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Attorneys for Plaintiff Jesus Sepulveda, on behalf of himself and all “aggrieved employees” pursuant to Labor Code § 2698 *et seq.*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA BARBARA**

JESUS SEPULVEDA, on behalf of himself
and all “aggrieved employees” pursuant to
Labor Code § 2698 *et seq.*,

Plaintiffs,

v.

ROYAL OAK AG SERVICES, INC., a
California corporation, and DOES 1
through 10, inclusive,

Defendants.

CASE NO: 22CV02799

Assigned to the Hon. James F. Rigali, Dept. SM2

**STIPULATION AND [PROPOSED]
JUDGMENT AND ORDER APPROVING
SETTLEMENT OF PRIVATE ATTORNEYS
GENERAL ACT CLAIMS, DISMISSING
ACTION WITH PREJUDICE**

*[Concurrently filed: Declaration of Daniel F.
Gaines; Order Approving Settlement]*

Action Filed: July 20, 2022

STIPULATION

IT IS HEREBY STIPULATED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. On May 5, 2022, Plaintiff Jesus Sepulveda (“Plaintiff”) transmitted a letter to the California Labor & Workforce Development Agency (“LWDA”) and Defendant Royal Oak AG Services, Inc. (“Defendant”) that Plaintiff alleges to be in compliance with the exhaustion requirements of the California Labor Code Private Attorneys General Act (“PAGA”), articulating claims related to the failure to properly pay all minimum and overtime wages due; the failure to pay premium wages for missed rest and meal breaks; making unlawful deductions from wages; the

1 failure to issue accurate wage statements; and the failure to pay all wages due at the separation of
2 employment. See Declaration of Daniel F. Gaines (“Gaines Decl.”) at ¶ 6; Exhibit “B” to Gaines
3 Decl.

4 2. On July 20, 2022, Plaintiff filed a Representative Action Complaint in the Superior
5 Court of the State of California for the County of Santa Barbara, thereby commencing this Action
6 entitled *Jesus Sepulveda v. Royal Oak AG Services, Inc., a California corporation*, case number
7 22CV02799. Plaintiff filed his Complaint on behalf of the State of California and other aggrieved
8 employees as a PAGA action based on violations of Labor Code §§ 201, 202, 221, 225.5, 226(a),
9 226.3, 226.7, 510, 512, 558, and 1194. Gaines Decl. at ¶ 7.

10 5. Plaintiff’s complaint alleges violations of the PAGA for Defendant’s failure to pay
11 all minimum and overtime wages; failure to provide lawful meal and rest periods; failure to pay all
12 wages due by making improper deductions from wages; failure to timely pay all wages due at the
13 separation of employment; and failure to provide accurate, itemized wage statements. Gaines Decl.
14 at ¶ 8.

15 6. Defendant disputes and denies the allegations and claims asserted in the Action and
16 denies that the Action is suitable for representative treatment. Gaines Decl. at ¶ 9.

17 7. During the course of the litigation, Plaintiff and Defendant (hereinafter, Plaintiff and
18 Defendant are collectively referred to as the “Parties”) engaged in discovery and fully shared the
19 information necessary for all sides to conduct a legitimate investigation into the allegations of the
20 action and potential defenses thereto. The Parties have reached their settlement only after discovery
21 and investigation was performed. Gaines Decl. at ¶ 10.

22 8. The Parties engaged in informal discovery prior to attending two mediations. This
23 discovery led to Defendant producing extensive documents, including employee handbooks, wage
24 statements and time records, and a sampling of Aggrieved Employee time and pay records. The
25 Parties attended mediation with mediator Henry Bongiovi, Esq. on August 14, 2023, which was
26 unsuccessful. However, the Parties attended a second mediation with Mr. Bongiovi on August 30,
27 2023, wherein an agreement was reached following a mediator’s proposal. Gaines Decl. at ¶ 11.

9. The terms and conditions of the settlement are set forth in the Private Attorneys General Act Settlement Agreement and Release (“Settlement” or “Settlement Agreement”). Gaines Decl. at ¶ 12, Exhibit “C”. The Settlement Agreement resolves all claims asserted in the Complaint.

10. Based on the information and documents obtained through informal discovery, Plaintiff assessed the maximum value of the limited PAGA claims to be released by the settlement to be approximately \$11,699,200 (at the rate of a \$100 penalty for approximately 116,992 pay periods at issue for approximately 2,851 Aggrieved Employees, without stacking violations). Gaines Decl. at ¶ 13.

11. As set forth in the Settlement Agreement, the Maximum Settlement Amount is \$675,000, and includes an apportionment of attorneys' fees and costs, payment to the settlement administrator, and a general release payment/enhancement award to Plaintiff. Gaines Decl. at ¶ 14.

12. Based on their extensive experience litigating over 100 representative actions, counsel for Plaintiff believe the settlement here is fair and reasonable and warrants approval by the Court. Gaines Decl. at ¶¶ 2-5; Exhibit “A” to Gaines Decl.

13. The Parties request that the Court enter the accompanying order, approving the Settlement, as permitted by Labor Code § 2699(l), and entering Judgment in accordance with the terms and conditions of the Settlement Agreement. (Gaines Decl. at ¶ 16).

IT IS SO STIPULATED.

Dated: October 10 , 2023

GAINES & GAINES
A Professional Law Corporation

By: Daniel F. Gaines
Daniel F. Gaines
Alex P. Katofsky
Attorneys for Plaintiff Jesus Sepulveda

Dated: October 10, 2023

MULLEN & HENZELL, LLP

By: Rafael Gonzalez
Attorneys for Defendant Royal Oak Ag
Services, Inc.

1 **JUDGMENT & ORDER**

2 Having considered the Parties' Private Attorneys General Act Settlement Agreement and
3 Release ("Settlement");¹ the documents and evidence presented in support thereof; and recognizing
4 the disputed factual and legal issues involved in this case; the risks of further prosecution, the
5 substantial benefits to be received by Plaintiff Jesus Sepulveda ("Plaintiff"), the State of California
6 and the Aggrieved Employees pursuant to the Settlement; and the fair, reasonable, and adequate
7 nature of the settlement obtained as a result of good faith arm's-length negotiations between the
8 Parties, the Court hereby makes a final ruling that the Settlement is approved pursuant to Labor Code
9 section 2699(1). Good cause appearing therefor, the Court hereby GRANTS Approval of the
10 Settlement of Claims under the Private Attorneys General Act, and ORDERS as follows:

11 1. The "Aggrieved Employees" shall be defined as all current and former non-exempt
12 employees who worked for Royal Oak Ag Services, Inc. in California at any time during the PAGA
13 Period. The "PAGA Period" means the time period from May 5, 2021 through the date of this Order.

14 2. The Court hereby approves the settlement as set forth in the Settlement as fair,
15 reasonable, and adequate, and directs the parties to effectuate the Settlement according to its terms.

16 3. Defendant Royal Oak Ag Services, Inc ("Royal Oak") shall fund the Gross
17 Settlement Amount of \$675,000.00 with the Settlement Administrator within thirty (30) calendar
18 days of this Order. The Gross Settlement Amount shall not increase except as provided in the
19 escalator provision in paragraph III(2)(a) of the Settlement.

20 4. The Court hereby approves, as to form and content, the Explanatory Letter submitted
21 by the parties and included as Exhibit A to the Settlement.

22 5. The Court hereby appoints Phoenix Settlement Administration as the Settlement
23 Administrator.

24 6. Within twenty (20) business days of this Order, Royal Oak shall provide the
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26 ¹ All terms used in this Order shall have the same meaning as that assigned to them in the
27 Settlement Agreement, which is attached as Exhibit 1 to the Declaration of Daniel F.
28 Gaines, submitted concurrently with the Stipulation.

1 Settlement Administrator with a list containing the Aggrieved Employees' full names, last known
2 mailing addresses, number of pay periods worked during the PAGA Period, and Social Security
3 numbers or Tax ID numbers to the extent available from Royal Oak's records, pursuant to the terms
4 of the Settlement.

5 7. The Settlement Administrator is directed to mail the Individual PAGA Payments
6 and the Explanatory Letter to the Aggrieved Employees within twenty-one (21) calendar days of
7 receipt of the Gross Settlement Amount being fully funded, pursuant to the terms of the Settlement.

8 8. The Court finds that attorneys' fees in the amount of 35% of the Gross Settlement
9 Amount (currently estimated to be \$236,250.00) for Plaintiff's Counsel, and reimbursement of
10 litigation costs up to \$20,000.00 to Plaintiff's Counsel, are fair, reasonable, and adequate, and orders
11 the Settlement Administrator to distribute these payments to Plaintiff's Counsel as provided for in
12 the Settlement Agreement.

13 9. The Court orders that the Settlement Administrator shall be paid \$13,750.00 for all
14 of its work done and to be done until the completion of this matter, and finds that sum appropriate.

15 10. The Court finds that the requested Enhancement Payment of \$10,000.00 to Jesus
16 Sepulveda is fair, adequate, and reasonable in recognition of the unique contributions he has made
17 and the risks he undertook, on behalf of the Aggrieved Employees and the State of California, and
18 orders that the Settlement Administrator distribute this payment to Jesus Sepulveda as provided for
19 in the Settlement Agreement.

20 11. The Court finds that the amount of \$296,250.00, representing 75% of the
21 \$395,000.00 allocated as PAGA civil penalties under the Settlement, to be paid to the California
22 Labor and Workforce Development Agency ("LWDA") as provided for by the Settlement, is fair,
23 adequate, and reasonable, and orders that payment be made to the LWDA in accordance with the
24 terms of the Settlement Agreement.

25 12. The Court approves the scope of the release as set forth in the Settlement. Following
26 entry of this Judgment and Order and the Settlement being fully funded, Plaintiff and all Aggrieved
27 Employees will release the PAGA Released Claims against the Released Parties that arose during
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1 the PAGA Period. "PAGA Released Claims" means all claims, rights, demands, liabilities and
2 causes of action that arose during the PAGA Period for civil penalties under the PAGA, that were
3 alleged in the Action or that could have been alleged in the Action. The PAGA Released Claims
4 include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of
5 Labor Code §§ 201, 202, 203, 221, 225.5, 226, 226.3, 226.7, 510, 512, 558, 1194, and 1194.2 as
6 well as all applicable Industrial Welfare Commission Wage Orders; and claims for attorneys' fees,
7 costs, or interest resulting therefrom. Upon entry of the Order approving the settlement and judgment
8 entered thereon and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will
9 be forever barred from pursuing any and all of the PAGA Released Claims that arose during the
10 PAGA Period against the Released Parties. The terms of the Settlement Agreement, and this
11 Judgment and Order, shall be binding on Plaintiff, the State of California, and the Aggrieved
12 Employees, as well as their heirs, executors and administrators, successors and assigns, and those
13 terms shall have res judicata, collateral estoppel and other preclusive effect in all pending and future
14 claims, lawsuits or other proceedings maintained by or on behalf of any such persons or entities, to
15 the extent those claims, lawsuits or other proceedings constitute PAGA Released Claims as set forth
16 in the Settlement Agreement.

17 13. Upon entry of this Order, the Court hereby enters judgment, with prejudice, for the
18 reasons described above and in accordance with the terms of the Settlement Agreement. Except as
19 otherwise provided in the Settlement Agreement, all parties shall bear their own attorneys' fees,
20 costs, and expenses incurred by them in or arising out of the lawsuit and shall not seek
21 reimbursement thereof from the Released Parties. Upon entry of this Judgment and Order, the Court
22 permanently enjoins and forever bars the Plaintiff and/or the Aggrieved Employees from instituting
23 or prosecuting any of the PAGA Released Claims against the Released Parties which were resolved
24 as part of the Settlement. Without affecting the finality of this Judgment and Order in any way, the
25 Court retains jurisdiction to enforce the terms of the Settlement.

26 14. Neither this Order nor the Settlement Agreement (or any other document referred to
27 herein, or any action taken to carry out this Order) is, may be construed as, or may be used as, an
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1 admission of liability or fault by Royal Oak or the Released Parties, or a finding as to the validity of
2 any claims in the Action or of any wrongdoing or violation of law that is otherwise alleged, or could
3 have been alleged, against Royal Oak or the Released Parties. The Settlement Agreement is not a
4 concession by the Parties and, to the extent permitted by law, neither the Settlement Agreement nor
5 this Judgment and Order, nor any of their terms or provisions, nor any of the negotiations or
6 proceedings connected with them, shall be offered as evidence or received in evidence in any
7 pending or future civil, criminal, or administrative action or proceeding to establish any liability of,
8 or admission by the Released Parties. Notwithstanding the foregoing, nothing in this Judgment and
9 Order shall be interpreted as prohibiting the use of this Judgment and Order in a proceeding to
10 consummate or enforce the Settlement Agreement, or the use of this Order and Judgment to defend
11 against the assertion of claims in any other proceeding, or as otherwise required by law. This
12 Judgment and Order and the Settlement Agreement may be filed in any action by Royal Oak or the
13 Released Parties to support a defense of res judicata, collateral estoppel, release, waiver, good-faith
14 settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion,
15 issue preclusion or similar defense or counterclaim.

16 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

17
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19 Dated: _____

JUDGE OF THE SUPERIOR COURT