Porte
Counsel for Defendant Labor Force
Management, Inc.

Date: _____

SAGASER, WATKINS & WIELAND, PC

Ian B. Wieland
Counsel for Defendant Fowler Packing Company,
Inc.

Date: _____

STANSBURY BROWN LAW, PC

Daniel J. Brown
Counsel for Plaintiff and the Settlement
Class

EXECUTION BY PARTIES AND COUNSEL

Date: _____

Claudio Valdez, Plaintiff

Date: _____

_____, on behalf of
Defendant Labor Force Management, Inc.

Date: 07/26/2023

Bret Zell
VP, HR - BRETT ZELL, on behalf of
Defendant Fowler Packing Company, Inc.

Approved as to form:

Date: _____

RAIMONDO MILLER, ALC

Ryan W. Porte
Counsel for Defendant Labor Force
Management, Inc.

Date: 7/27/23

SAGASER, WATKINS & WIELAND, PC

Ian B. Wieland
Ian B. Wieland
Counsel for Defendant Fowler Packing Company,
Inc.

Date: _____

STANSBURY BROWN LAW, PC

Daniel J. Brown
Counsel for Plaintiff and the Settlement
Class

EXHIBIT A

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT
Claudio Valdez v. Labor Force Management, Inc. and Fowler Packing Company, Inc.
Madera Superior Court
Case No.: MCV086790

To: All current and former non-exempt employees of Labor Force Management, Inc. who performed work for Fowler Packing Company, Inc. in California at any time from November 13, 2020, through March 17, 2022.

PLEASE READ CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT

Why should you read this Notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in the matter of *Claudio Valdez v. Labor Force Management, Inc. and Fowler Packing Company, Inc.*, Madera County Superior Court, Case No. MCV086790 (the “Action”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. Labor Force Management, Inc. and Fowler Packing Company, Inc.’s (“Defendants”) records show that you were employed by Defendant Labor Force Management, Inc. as a non-exempt employee and performed work for Defendant Fowler Packing Company, Inc. in California at any time from November 13, 2020, through March 17, 2022 (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Claudio Valdez (“Plaintiff”) brought this Action against Defendants seeking to assert claims on behalf of a class of all current and former non-exempt employees of Defendant Labor Force Management, Inc. who performed work for Defendant Fowler Packing Company, Inc. in California at any time during the period of November 13, 2020, through March 17, 2022 (“Settlement Class Members”). Plaintiff is known as the “Class Representative” and his attorneys, who also represent the interests of all Settlement Class Members, are known as “Class Counsel.”

The Action alleges that Defendants: (i) failed to pay employees all earned minimum and overtime wages, (ii) failed to provide all legally required meal and rest periods, (iii) failed to reimburse for necessary business expenses, (iv) failed to provide accurate and itemized wage statements, (v) failed to timely pay final wages due, and as a result of the above-mentioned alleged violations, (vi) engaged in unlawful business practices and (vii) is liable for civil penalties under the Labor Code Private Attorneys General Act (“PAGA”).

Defendants deny that they have done anything wrong. Defendants also deny that they owe Settlement Class Members any wages, restitution, penalties, damages, or other amounts. Accordingly, the Settlement is a compromise of disputed claims and should not be considered as an admission of liability on the part of Defendants, by whom all liability is expressly denied.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the risk of the Court not allowing the case to proceed as a class action, the risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

The Court has not ruled on Plaintiff's claims. In granting preliminary approval of the Settlement the Court has determined only that there is sufficient evidence to suggest that the Settlement might be fair, adequate, and reasonable. A final determination on whether the Settlement is fair, adequate, and reasonable will be made at the Final Approval hearing.

Your decision about whether to participate in the Settlement will not affect your employment. California law and Defendants' policies strictly prohibit unlawful retaliation. Defendants will not take any adverse action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of their decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Class Counsel: STANSBURY BROWN LAW, PC Daniel J. Brown dbrown@stansburybrownlaw.com 2610 ½ Abbot Kinney Blvd. Venice, California 90291 Tel: (323) 204-3124 www.stansburybrownlaw.com	Attorneys for Defendant Labor Force Management, Inc.: RAIMONDO MILLER, ALC Ryan W. Porte rwp@raimondomiller.com 7110 North Marks Avenue, Suite 104 Fresno, California 93711 Tel: (559) 432-3000 www.raimondomiller.com Attorneys for Defendant Fowler Packing Company, Inc.: SAGASER, WATKINS & WIELAND, PC Ian Wieland ian@sw2law.com 5260 North Palm Avenue, Suite 400 Fresno, California 93704 Tel: (559) 421-7000 www.sagaserlaw.com
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What are the terms of the Settlement?

Defendants have agreed to pay \$150,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including payments to Settlement Class Members, Class Counsel's attorneys' fees and expenses, Settlement administration costs, and the Class Representative Service Award.

The following deductions from the Gross Settlement Amount will be requested by the Parties:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Settlement Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Gross Settlement Amount, which is currently estimated at \$50,000, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$12,000.00 in verified costs incurred in connection with the Action.

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the

Settlement. The Court has approved setting aside up to \$13,750.00 from the Gross Settlement Amount to pay the settlement administration costs.

Class Representative Service Award. Class Counsel will ask the Court to award a Class Representative Service Award to the Class Representative in the amount of \$5,000.00 to compensate him for his service and extra work provided on behalf of the Settlement Class Members.

Payment to State of California. The Parties have agreed to allocate \$10,000.00 towards the Settlement of the PAGA claims in the Action. \$7,500 will be paid to the State of California Labor and Workforce Development Agency, representing its 75% share of the civil penalties. The remaining \$2,500 will be allocated and distributed to Aggrieved Employees (i.e., Settlement Class Members who were employed by Defendant Labor Force Management, Inc. as non-exempt employees and performed work for Defendant Fowler Packing Company, Inc. in California at any time from March 1, 2021, through March 17, 2022 (“PAGA Period”)) as part of the Net Settlement Amount described below.

Calculation of Settlement Class Members’ Individual Participating Member Payments. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion Form (“Participating Settlement Class Members”) (described below). The Net Settlement Amount is estimated at approximately \$61,750.00, and will be divided as follows:

- (i) \$2,500.00 of the Gross Settlement Amount has been designated as the “PAGA Amount” and will be distributed to each Aggrieved Employee based on the proportionate number of PAGA Workweeks (defined as any calendar week in which the Aggrieved Employee worked at least one shift performing work for Defendant Fowler Packing Company, Inc. based on Defendants’ records) that he or she worked during the PAGA Period (from March 1, 2021, through March 17, 2022).
- (ii) The remainder of the Net Settlement Amount will be distributed to each Participating Settlement Class Member based on the proportionate number of Class Workweeks (defined as any calendar week in which the Participating Settlement Class Member worked at least one shift performing work for Defendant Fowler Packing Company, Inc. based on Defendants’ records) that he or she worked during the Class Period (from November 13, 2020, through March 17, 2022).

Payment of the Settlement. If the Court grants final approval of the Settlement, individual Participating Member Payments will be mailed to Settlement Class Members for their portion of the PAGA Amount regardless of whether they submit a Request for Exclusion Form. In addition, Participating Settlement Class Members will receive additional compensation as part of their individual Participating Member Payments comprised of their portion of the Net Settlement Amount as described above.

Allocation and Taxes. For tax purposes, each Participating Member Payment shall be treated as follows: 20% as “wages,” for which an IRS Form W-2 will be issued; and 80% as penalties and interest, for which an IRS Form 1099 will be issued. Settlement Class Members are responsible for the proper income tax treatment of the individual Participating Member Payments. The Settlement Administrator, Defendants and their counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members should consult with their tax advisors concerning the tax consequences and treatment of awards they receive under the Settlement.

Release. If the Court approves the Settlement, each Participating Settlement Class Member will fully release and discharge Defendants, their past and present officers, directors, shareholders, employees, agents, principals, heirs, and representatives (collectively the “Released Parties”) for all claims that were alleged based on the facts pled in the Action during the Class Period, including: (a) minimum wage violations; (b) failure to pay all overtime wages; (c) meal period violations; (d) rest period violations; (e) failure to reimburse for necessary business expenses; (f) failure to provide accurate, itemized wage statements; (g) waiting time penalties; and (h) all claims arising out of unfair business practices under Business & Professions Code § 17200, *et seq.* premised on the claims pled based on the factual allegations in the Action. The release extends to the limits of the Class Period. This Release is expressly limited to shifts in which Settlement Class Members performed work for Defendant Fowler Packing Company, Inc.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of Class Workweeks you worked during the Class Period and the proportionate number of PAGA Workweeks you worked during the PAGA Period, as stated in this Notice. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Participating Member Payment. Your award is based on the proportionate number of Class Workweeks you worked during the Class Period and the proportionate number of PAGA Workweeks you worked during the PAGA Period. The information contained in Defendants' records regarding each of these factors, along with your estimated individual Participating Member Payment, is listed below. If you disagree with the information listed below, you may submit a dispute, along with any supporting documentation, to <<ADMINISTRATOR CONTACT INFO>>. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Settlement Administrator will determine whether any adjustments are warranted, and if so, will consult with the Parties and make a determination as to whether an adjustment will be made.

According to Defendants' records:

- (a) you worked for Defendants in California from [REDACTED] to [REDACTED];
- (b) you worked [REDACTED] Class Workweeks from November 13, 2020, through March 17, 2022 for Defendants; and
- (c) you worked [REDACTED] PAGA Workweeks from March 1, 2021, through March 17, 2022 for Defendants.

Based on the above, your individual Participating Member Payment is estimated at \$ [REDACTED]. The lowest individual Participating Member Payment to a Settlement Class Member is estimated at \$ [REDACTED]. The highest individual Participating Member Payment to a Settlement Class Member is estimated at \$ [REDACTED].

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by completing the Request for Exclusion Form included with this Notice, and sending it to the Settlement Administrator postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, and your signature.

Send the Request for Exclusion Form directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion Form, shall, upon receipt by the Settlement Administrator, not be a Settlement Class Member. If you exclude yourself, you will still receive your portion of the PAGA Amount if you are an Aggrieved Employee.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may timely submit a written objection directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Your objection must include your name, address, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection, together with any evidence in support of your objection. Objections must be postmarked on or before <<RESPONSE DEADLINE>>.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Participating Settlement Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 44 of the Madera County Superior Court, located at 200 S. G Street, Madera, California 93637. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Class Representative Service Award to the Class Representative. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. The easiest way to read the Settlement Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at <<<SETTLEMENT ADMINISTRATOR URL>>>. You can also telephone or send an email to Class Counsel using the contact information listed above, or consult the Superior Court website by going to <https://madera-prod-portal.ecourt.com/public-portal/> (Case No. MCV086790). You may also inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Madera County Superior Court, located at 200 S. G Street, Madera, California 93637, during regular court hours. The Settlement Agreement is attached as Exhibit 1 to the Declaration of Daniel J. Brown in Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement, filed on <<<DATE PRELIMINARY APPROVAL MOTION FILED>>>.

PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANTS, OR THEIR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting a Request for Exclusion Form, Objection, or any dispute is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIMINARY APPROVAL DATE>>.

EXHIBIT B

REQUEST FOR EXCLUSION FORM

Claudio Valdez v. Labor Force Management, Inc. and Fowler Packing Company, Inc.

MADERA COUNTY SUPERIOR COURT

Case No. MCV086790

IF YOU DO NOT WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MAY COMPLETE, SIGN AND MAIL THIS FORM, POSTMARKED ON OR BEFORE [INSERT DATE], ADDRESSED AS FOLLOWS:

PHOENIX SETTLEMENT ADMINISTRATORS

Claudio Valdez v. Labor Force Management, Inc. and Fowler Packing Company, Inc.

SETTLEMENT ADMINISTRATOR

ADDRESS

ADDRESS

PHONE

FAX

DO NOT SUBMIT THIS FORM IF YOU WISH TO RECEIVE A PAYMENT UNDER THE SETTLEMENT.

By signing, filling out, and returning this form, I confirm that I **do not** want to be included in the Settlement of the lawsuit entitled *Claudio Valdez v. Labor Force Management, Inc. and Fowler Packing Company, Inc.*, Madera County Superior Court, Case No. MCV086790.

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *CLAUDIO VALDEZ V. LABOR FORCE MANAGEMENT, INC. AND FOWLER PACKING COMPANY, INC.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE CLASS CLAIMS OF THIS LAWSUIT.

Name

Telephone Number

Address

Date

Signature