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PARAMOUNT EXPORT COMPANY

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

SERGIO A. RENTERIA, individually and on
behalf of others similarly situated, and as an
aggrieved employee and Private Attorney
General,

Plaintiff,

vs.

PARAMOUNT EXPORT COMPANY, a
California corporation; and DOES 1 through
50, inclusive,

Defendants.

Case No. 23CV028255

**JOINT STIPULATION OF PAGA
SETTLEMENT AND RELEASE**

Complaint Filed: February 22, 2023
FAC Filed: April 10, 2023
Trial date: None Set

JOINT STIPULATION OF PAGA SETTLEMENT AND RELEASE

IT IS HEREBY STIPULATED, by and between Plaintiff Sergio Renteria (“Plaintiff”), on behalf of himself individually, the state of California and all other aggrieved employees, on the one hand; and Defendant Paramount Export Company (“Defendant”) on the other hand, subject to the approval of the Court, that the Action is hereby compromised and settled pursuant to the terms and conditions set forth in this Joint Stipulation of PAGA Settlement and Release, and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein.

DEFINITIONS

1. **“Action”** means the court action, entitled “*Renteria v. Paramount Export Company*,” Case No. 23CV028255, pending before the Alameda County Superior Court.

2. **“Agreement” or “Settlement Agreement”** means this Joint Stipulation of PAGA Settlement.

3. **“Approval Hearing”** means the hearing to be conducted by the Court after the filing of an appropriate motion by Plaintiff, at which time Plaintiff shall request that the Court approve the Settlement Agreement, enter the Judgment, and take other appropriate action.

4. **“Compensable Pay Periods”** means the total number of pay periods during which a PAGA Member performed work for Defendant as a non-exempt employee in California during the PAGA Period, based on Defendant’s records, and which shall be used to calculate Individual Settlement Payments. A pay period refers to any pay period in which a PAGA Member worked at least one (1) day.

5. **“Complaint”** means the operative First Amended Complaint filed by Plaintiff on or about April 10, 2023.

6. **“Court”** means the Superior Court of the State of California for the County of Alameda.

7. **“Defendant”** means Paramount Export Company.

8. **“Defense Counsel”** means Hanson Bridgett LLP.

9. **“Effective Date”** means: the date by when both of the following have occurred: (a) the Court enters Judgment on its Order Approving the PAGA Settlement; and (b) the Judgment is final. The Judgment is Final on the day the Court enters Judgment.

10. **“Gross Settlement Amount”** or **“GSA”** means the maximum amount Defendant shall have to pay in connection with this Settlement, in the amount of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00). The Gross Settlement Amount is inclusive of (1) payments to the PAGA Members and the LWDA, (2) Plaintiff’s Counsel Award (3) Settlement Administration Costs, and (4) Plaintiff’s Incentive Payment.

11. **“Individual Settlement Payment”** means the amount payable to each PAGA Member under the terms of the Agreement.

12. **“IWC”** means California’s Industrial Welfare Commission.

13. **“Judgment”** means the final order and judgment to be entered by the Court granting approval of the Settlement.

14. **“LWDA”** means the California Labor and Workforce Development Agency.

15. **“Net Settlement Amount”** or **“NSA”** means the Gross Settlement Amount, less Plaintiff’s Counsel Award, Plaintiff’s Incentive Payment, and Settlement Administration Costs.

16. **“Notice”** means the Notice of PAGA Settlement in a form substantially similar to the form attached hereto as **Exhibit 1**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each of the PAGA Members in English and Spanish in conjunction with their Individual Settlement Payment.

17. **“PAGA”** means the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*

18. **“PAGA Member”** or **“PAGA Members”** means all current and former hourly-paid non-exempt employees of Defendant who worked for Defendant in the state of California at any time during the PAGA Period.

19. **“PAGA Member List”** means information regarding the PAGA Members that Defendant shall diligently and in good faith compile from their records and shall be authorized by

the Court to transmit in a secure and confidential manner to the Settlement Administrator. The PAGA Members List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each PAGA Member's: (1) full name; (2) last known home address; (3) social security number; (5) total number of pay periods worked by each PAGA Member during the PAGA Period.

20. **"PAGA Notice"** means the collective correspondence submitted by Plaintiff's Counsel to the LWDA on or about February 2, 2023, pursuant to California Labor Code section 2699.3(a)(1).

21. **"PAGA Penalties"** means any civil penalty that can be assessed or collected by the LWDA or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of the California Labor Code; and any civil penalty that may be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the PAGA, Labor Code §§ 2698 *et seq.*

22. **"PAGA Period"** means the period from February 2, 2022, through June 13, 2024.

23. **"Parties"** means Plaintiff and Defendant, collectively.

24. **"Party"** means either Plaintiff or Defendant, individually.

25. **"PAGA Fund"** means 25% of the NSA that will be distributed among the PAGA Members.

26. **"Plaintiff"** means Plaintiff Sergio A. Renteria.

27. **"Plaintiff's Counsel"** means Protection Law Group, LLP.

28. **"Plaintiff's Counsel Award"** means the amount that the Court authorizes to be paid to Plaintiff's Counsel for its reasonable attorneys' fees and costs incurred to litigate and resolve this Action, which shall be paid from the Gross Settlement Amount. Plaintiff's Counsel will request attorneys' fees not to exceed one-third (33.33%) of the Gross Settlement Amount, i.e. Twenty-Five Thousand Dollars (\$25,000.00), and the reimbursement of costs and expenses associated with the litigation and settlement of the Action, not to exceed Five Thousand Dollars (\$5,000.00), subject to the Court's approval. Defendant has agreed not to oppose Plaintiff's Counsel's request for fees and reimbursement of costs and expenses in the amount set forth above.

29. **“Plaintiff’s Incentive Payment”** means the amount that the Court authorizes to be paid to Plaintiff in recognition of Plaintiff’s effort and the risk taken in assisting with the prosecution of the Action and in exchange for the General Release of his claims, as provided herein, in the amount of Two Thousand Five Hundred Dollars, (\$2,500.00), subject to Court approval.

30. **“Released Claims”** means all claims for penalties and attorneys’ fees and costs recoverable under PAGA which Plaintiff, PAGA Members, the state of California and/or the LWDA had, or may claim to have, against Released Parties, based on the facts alleged in the Complaint or the PAGA Notice, including PAGA penalties arising from the following claims: unpaid straight and overtime wages (including any work off-the-clock and non-productive time); failure to pay employees all minimum wages and overtime wages; failure to provide compliant meal and rest breaks; failure to pay all premium wages owed for short, late or missed meal and rest periods; failure to pay all wages owed at discharge or resignation; failure to timely pay wages within the times permissible under Labor Code section 204; failure to provide complete and accurate wage statements; failure to keep complete and accurate payroll records; and violations of Labor Code sections 201, 202, 203, 204, 210, 226(a), 226.2, 226.3, 226.7, 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, and 2698, *et seq.*, and all applicable IWC Wage Orders (collectively, the “Released Claims”). This release shall apply to claims arising during the PAGA Period and will be binding and effective upon Plaintiff, PAGA Members, the state of California and the LWDA regardless of whether any PAGA Members fail to cash their respective settlement checks.

31. **“Plaintiff’s Additional Released Claims”** means the Released Claims and any and all claims, demands, rights, liabilities, and/or cause or causes of action, whether known or unknown, which have been or could have been asserted by Plaintiff, or Plaintiff’s heirs, successors and/or assigns, against Defendant and/or any of the Released Parties arising at any time prior to the entry of the Judgment, including but not limited to any and all claims which arose out of or are in any way connected to Plaintiff’s employment with Defendant and all claims alleged in the

1 Action. This release specifically excludes claims for unemployment insurance, disability, social
2 security, and workers' compensation (except for claims pursuant to Labor Code Sections 132a and
3 4553).

4 As to Plaintiff's Additional Released Claims, Plaintiff expressly waives all rights and
5 benefits under the terms of section 1542 of the California Civil Code. Section 1542 reads as
6 follows:

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

11 Notwithstanding the provisions of section 1542, and for the purpose of implementing a full
12 and complete release and discharge of all of his Released Claims, Plaintiff expressly acknowledges
13 that this Settlement is intended to include in its effect, without limitation, all Released Claims
14 which Plaintiff does not know or suspect to exist in his favor at the time of execution hereof, and
15 that the Settlement contemplates the extinguishment of all such Released Claims.

16 32. **"Released Parties"** means Defendant Paramount Export Company, and its past,
17 present and/or future officers, directors, members, managers, employees, agents, representatives,
18 attorneys, insurers, partners, investors, shareholders, administrators, parent companies,
19 subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

20 33. **"Settlement Administrator"** means Phoenix Class Action Administration
21 Solutions.

22 34. **"Settlement Administration Costs"** means the reasonable costs and fees of
23 administering the Settlement to be paid from the Gross Settlement Amount, including, but not
24 limited to: (i) printing, mailing, and re-mailing (if necessary) the Notice and payments to the
25 PAGA Members; (ii) preparing and submitting to PAGA Members and government entities all
26 appropriate tax filings and forms; (iii) computing the amount of and distributing Individual
27 Settlement Payments, the Plaintiff's Incentive Payment, Plaintiff's Counsel Award, and the PAGA

1 payment to the LWDA; (iv) establishing a Qualified Settlement Fund, as defined by the Internal
2 Revenue Code; and (vi) preparing and submitting filings required by law in connection with the
3 payments required by the Settlement.

4 **RECITALS**

5 35. Plaintiff initially filed this matter as a Class Action on February 22, 2023, against
6 Defendant in the Alameda County Superior Court, entitled *Sergio A. Renteria v. Paramount Export*
7 *Company, et al.*, Case No. 23CV028255.

8 36. On April 10, 2023, following the expiration of the statutory notice period, Plaintiff
9 filed his First Amended Class and Representative Action Complaint (“FAC”) alleging an
10 additional cause of action for violation of California Labor Code section 2699 et seq. (“PAGA”).

11 37. After the filing of the Action, Defendant presented Plaintiff with copies of
12 severance agreements, each of which included a release of all claims, that were executed by
13 Plaintiff and thirty-three (33) other former employees as part of Defendant’s downsizing in 2022.
14 As such, Plaintiff agreed to dismiss his class claims and proceed solely on a representative basis
15 under PAGA. Following the dismissal of the class claims, the Parties agreed to engage in informal
16 discovery to resolve this matter without further litigation.

17 38. On June 13, 2024, the Parties participated in an Early Settlement Conference with
18 the Honorable James R. Reilly, in Department 301 of the above-captioned court. At the end of the
19 conference, the Parties reached an agreement to settle this Action, the terms of which are reflected
20 herein. The Parties thereafter submitted a Notice of Settlement of Entire Case on June 14, 2024.

21 39. The Parties reached this Settlement after extensive informal discovery and
22 investigation, including exchanging documents and information through informal productions.
23 Prior to mediation, Defendant produced, and Plaintiff reviewed, a substantial amount of data and
24 documents relating to the size and scope of the PAGA members that permitted an analysis and
25 evaluation of Plaintiff’s representative claims.

26 **ACKNOWLEDGEMENTS**

27 40. Estimated Number of Aggrieved Employees: Defendant’s employment records

1 reflect there are approximately sixty-six (66) current and former non-exempt employees
2 encompassed in this Action.

3 41. Fair, Adequate, and Reasonable Settlement: The Parties and their respective
4 counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement
5 of the Action, and have arrived at this Agreement through arms-length negotiations, taking into
6 account all relevant factors, current and potential.

7 42. Benefits of Settlement to PAGA Members: Plaintiff and Plaintiff's Counsel
8 recognize the expense and length of continued proceedings necessary to continue the litigation
9 against Defendant through trial and through any possible appeals. Plaintiff and Plaintiff's Counsel
10 also have taken into account the uncertainty and risk of further litigation, the potential outcome,
11 and the difficulties and delays inherent in such litigation. After having engaged in extensive
12 settlement negotiation, Plaintiff and Plaintiff's Counsel believe the settlement set forth in this
13 Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the PAGA
14 Members.

15 43. Benefits of Settlement to Defendant: While Defendant maintains that it complied
16 with applicable laws at all times and that Plaintiff's claims are meritless, Defendant also recognizes
17 that the continued defense of the Action will be protracted and expensive. Substantial amounts of
18 time, energy, and resources of Defendant have been and, unless this Settlement is made, will
19 continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore,
20 enters into this Agreement and conditional Settlement with no admission of liability whatsoever,
21 and for the sole purpose of compromising and settling the Action to avoid the cost, uncertainty and
22 operational burden of continuing litigation.

23 44. No Admission of Liability: This Agreement represents a compromise and
24 settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed
25 as an admission by Defendant that the claims and allegations in the Action have merit or that
26 Defendant bears any liability to Plaintiff, the State of California, or the PAGA Members on such
27 claims or any other claims. Defendant vigorously denies the claims and each of the allegations

1 asserted in this Action. Defendant further specifically denies any non-compliance, intentional or
2 otherwise, with the statutory requirements of the California Labor Code and/or the applicable IWC
3 Wage Orders. Defendant also denies that Plaintiff or any of the PAGA Members have suffered
4 damages by virtue of Defendant's conduct, or that Defendant's conduct warrants penalization.

5 45. Reservation of Rights: Defendant expressly reserves the right and declares that it
6 intends to oppose and defend against this Action vigorously should this Settlement not be granted
7 approval by the Court or be modified or reversed on appeal or otherwise not become final. If for
8 any reason this Agreement does not become effective, Defendant reserves the right to defend
9 against this Action on any basis. Defendant does not concede the merits of Plaintiff's contentions,
10 nor the existence of any damages or penalties, but has agreed to resolve the litigation through this
11 Settlement in recognition of the expense and risk of continuing with the litigation and in the belief
12 that the settlement is fair, adequate and reasonable. Therefore, in entering into this Agreement, it
13 is the Parties' mutual intention and agreement that if for any reason this Settlement Agreement
14 does not become final, Defendant will retain all rights to defend against this Action, and the fact
15 of this Settlement may not be used by Plaintiff in support of any argument against Defendant.
16 Defendant will not be deemed to have waived, limited, or affected in any way any of its claims,
17 rights, remedies, objections or defenses in the Action.

18 46. Non Evidentiary Use: Neither this Agreement nor its terms, nor any statements or
19 conduct in the negotiation or drafting of it, shall be admissible, offered or used as evidence by
20 Plaintiff, any PAGA Members, or their respective counsel in the Action or in any other proceeding
21 as evidence of liability or wrongdoing by Defendant and/or the Released Parties, or for any purpose
22 whatsoever. This Agreement may be used by Defendant and/or the Released Parties to prove or
23 defend against any claim released herein by Plaintiff or any PAGA Member in any claim or
24 threatened claim, including but not limited to any judicial, quasi-judicial, administrative, or
25 governmental proceeding. This Agreement shall not be subject to collateral attack by any PAGA
26 Member. Such prohibited collateral attack shall include, but is not be limited to claims the PAGA
27 Members failed, for any reason, to timely receive or cash his or her Individual Settlement Payment.

TERMS OF SETTLEMENT

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

47. Binding Settlement: This Settlement shall bind the Parties, all PAGA Members, the state of California, and the LWDA, subject to the terms and conditions hereof and the Court's approval.

48. Submissions to LWDA: Plaintiff's Counsel shall submit a copy of this Agreement to the LWDA at the same time it is submitted to the Court in accordance with the requirements set forth in Section 2699(l)(2). Plaintiff's Counsel shall also be responsible for submitting to the LWDA a copy of the Court's judgment and any other orders that award or deny penalties to the LWDA.

49. Release by Plaintiff and Other PAGA Members: Plaintiff, all other PAGA Members, the state of California, and the LWDA shall be deemed to have released their respective Released Claims against the Released Parties upon the Effective Date. In addition, Plaintiff shall also be deemed to have released Plaintiff's Additional Released Claims against the Released Parties upon the Effective Date.

50. Gross Settlement Amount: Subject to the terms and conditions of this Agreement, Defendant shall pay the maximum Gross Settlement Amount ("GSA") of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) as a non-reversionary, all-inclusive settlement amount to settle this Action.

51. Funding and Allocation of the GSA: Defendant shall deposit the GSA with the Settlement Administrator no later than thirty (30) calendar days after the Effective Date. Defendant shall be deemed to have fully met its payment obligations under this Agreement upon transfer and/or deposit of the GSA and shall assume no responsibility for the security or distribution of settlement funds following transfer and/or deposit of the GSA. Defendant shall have no further obligations under this Agreement after transferring the GSA to the Settlement Administrator. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled,

1 or fails to become effective for any reason, or if the Effective Date does not occur, then no portion
2 of the Gross Settlement Amount shall be paid by Defendant.

3 52. GSA Disbursement Recipients: Subject to the terms and conditions of this
4 Agreement, the Settlement Administrator shall disburse the GSA as follows:

5 a. **Plaintiff's Incentive Payment.** Subject to Court approval, Plaintiff shall be
6 paid an incentive payment not to exceed Two Thousand Five Hundred Dollars
7 and Zero Cents (\$2,500.00), or any lesser amount as awarded by the Court, for
8 his time and effort in bringing and presenting the Action and for releasing the
9 Released Claims and Additional Released Claims. Defendant shall not oppose
10 or object to Plaintiff's request for an incentive payment in an amount not to
11 exceed Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00). The
12 incentive payment shall be paid to Plaintiff from the Gross Settlement Amount
13 no later than fourteen (14) days after Defendant transfers the GSA to the
14 Settlement Administrator. The Settlement Administrator shall issue an IRS
15 Form 1099 to Plaintiff for his incentive payment. Plaintiff shall be solely and
16 legally responsible to pay any and all applicable taxes on his incentive payment
17 and shall hold harmless Defendant, Plaintiff's Counsel, and Defense Counsel
18 from any claim or liability for taxes, penalties, or interest arising as a result of
19 payment of the incentive payment. Plaintiff's Incentive Payment is in addition
20 to Plaintiff's Individual Settlement Payment. Any amount requested by Plaintiff
21 for an incentive payment and not awarded by the Court shall become part of the
22 Net Settlement Amount.

23 b. **Plaintiff's Counsel Award.** Plaintiff's Counsel will apply to the Court for a
24 Plaintiff's Counsel Award in an amount not to exceed one-third (1/3) of the
25 Gross Settlement Amount, which amounts to Twenty-Five Thousand Dollars
26 and Zero Cents (\$25,000.00), and an award of reasonable costs to Plaintiff's
27 Counsel in an amount not to exceed Five Thousand Dollars and Zero Cents

(\$5,000.00). Subject to the Court's approval, Plaintiff's Counsel shall provide the Settlement Administrator with a properly completed and signed IRS Form W-9 in order for the Settlement Administrator to process the Plaintiff's Counsel Award approved by the Court. In the event that the Court does not approve the entirety of the application for Plaintiff's Counsel Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded by the Court. If the amount awarded is less than the amount requested by Plaintiff's Counsel for Plaintiff's Counsel Award, the difference shall become part of the Net Settlement Amount. Plaintiff's Counsel shall be paid any Court-awarded attorneys' fees and costs no later than fourteen (14) days after Defendant provides the Settlement Administrator with the Gross Settlement Amount. Plaintiff's Counsel shall be solely and legally responsible to pay all applicable taxes on the Plaintiff's Counsel Award. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel for the Plaintiff's Counsel Award.

c. **Settlement Administration Costs.** The Settlement Administration fees and expenses, which are estimated not to exceed Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) shall be paid from the Gross Settlement Amount. The Parties agree to cooperate in the Settlement Administration process and to make all reasonable efforts to control and minimize Settlement Administration Costs.

53. **NSA Disbursement Recipients:** Following the foregoing GSA Disbursements of Court approved attorney's fees and costs, settlement administration expenses, and the Plaintiff's Incentive Payment, the remainder of the GSA shall constitute the Net Settlement Amount ("NSA"). Subject to the Court's approval, the NSA will be allocated as follows:

a. **To the LWDA.** The Settlement Administrator shall pay to the LWDA Seventy-

Five percent (75%) of the NSA.

- b. **To the PAGA Members.** The Settlement Administrator shall pay to the PAGA Members Twenty-Five Percent (25%) of the NSA, according to the Individual Settlement Payment formula set forth in Paragraph 54. The PAGA Members shall not be required to submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the Gross Settlement Amount shall revert to Defendant or result in an unpaid residue.

54. Individual Settlement Payment Calculation. The Settlement Administrator shall calculate each individual Settlement Payment by: (1) dividing the number of Compensable Pay Periods he or she worked for Defendant during the PAGA Period, based on the PAGA Member List provided by Defendant, by the total number of Compensable Pay Periods worked by all PAGA Members during the PAGA Period; and (2) multiplying the result by the amount of the PAGA Fund.

- a. Individual Settlement Payments shall be made by check and shall be made payable to each PAGA Member as set forth in this Agreement.
- b. Individual Settlement Payments shall be allocated one hundred percent (100%) as non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each PAGA Member along with the Individual Settlement Payment.
- c. Individual Settlement Payments shall remain negotiable for one hundred eighty (180) calendar days from the date of mailing. If an individual Settlement Payment check remains uncashed after one hundred eighty (180) days from issuance, the Settlement Administrator shall distribute the value of the uncashed check to the State Controller's Unclaimed Property Fund in the name of the PAGA Member. In such event, such PAGA Member shall nevertheless remain bound by the Settlement.
- d. It is expressly understood and agreed that the receipt of an Individual Settlement

Payments shall not entitle any PAGA Member to additional compensation or benefits under any collective bargaining agreement or under any bonus, contest, or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor shall it entitle any PAGA Member to any increased pension and/or retirement, or other deferred compensation benefits. It is the intent of the Parties that the Individual Settlement Payments provided for in this Agreement are the sole payments to be made to the PAGA Members in connection with this Settlement, with the exception of Plaintiff, and that the PAGA Members are not entitled to any new or additional compensation or benefits as a result of having received an Individual Settlement Payment. Furthermore, the receipt of Individual Settlement Payments by the PAGA Members shall not, and does not, by itself establish any general, special, or joint employment relationship between and among any PAGA Member and Defendant.

55. No Tax or Legal Advice: It is understood and agreed that neither Defendant or Defense Counsel, nor Plaintiff's Counsel are providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that PAGA Members will assume any such tax obligations or consequences that may arise from this Agreement, and that PAGA Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any PAGA Members, such PAGA Member assumes all responsibility for the payment of such taxes. Plaintiff and the PAGA Members should consult with their tax advisors concerning the tax consequences of the Individual Settlement Shares they receive pursuant to this Agreement.

56. Tax Consequences: Defendant makes no representations or warranties with respect to the tax consequences of the payments made under this Agreement. Plaintiff agrees and understands that he is responsible for payment, if any, of local, state, and/or federal taxes on the

1 payment made as consideration herein. Plaintiff further agrees to indemnify and hold Defendant
2 harmless from any claims, demands, deficiencies, penalties, interest, assessments, judgments, or
3 recoveries by any government agency against Defendant for any amounts claimed due on account
4 of (a) Plaintiff's failure to pay or delayed payment of federal or state taxes, or (b) damages
5 sustained by Defendant by reason of any such claims, including attorneys' fees and costs.

6 57. Circular 230 Disclaimer: The Parties acknowledge that (1) no provision of this
7 Agreement, and no written communication or disclosure between or among the Parties, Plaintiff's
8 Counsel, or Defense Counsel and other advisers, is or was intended to be, nor shall any such
9 communications or disclosure constitute or be construed or be relied upon as, tax advice within
10 the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended);
11 (2) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal
12 and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not
13 entered into this Agreement based upon the recommendation of any other party or any attorney or
14 advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by
15 any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the
16 acknowledging party; and (3) no attorney or adviser to any other party has imposed any limitation
17 that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of
18 whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax
19 treatment or tax structure of any transaction, including any transaction contemplated by this
20 Agreement.

21 58. Approval of Settlement: Plaintiff shall be responsible for moving the Court to
22 approve the Settlement and enter the Judgment. The Parties agree to work diligently and
23 cooperatively to have this Settlement presented to the Court for approval, including working
24 cooperatively in good faith to address any questions raised by the Court and making any
25 amendments required by the Court to make any immaterial changes with counsels' signatures.
26 Plaintiff's Counsel will be responsible for drafting the motion for approval of Settlement and all
27 documents necessary to obtain the Court's approval of the Settlement. Defendant agrees that it will

not oppose Plaintiff's motion for approval of the Settlement.

59. Settlement Administration: The Parties agree to select Phoenix Settlement Administrators as the Settlement Administrator. Settlement Administration duties shall include performing a single address follow up on any returned mail, and the calculation, processing, and mailing of all Individual Settlement Payments and tax forms, if required, to the PAGA Members and tax authorities. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement. The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund ("QSF") pursuant to IRS rules and regulations in which the Gross Settlement Amount shall be placed and from which payments by the Settlement shall be made. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

a. Wiring Instructions. As soon as practicable and no later than two (2) business days following the Effective Date, the Settlement Administrator shall provide to Defendant complete wiring instructions for the GSA, including, without limitation, the name of the account, name of the bank, routing number, and bank account number or such other pertinent information which might be required by Defendant in order to effectuate payment in accordance with the terms of the Agreement.

b. PAGA Members List. Within fourteen (14) calendar days of the Effective Date, Defendant shall deliver to the Settlement Administrator the PAGA Members List for purposes of mailing the Notice and Individual Settlement Payments to PAGA Members.

c. Notice by First Class U.S. Mail. Upon receipt of the PAGA Members List, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within fourteen (14) days of receiving the Gross Settlement Amount from Defendant as provided herein, the Settlement Administrator shall mail copies of the Notice and each PAGA Member's respective Individual Settlement Payments, to all

PAGA Members via regular First Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each PAGA Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each PAGA Member. The Parties agree that this procedure for notice provides the best notice practicable to PAGA Members and fully complies with due process.

d. Undeliverable Settlement Payments. Any Individual Settlement Payment returned to the Settlement Administrator as non-deliverable shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to obtain an updated mailing address by the use of skip-tracing within five (5) business days of receiving the returned Individual Settlement Payment. If an updated mailing address is identified, the Settlement Administrator shall promptly resend the Individual Settlement Payment to the PAGA Member whose payment was returned as non-deliverable no later than three (3) business days from when the updated mailing address is obtained.

e. Determination of Individual Settlement Payments. The Settlement Administrator shall determine eligibility for, and the amount of, each Individual Settlement Payment under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of each Individual Settlement Payment shall be binding upon the PAGA Members and the Parties, yet subject to review by Plaintiff's Counsel, Defense Counsel, and the Court. Defendant's records shall be presumed accurate.

f. Disputes Regarding Administration of Settlement. Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement shall be resolved by the Court.

g. Post-Distribution Declaration: Within two hundred (200) calendar days of distributing the GSA, the Settlement Administrator shall provide to the Parties, for filing with the Court, a declaration verifying, under oath, that the Settlement Administrator has made

disbursement of the GSA pursuant to the terms of this Agreement and the Court's PAGA Settlement Approval Order. In this declaration, the Settlement Administrator shall also provide an explanation of efforts to resend Notice Returns, a summary of claims paid, how many and the total amount of settlement checks that went uncashed, how many and the amounts that were undeliverable, and when the uncashed settlement funds were sent to the State Controller.

h. Monitoring and Reviewing Settlement Administration. The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in the correct amount, as provided for in this Agreement.

60. Best Efforts: The Parties agree to use their best efforts to carry out the terms of this Settlement.

61. Escalator Clause. The Gross Settlement Amount is based on Defendant's representation that the PAGA Members worked a total of approximately 1,512 Compensable Pay Periods from February 2, 2022, to June 3, 2024. Should the Compensable Pay Periods worked by the PAGA Members during the PAGA Period ultimately increase by more than 10% (i.e., by more than 152 Pay Periods), Defendant shall increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Pay Periods worked by the PAGA Members above 10%. For example, if the number of Compensable Pay periods increases by 11% to Compensable Pay Periods, the Gross Settlement Amount will increase by 1%.

62. Approval Hearing and Entry of Judgment: An Approval Hearing shall be conducted to determine whether to grant approval of the Settlement, including determining the amounts properly payable for: (i) the Plaintiff's Counsel Award; and (ii) the Plaintiff's Incentive Payment.

63. Disputes: Should there be any dispute between the parties as to the remaining terms of the Settlement after the parties have exhausted all efforts to meet and confer in good faith about any such dispute, the Parties shall submit the dispute to the Court for its assistance in resolving the dispute.

64. Nullification of Settlement: If the Court fails to approve this Settlement for any

reason, the Parties agree to meet and confer in good faith to exhaust all efforts to obtain approval of this Settlement from the Court. If the Court ultimately fails to approve this Settlement and all meet-and-confer efforts between the Parties have been exhausted, this Agreement shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning, and this Agreement and any documents related to it shall not be used in any other civil, criminal, or administrative action against Defendant or any of the other Released Parties. In the event an appeal is filed from the Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review.

65. Adequacy of Consideration: The Parties agree that the consideration described herein constitutes adequate consideration for the Settlement and releases described herein.

66. No Publicity: The Parties and counsel agree that no Party or his/its counsel shall issue any press release to the news media, or communicate in any way with any news media, concerning the Settlement or the litigation.

67. No Admission by Defendant: Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to this litigation and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, denied it has failed to comply with the law in any respect, and denies it has any liability to anyone under the claims asserted in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing.

68. Exhibits and Headings: The terms of this Agreement include the terms set forth in any attached Exhibit(s), which are incorporated by this reference as though fully set forth herein. The Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only.

69. Amendment or Modification: This Agreement may be amended or modified only

by a written instrument signed by counsel for all Parties or their successors-in-interest.

70. Entire Agreement: This Agreement and any attached Exhibits constitute the entire Agreement between the Parties, and no oral or written representations, warranties, or inducements have been made to Plaintiff or Defendant concerning this Agreement or its Exhibits other than the representations, warranties, and covenants contained and memorialized in this Agreement and its Exhibits. No other prior or contemporaneous written oral agreements may be deemed binding on the Parties, except for the Severance Agreement executed by Defendant and Plaintiff.

71. Authorization to Enter into Settlement Agreement: Plaintiff's Counsel and Defense Counsel warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties, Plaintiff's Counsel, and Defense Counsel shall cooperate with each other and use their best efforts to effectuate the implementation of the Settlement. In the event that the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The individuals signing this Agreement on behalf of Defendant represent and warrant that they are authorized to sign on behalf of Defendant. Plaintiff represents and warrants that he is authorized to sign this Agreement and that he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party. Plaintiff acknowledges that he has read this Agreement, that he fully understands his rights, privileges, and duties under the Agreement, and enters this Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Agreement and the consequences of signing this Agreement. Additionally, the Parties have cooperated in the drafting and preparation of this Agreement. Hence, in any construction made of this Agreement, the same shall not be construed against any of the Parties.

72. Fees and Costs: The Parties shall each bear their own costs, attorneys' fees, and

other fees incurred in connection with this Agreement and in connection with the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

73. Binding on Successors and Assigns: This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

74. California Law Governs: All terms of this Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California, without giving effect to any law that would cause the laws of any jurisdiction other than the State of California to be applied.

75. Counterparts: This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

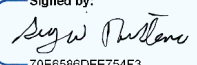
76. Jurisdiction of the Court: Following entry of the Judgment, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties, Plaintiff's Counsel, and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

77. Invalidity of Any Provision: Before declaring any term or provision of this Agreement invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement as valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

Dated: 9/18/2024 _____

PLAINTIFF

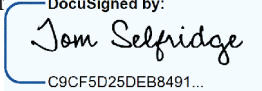
By: _____

Signed by:

70E6586DDE754F3...
Sergio A. Renteria

Dated: 10/1/2024

DEFENDANT

PAPA MOUNT EXPORT COMPANY

By:  _____

Name: Tom Selfridge

Title: CEO/President

EXHIBIT 1

Phoenix Settlement Administrators

Email Address: Notice@phoenixclassaction.com

Mailing Address: P.O. Box 7208, Orange, California 92863

Telephone: 800-523-5773

Fax Number: 949-209-2503

COURT APPROVED NOTICE OF PAGA SETTLEMENT

Renteria v. Paramount Export Company
Superior Court of the State of California for the County of Alameda
Case No. 23CV028255

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being
sued.***

[Name]

[Address Line 1]

[Address Line 2]

Dear [Name]:

You are receiving this Notice because you are eligible to receive money as a result of a court-approved settlement in the above-referenced action (the "Lawsuit").

What Is This Lawsuit About?

In the Lawsuit, Plaintiff Sergio Renteria ("Plaintiff") asserted claims for civil penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698 *et seq.* ("PAGA") against Defendant Paramount Export Company ("Defendant"), on behalf of himself and other current and former hourly, non-exempt employees that worked for Defendant during the period of February 22, 2022, through and including June 3, 2024 (the "PAGA Period").

Defendant strongly denies Plaintiff's claims in their entirety and denies that it owes any civil penalties. Defendant contends it provided all meal and rest breaks in compliance with the law, paid all wages and overtime due and owing, provided accurate and itemized wage statements, maintained accurate payroll records, and paid all wages due upon the termination or resignation of any employee.

To avoid further time and expense in litigation, Defendant and Plaintiff have agreed to settle the case. The settlement resolves and releases all the claims that were asserted and could have been asserted in the Lawsuit on behalf of all employees who worked in California for Defendant any time during the period from February 22, 2022 through and including June 3, 2024 ("PAGA Members").

What Are The Terms Of The Settlement?

Plaintiff and Defendant reached a settlement of \$75,000.00, which was reviewed and approved by the Court. Portions of the settlement amount goes to the State of California's Labor and Workforce Development Agency and Plaintiff's counsel. The remaining settlement amount goes to the PAGA Members. Defendant's records show that you are a PAGA Member, and are entitled to a pro rata share of the settlement based on the number of pay periods you worked during the PAGA Period.

By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or legal claims in the Lawsuit. The Court has not decided whether Plaintiff's claims or Defendant's defenses to those claims, 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 is fair, adequate, and reasonable.

As a result of this Settlement, you, Plaintiff and the State of California shall release Defendant together with its officers, directors, employees, and agents from all claims for penalties and attorneys' fees and costs recoverable under PAGA which Plaintiff, PAGA Members, and/or the LWDA had, or may claim to have, against Released Parties, based on the facts alleged in the Complaint or the PAGA Notice, including penalties arising from the following claims: unpaid straight and overtime wages (including any work off-the-clock and non-productive time); failure to pay employees all minimum wages and overtime wages; failure to provide compliant meal and rest breaks; failure to pay all premium wages owed for short, late or missed meal and rest periods; failure to pay all wages owed at discharge or resignation; failure to timely pay wages within the times permissible under Labor Code section 204; failure to provide complete and accurate wage statements; failure to keep complete and accurate payroll records; and violations of Labor Code sections 201, 202, 203, 204, 210, 226(a), 226.2, 226.3, 226.7, 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, and 2698, *et seq.*, that arose between February 22, 2022, and June 3, 2024. This means you cannot file a suit against Defendant for claims arising under PAGA during this period. It does not affect your right to bring an individual lawsuit or mean you have released any individual claims.

What Should I Do Now?

Enclosed with this Notice is your settlement check in the amount of: \$ [REDACTED]. You may immediately deposit your enclosed settlement check and need not take any further action. Your settlement amount represents penalties and will be reported on an IRS Form 1099.

The settlement check shall remain valid for one hundred eighty (180) days. Checks remaining un-cashed for more than 180 days after issuance will be tendered to the California Department of Unclaimed Property within fourteen (14) calendar days from the date on which the checks become void.

Who Are The Attorneys For Plaintiff?

Protection Law Group, LLP
149 Sheldon Street
El Segundo, CA 90245
Phone: (424) 290-3095

amir@protectionlawgroup.com
luke@protectionlawgroup.com

How Can I Get More Information?

The pleadings and other records in this litigation may be examined online on the Alameda County Superior Court's website, known as "eCourt Public Portal," at <https://portal.alameda.courts.ca.gov>. After arriving at the website, click the "Search" tab at the top of the page, then select the Document Downloads link, enter the case number and click "Submit." Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

You can also telephone or send an email to the Settlement Administrator using the following contact information:

Phoenix Settlement Administrators

Email Address: Notice@phoenixclassaction.com

Mailing Address: P.O. Box 7208, Orange, California 92863

Telephone: 800-523-5773

Fax Number: 949-209-2503

**PLEASE DO NOT TELEPHONE THE COURT, DEFENDANT, OR DEFENDANT'S COUNSEL
REGARDING THIS NOTICE. THE COURT IS NOT ABLE TO PROVIDE ANY
INFORMATION OR ADVICE REGARDING THIS NOTICE.**