

1 **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This Joint Stipulation of Class Action and PAGA Settlement (“Agreement,” “Settlement,”
3 or “Settlement Agreement”) is made by and between Plaintiffs Julian Arreola Lopez, Michael
4 Parris, Johnny Ruiz, and Michelle Lopez (“Plaintiffs”), on their own behalf and on behalf of all
5 members of the Settlement Class and all Aggrieved Employees, as defined below, on the one hand,
6 and Defendants Bonnie Plants, Inc. and Bonnie Plants, LLC (“Defendants”) on the other hand
7 (Plaintiffs and Defendants are collectively referred to as the “Parties”), in the lawsuits entitled
8 *Julian Arreola Lopez, et al. v. Bonnie Plants, Inc.*, filed in Santa Cruz County Superior Court, Case
9 No. 22CV02758 (the “Class Action”) and *Michelle Lopez v. Bonnie Plants, LLC*, filed in Imperial
10 County Superior Court, Case No. ECU003144 (the “PAGA Action”) (collectively, the Class Action
11 and PAGA Action are referred to herein as the “Litigation”). This Settlement resolves all claims
12 that were asserted or could have been asserted against Defendants pertaining to the claims in the
13 Litigation.

14 **I. DEFINITIONS**

15 **A. “Administration Costs”** means all administrative costs of the Settlement, including
16 costs of notice to the Class, settlement administration, and any fees and costs incurred or charged
17 by the Settlement Administrator in connection with the execution of its duties under this Settlement.

18 **B. “Aggrieved Employees”** means all current and former hourly-paid or non-exempt
19 employees, and employees in sales and driver positions who worked for any of the Defendants
20 within the State of California at any time during the PAGA Period.

21 **C. “Attorneys’ Fees”** means all past and future attorneys’ fees necessary to prosecute,
22 settle, and administer the Litigation and this Settlement, which shall be paid from the Gross
23 Settlement Amount.

24 **D. “Class Counsel” or “Plaintiffs’ Counsel”** means Edwin Aiwazian, Arby Aiwazian,
25 and Joanna Ghosh of Lawyers *for* Justice, PC, Jill J. Parker and S. Emi Minne of Parker & Minne,
26 LLP, and Daniel F. Gaines and Alex P. Katofsky of Gaines & Gaines, APLC.

27 **E. “Class Members”** means all current and former hourly-paid or non-exempt
28 employees, and employees in sales and driver positions who worked for any of the Defendants

1 within the State of California at any time during the Class Period (collectively referred to as the
2 “Class”).

3 **F. “Class Period”** means the period from December 15, 2018 through March 12, 2024.

4 **G. “Class Settlement”** means the settlement and release of Released Class Claims as
5 defined in Section VII(A), below.

6 **H. “Court”** means the Superior Court of the State of California for the County of Santa
7 Cruz.

8 **I. “Effective Date”** means: the later of: (a) if no timely objections are filed or if all
9 objections are withdrawn, the date upon which the Court enters the Final Approval Order and a
10 Judgment; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such
11 appeal being filed; (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of
12 any such appeal in a way that does not alter the terms of the Settlement.

13 **J. “Enhancement Award”** means payment to the Plaintiffs for their services and
14 efforts on behalf of the Class Members and Aggrieved Employees in this Litigation.

15 **K. “Final Approval Order”** as used herein means the final formal judgment entered
16 by the Court granting final approval of this Agreement.

17 **L. “Gross Settlement Amount”** means the sum of Two Million Three Hundred
18 Thousand Dollars and Zero Cents (\$2,300,000.00), which shall be paid by Defendants, and from
19 which all Individual Settlement Payments pursuant to Section XII, Court-approved Attorneys’ Fees
20 and Litigation Costs pursuant to Section XIV, Administration Costs pursuant to Section IX,
21 Enhancement Awards pursuant to Section XV, and PAGA Penalties pursuant to Section XVII shall
22 be made, except as provided herein.

23 **M. “Individual PAGA Payments”** means payments made to the Aggrieved
24 Employees from the Employee PAGA Amount that Aggrieved Employees are eligible to receive
25 under the PAGA Settlement.

26 **N. “Individual Settlement Payments”** means payments made to the Participating
27 Class Members from the Net Settlement Amount as part of the Settlement.

1 **O. “Litigation Costs”** means all past and future litigation costs and expenses necessary
2 to prosecute, settle, and administer the Litigation and the Settlement, which shall be paid from the
3 Gross Settlement Amount.

4 **P. “Net Settlement Amount”** means the Gross Settlement Amount minus any Court-
5 approved award of Attorneys’ Fees to Class Counsel, Litigation Costs to Class Counsel,
6 Administration Costs to the Settlement Administrator, Enhancement Awards to Plaintiffs, and
7 PAGA Penalties, and as provided in Sections VIII, IX, XIV, XV, and XVII.

8 **Q. “PAGA Penalties”** means the amount of Two Hundred Thousand Dollars and Zero
9 Cents (\$200,000.00) from the Gross Settlement Amount which will be allocated toward penalties
10 under the Private Attorneys General Act, California Labor Code § 2698 et seq., of which seventy-
11 five percent (75%) will be paid to the Labor and Workforce Development Agency (i.e., the “LWDA
12 Payment”), and twenty-five percent (25%) will be distributed to the Aggrieved Employees (i.e., the
13 “Employee PAGA Amount”).

14 **R. “PAGA Period”** means the period from July 21, 2022 through March 12, 2024.

15 **S. “PAGA Settlement”** means the settlement and release of Released PAGA Claims
16 as defined in Section VII(B), below.

17 **T. “Participating Class Members”** means all Class Members who do not submit a
18 timely and valid Request for Exclusion.

19 **U. “Pay Periods”** means the number of pay periods that an Aggrieved Employee
20 worked for Defendants as an hourly-paid or non-exempt employee in California during the PAGA
21 Period (based on the number of pay periods in the Class List that Defendants provide to the
22 Settlement Administrator). Each Aggrieved Employee will be credited with at least one (1) Pay
23 Period. A Pay Period includes any week in which an Aggrieved Employee had a time worked entry
24 in Defendants’ timekeeping system.

25 **V. “Plaintiffs”** means Julian Arreola Lopez, Michael Parris, Johnny Ruiz, and
26 Michelle Lopez.

27 **W. “Request for Exclusion”** means a written statement requesting exclusion from the
28 Class Settlement as provided in Section X(C), and which (1) contains the case name and number

1 of the Litigation, (2) contains the Class Member’s full name, address, telephone number, and last
2 four digits of his or her Social Security number; (3) is signed by the Class Member or his or her
3 authorized representative; (4) contains a clear statement that the Class Member requests to be
4 excluded from the Class Settlement; and (5) is sent to the Settlement Administrator, postmarked no
5 later than the Response Deadline.

6 **X. “Settlement”** means the disposition and agreement to resolve the Litigation.

7 **Y. “Settlement Administrator”** means Phoenix Settlement Administrators
8 (“Phoenix”), the settlement administrator selected by the Parties, and who will be responsible for
9 the administration of the Gross Settlement Amount, as defined below, and all related matters. The
10 Parties each represent that they do not have any financial interest in the Settlement Administrator
11 or otherwise have a relationship with the Settlement Administrator that could create a conflict of
12 interest.

13 **Z. “Workweeks”** means the number of weeks that a Class Member worked for
14 Defendants as an hourly-paid or non-exempt employee in California during the Class Period (based
15 on the number of workweeks in the Class List that Defendants provide to the Settlement
16 Administrator). Each Class Member will be credited with at least one (1) Workweek. A Workweek
17 includes any week in which a Class Member had a time worked entry in Defendants’ timekeeping
18 system.

19 **II. BACKGROUND**

20 **A.** On December 15, 2022, Julian Arreola Lopez, Michael Parris, and Johnny Ruiz filed
21 the Class Action Complaint for Damages (“Class Action Complaint”) in the Santa Cruz County
22 Superior Court. The Class Action Complaint alleges that Bonnie Plants, Inc. violated the following
23 provisions of the California Labor Code with respect to its hourly-paid or non-exempt employees:
24 (1) California Labor Code sections 510 and 1198 (failure to pay overtime); (2) California Labor
25 Code sections 226.7 and 512(a) (failure to provide compliant meal periods and associated
26 premiums); (3) California Labor Code section 226.7 (failure to provide rest periods and associated
27 premiums); (4) California Labor Code sections 1194, 1197, and 1197.1 (failure to pay minimum
28 wages); (5) California Labor Code sections 201-203 (failure to timely pay final wages); (6)

1 California Labor Code section 204 (failure to timely pay wages during employment); (7) California
2 Labor Code section 226(a) (failure to provide accurate wage statements); (8) California Labor Code
3 section 1174(d) (failure to keep requisite payroll records); (9) California Labor Code sections 2800
4 and 2802 (failure to reimburse necessary business expenses); and (10) California Business &
5 Professions Code sections 17200, *et seq.*

6 **B.** On September 7, 2023, Julian Arreola Lopez, Michael Parris, and Johnny Ruiz each
7 sent a letter to the Labor and Workforce Development Agency (“LWDA”), pursuant to California
8 Labor Code section 2699.3, providing notice of their intentions to seek civil penalties under the
9 Private Attorneys General Act, California Labor Code section 2698, *et seq.*, for Defendants’ alleged
10 violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551,
11 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the IWC Wage Orders.

12 **C.** On July 21, 2023, Michelle Lopez sent a letter to the LWDA, pursuant to California
13 Labor Code section 2699.3, providing notice of her intention to seek civil penalties under the
14 Private Attorneys General Act, California Labor Code section 2698, *et seq.*, for Defendants’ alleged
15 violations of California Labor Code sections 201, 202, 204, 210, 226(a), 226.3, 226.7, 510, 512 and
16 558 (collectively, the September 7, 2023 notices sent on behalf of Julian Arreola Lopez, Michael
17 Parris, and Johnny Ruiz and the July 21, 2023 notice sent on behalf of Michelle Lopez are referred
18 to as the “PAGA Notices”).

19 **D.** On September 27, 2023, Michelle Lopez filed the Representative Action Complaint
20 for Penalties Pursuant to Labor Code § 2699(f) for Violations of Labor Code §§ 201, 202, 204,
21 226(a), 226.7, 510, and 512, and Pursuant to Labor Code § 2699(a) for Violations of Labor Code
22 §§ 210, 226.3, and 558 (the “PAGA Complaint”) in the Imperial County Superior Court, alleging
23 a single representative cause of action under PAGA action against Bonnie Plants, LLC.

24 **E.** In order to facilitate a global settlement of the Class Action and the PAGA Action,
25 the Parties have agreed to allow Plaintiffs to file a first amended complaint in the Class Action
26 adding an additional representative cause of action seeking civil penalties pursuant to PAGA,
27 adding Michelle Lopez as a named plaintiff, and adding Bonnie Plants, LLC as a named defendant
28 (the “First Amended Complaint”). A stipulation and proposed order reflecting the Parties’

1 agreement regarding the filing of the First Amended Complaint shall be filed with the Court on or
2 before the date Plaintiffs file their Motion for Preliminary Approval. Michelle Lopez shall dismiss
3 the PAGA Action without prejudice within 30 days of the filing of the First Amended Complaint
4 in the Class Action.

5 **F.** Class Counsel conducted extensive investigation, discovery, review and analysis of
6 data and documents, and evaluation concerning the claims set forth in the Litigation.

7 **G.** Plaintiffs and Class Counsel have engaged in good faith, arms-length negotiations
8 with Defendants concerning possible settlement of the claims asserted in the Litigation. These
9 good faith, arms-length negotiations resulted in settlement of the Litigation and are memorialized
10 in this Settlement Agreement after extensive negotiations about the terms and conditions of the
11 Settlement.

12 **H.** Class Counsel has conducted an investigation of the law and facts relating to the
13 claims asserted in the Litigation and has concluded, taking into account the sharply contested issues
14 involved, the defenses asserted by Defendants, the expense and time necessary to pursue the
15 Litigation through trial and any appeals, the risks and costs of further prosecution of the Litigation,
16 the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits
17 to be received by Plaintiffs, the Class Members, the Aggrieved Employees, and the State of
18 California pursuant to this Agreement, that a settlement with Defendants on the terms and
19 conditions set forth herein is fair, reasonable, adequate, and in the best interests of the Class, the
20 Aggrieved Employees, and the State of California. Plaintiffs, on their own behalf, on behalf of the
21 Class, and as private attorney generals on behalf of the State of California with respect to Aggrieved
22 Employees, have agreed to settle the Litigation with Defendants on the terms set forth herein.

23 **I.** Defendants have concluded that, because of the substantial expense of defending
24 against the Litigation, the length of time necessary to resolve the issues presented herein, the
25 inconvenience involved, and the concomitant disruption to its business operations, it is in
26 Defendants' best interest to accept the terms of this Agreement. Defendants deny each of the
27 allegations and claims asserted against it in the Litigation. However, Defendants nevertheless
28 desire to settle the Litigation for the purpose of avoiding the burden, expense and uncertainty of

1 continuing litigation and for the purpose of putting to rest the controversies engendered by the
2 Litigation.

3 **J.** This Agreement is intended to and does effectuate the full, final, and complete
4 settlement of the allegations and claims set forth in Section II(A)-(D).

5 **III. JURISDICTION**

6 The Court has jurisdiction over the Parties and the subject matter of this Litigation. The
7 Litigation includes claims that, while Defendants deny them in their entirety, would, if proven,
8 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
9 final approval of the Settlement and after the Court has ordered the entry of judgment, pursuant to
10 California Code of Civil Procedure Section 664.6, the Court shall retain jurisdiction of the
11 Litigation solely for the purpose of interpreting, implementing, and enforcing this Settlement
12 consistent with the terms set forth herein.

13 **IV. STIPULATION OF CLASS CERTIFICATION**

14 **A.** The Parties stipulate to the certification of the Class for purposes of settlement only.
15 This stipulation is contingent upon the preliminary and final approval and certification of the Class
16 only for purposes of settlement. Should the Settlement not become final, for whatever reason, the
17 fact that the Parties were willing to stipulate provisionally to class certification as part of the
18 Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of
19 whether a class should be certified in a non-settlement context in the Litigation. Defendants
20 expressly reserve the right to oppose class certification should this Settlement be modified or
21 reversed on appeal or otherwise not become final.

22 **B.** The Parties agree that class certification pursuant to California Code of Civil
23 Procedure Section 382 under the terms of this Agreement is for settlement purposes only. Nothing
24 in this Agreement will be construed as an admission or acknowledgement of any kind that any class
25 should be certified or given collective treatment in the Litigation or in any other action or
26 proceeding. Further, neither this Agreement nor the Court's actions with regard to this Agreement
27 will be admissible in any court or other tribunal regarding the propriety of class certification or
28 collective treatment. In the event that this Agreement is not approved by the Court or any appellate

1 court, is terminated, or otherwise fails to be enforceable, Plaintiffs will not be deemed to have
2 waived, limited, or affected in any way any claims, rights, or remedies in the Litigation, and
3 Defendants will not be deemed to have waived, limited, or affected in any way any of its objections
4 or defenses in the Litigation.

5 **V. MOTION FOR PRELIMINARY APPROVAL**

6 **A.** Plaintiffs will bring a motion before the Court for an order preliminarily approving
7 the Settlement including the Notice of Class Action Settlement (“Class Notice”), which is attached
8 hereto as “**Exhibit A**,” and including certification of the Class for settlement purposes only.

9 **B.** The date that the Court enters an order granting preliminary approval of the
10 Settlement will be the “Preliminary Approval Date.”

11 **C.** Class Counsel will prepare the motion for preliminary approval of the Settlement.
12 Defendants agree that they will not oppose Plaintiffs’ Motion for Preliminary Approval as long as
13 it is in conformity with this Agreement, nor shall they seek to delay the hearing on this motion for
14 more than thirty (30) days from the date obtained by Plaintiffs.

15 **VI. STATEMENT OF NO ADMISSION**

16 **A.** Defendants deny liability for any claim or cause of action asserted in the Class
17 Action, the PAGA Notices, and the PAGA Action. This Agreement does not constitute, and is not
18 intended to constitute, an admission by Defendants as to the merits, validity, or accuracy of any of
19 the allegations or claims made against them in the Class Action, the PAGA Notices, or the PAGA
20 Action.

21 **B.** Nothing in this Agreement, nor any action taken in implementation thereof, nor any
22 statements, discussions or communications, nor any materials prepared, exchanged, issued or used
23 during the course of the negotiations leading to this Agreement or the Settlement, is intended by
24 the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be
25 admissible in any way in this case or any other judicial, arbitral, administrative, investigative or
26 other forum or proceeding as evidence of any violation of any federal, state, or local law, statute,
27 ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The
28 Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in

1 this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding,
2 as purported evidence of any violation of any federal, state, or local law, statute, ordinance,
3 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
4 purpose. Notwithstanding the foregoing, this Agreement may be used and filed in any proceeding
5 before the Court that has as its purpose the interpretation, implementation, or enforcement of this
6 Agreement or any orders or judgments of the Court entered in connection with implementation of
7 this Agreement and/or the Settlement.

8 C. None of the documents produced or created by Plaintiffs or the Class in connection
9 with settlement procedures constitute, and they are not intended to constitute, an admission by
10 either Plaintiffs or Defendants regarding whether or not any violation of any federal, state, or local
11 law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in
12 equity has occurred.

13 **VII. WAIVER, RELEASE, AND CONFIDENTIALITY**

14 **A. Release As to All Participating Class Members.**

15 Upon the Effective Date and the full funding of the Gross Settlement Amount, Plaintiffs
16 and all Participating Class Members waive, release, and discharge Defendants, and their past,
17 present and/or future, direct and/or indirect, officers, directors, members, managers, employees,
18 agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent
19 companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers
20 (collectively, “Released Parties”) of any and all claims that were alleged in or which could have
21 been alleged in the First Amended Complaint based on the factual allegations in the First Amended
22 Complaint, arising during the Class Period during employment in an hourly-paid or non-exempt,
23 and/or sales or driver position in California, including the following claims, under any legal theory
24 of liability, for violations of California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6,
25 221, 226, 226.3, 226.7, 510, 512, 551, 552, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1,
26 1198, 1199, 2800, and 2802, and the IWC Wage Orders, which includes (1) alleged failure to pay
27 overtime wages; (2) alleged failure to provide meal periods; (3) alleged failure to provide rest
28 periods; (4) alleged failure to pay all minimum wages owed; (5) alleged failure to pay all wages

1 owed at termination; (6) alleged failure to pay all wages in a timely manner during employment;
2 (7) alleged failure to furnish accurate itemized wage statements; (8) alleged failure to maintain
3 adequate payroll records; (9) alleged failure to reimburse all necessary business expenses; and (10)
4 alleged violations of California Business & Professions Code sections 17200, *et seq.* related to any
5 of the above-referenced claims (collectively, “Released Class Claims”).

6 **B. Release as to State of California and Aggrieved Employees.**

7 Upon the Effective Date and the full funding of the Gross Settlement Amount, Plaintiffs,
8 the State of California, and the Aggrieved Employees waive, release, and discharge Released
9 Parties of any and all claims, actions, and causes of action for civil penalties under the Private
10 Attorneys General Act, California Labor Code section 2698, *et seq.*, arising during the PAGA
11 Period during employment in an hourly-paid or non-exempt, and/or sales or driver position in
12 California based on the factual allegations and legal theories in the PAGA Notices and First
13 Amended Complaint, for alleged violations of California Labor Code sections 201, 202, 203, 204,
14 210, 218.5, 218.6, 221, 226(a), 226.3, 226.7, 510, 512(a), 551, 552, 558, 1174, 1174.5, 1174(d),
15 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800 and 2802 and the applicable Industrial Welfare
16 Commission Wage Orders (collectively, “Released PAGA Claims”).

17 **C. General Release by Julian Arreola Lopez, Michael Parris, and Johnny Ruiz**
18 **Only.**

19 In addition to the releases made in Section VII(A)-(B), Julian Arreola Lopez, Michael
20 Parris, and Johnny Ruiz make the additional following general release of all claims, known or
21 unknown. Julian Arreola Lopez, Michael Parris, and Johnny Ruiz each release the Released Parties
22 from all claims, demands, rights, liabilities and causes of action of every nature and description
23 whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract,
24 or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in
25 connection with their respective relationships with Defendants as well as any and all acts or
26 omissions by or on the part of Defendants, excluding only claims that, by law, may not be privately
27 released. (The release set forth in this Section VII(C) shall be referred to hereinafter as the “General
28 Release.”)

1 With respect to the General Release, Julian Arreola Lopez, Michael Parris, and Johnny Ruiz
2 stipulate and agree that, upon the Effective Date, they shall be deemed to have expressly waived
3 and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section
4 1542 of the California Civil Code, or any other similar provision under federal or state law, which
5 provides:

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

12 This release specifically excludes claims for unemployment insurance, disability, social
13 security, and workers compensation (with the exception of claims arising pursuant to California
14 Labor Code Sections 132(a) and 4553). Accordingly, if the facts relating in any manner to this
15 Settlement are found hereafter to be other than or different from the facts now believed to be true,
16 the release of claims contained herein shall be effective as to all unknown claims.

17 **VIII. MONETARY CONSIDERATION FOR SETTLEMENT**

18 **A. Consideration for This Agreement.**

19 As consideration for this Agreement, Defendants will make a payment that totals the Gross
20 Settlement Amount of \$2,300,000.00. The payment of the Gross Settlement Amount represents
21 full and complete settlement of this matter. The Gross Settlement Amount includes all Attorneys'
22 Fees and Litigation Costs, Settlement Administration Costs, Enhancement Awards to Plaintiffs,
23 and PAGA Penalties. The balance of the Gross Settlement Amount, after deduction of Attorneys'
24 Fees and Litigation Costs, Settlement Administration Costs, Enhancement Awards to Plaintiffs,
25 and PAGA Penalties, will be the Net Settlement Amount. Defendants' employer payroll taxes and
26 contributions in connection with the wages portion of the Settlement ("Employer Taxes") shall be
27 paid separately and in addition to the Gross Settlement Amount.

28 **B. Potential Increase to the Settlement Amount.**

Defendants represented that the Class Members worked a total of 49,352 Workweeks during
the period from December 15, 2018 through January 11, 2024. If the number of workweeks during

1 the Class Period is actually more than 10% higher than 49,352 Workweeks, i.e., there are more than
2 54,287 Workweeks for the referenced time period (“Workweeks Threshold”), Defendants shall
3 have the option to: (1) increase the Gross Settlement Amount on a *pro rata* basis to the extent the
4 Workweeks Threshold is exceeded, or (2) modify the end date of the Class Period to a date before
5 the Workweeks Threshold is exceeded. For example, if the Workweeks for the referenced time
6 period exceed the Workweeks Threshold by 1%, then Defendants shall chose to either increase the
7 Gross Settlement Amount by 1% or shorten the end date of the Class Period so that the Workweeks
8 do not exceed the Workweeks Threshold.

9 **IX. SETTLEMENT ADMINISTRATOR**

10 Plaintiffs and Defendants, through their respective counsel, have selected Phoenix
11 Settlement Administrators as the Settlement Administrator to administer the Settlement, which
12 includes but is not limited to, translating the Class Notice from English to Spanish, distributing and
13 responding to inquiries about the Class Notice, determining the timeliness, validity, and/or
14 completion of any objections, Requests for Exclusion, and/or Workweeks Disputes, and calculating
15 all amounts to be paid from the Net Settlement Amount. Charges and expenses of the Settlement
16 Administrator, estimated to be no more than \$15,000.00, will be paid from the Gross Settlement
17 Amount. Any charges and expenses of the Settlement Administrator greater than the allocated
18 \$15,000.00 will be paid from the Gross Settlement Amount. If the actual Administration Costs
19 awarded are less than the amount provided herein, the difference will be part of the Net Settlement
20 Amount. The Parties agree that this Agreement may be provided to the Settlement Administrator
21 to effectuate its implementation of the settlement procedures herein.

22 **X. NOTICE, OBJECTIONS, AND EXCLUSION RIGHTS**

23 **A. Notice to the Class.**

24 Plaintiffs and Defendants, through their respective attorneys, have jointly prepared the Class
25 Notice, which in substance will be provided to the Class Members as follows:

26 1. As soon as practicable following preliminary approval of the Settlement, but
27 no later than fourteen (14) calendar days after the Preliminary Approval Date, Defendants will
28 provide to the Settlement Administrator the following information for each Class Member: (1) full

1 name; (2) last known address; (3) last known telephone number; (4) Social Security number; (5)
2 start and end dates of active employment as a non-exempt employee of Defendants in the State of
3 California; (6) total Workweeks during the Class Period; (7) total Pay Periods during the PAGA
4 Period; and (8) any other information required by the Settlement Administrator in order to
5 effectuate the terms of the Settlement (collectively, the “Class List”). Defendants further agree to
6 consult with the Settlement Administrator prior to the production date to ensure that the format will
7 be acceptable to the Settlement Administrator.

8 **2.** The Settlement Administrator shall run all the addresses provided through
9 the United States Postal Service NCOA database (which provides updated addresses for any
10 individual who has moved in the previous four years who has notified the U.S. Postal Service of a
11 forwarding address) to obtain current address information, and shall mail the Class Notice to the
12 Class Members via first-class U.S. Mail using the most current mailing address information
13 available, within seven (7) calendar days of the receipt of the Class List from Defendants.

14 **3.** The Class Notice will include information regarding the nature of the
15 Litigation; a summary of the terms of the Settlement; the definition of the Class; a statement that
16 the Court has preliminarily approved the Settlement; the nature and scope of the claims being
17 released; the procedure and time period for objecting to the Class Settlement, the date and location
18 of the Final Approval Hearing; information regarding the procedure for opting out of the Class
19 Settlement; the number of Workweeks credited to each Class Member and the procedure for
20 disputing the number of Workweeks credited; and the estimated Individual Settlement Payment for
21 each Class Member.

22 **4.** If a Class Notice is returned as undeliverable within thirty (30) calendar days
23 after the initial mailing, the Settlement Administrator will perform a skip trace in an attempt to
24 locate a more current address within three (3) business days of receipt of the returned mail. If the
25 Settlement Administrator is successful in locating an updated address, it will re-mail the Class
26 Notice to the Class Member as soon as possible. Further, any Class Notices returned with a
27 forwarding address to the Settlement Administrator before the Response Deadline shall be re-
28 mailed to the forwarding address affixed thereto.

1 5. Class Members will be given sixty (60) calendar days after the Class Notice
2 is initially mailed to the Class Members, to submit Workweeks Disputes, Requests for Exclusion,
3 and/or written objections (“Response Deadline”). With respect to any Class Notice that is re-
4 mailed, the Response Deadline for the Class Member whose Class Notice is re-mailed will be
5 extended an additional fifteen (15) calendar days from the original Response Deadline.

6 6. No later than twenty-five (25) calendar days before the Final Approval
7 Hearing, the Settlement Administrator shall provide counsel for Defendants and Class Counsel with
8 a declaration attesting to the completion of the settlement notice administration process, including
9 the number of attempts to obtain valid mailing addresses for and re-sending of any returned Notices,
10 as well as the number of Workweeks Disputes, Requests for Exclusion, and objections received.

11 **B. Objections.**

12 Class Members who do not submit a Request for Exclusion may object to the Class
13 Settlement. To object to the Class Settlement, a Participating Class Member may send a written
14 objection to the Settlement Administrator or appear at the Final Approval Hearing with or without
15 submitting a written objection to the Class Settlement. The Participating Class Member may appear
16 personally or through an attorney, at his or her own expense, at the Final Approval Hearing to
17 present his or her objection directly to the Court. However, any attorney who will represent an
18 objector must file a notice of appearance with the Court and serve Class Counsel and Defendants’
19 counsel no later than the Response Deadline. A written objection to the Class Settlement must: (1)
20 contain the case name and number of the Litigation; (2) contain the Participating Class Member’s
21 full name, address, telephone number, signature, and last four digits of his or her Social Security
22 number; (3) clearly state the grounds for the objection; (4) state whether the Participating Class
23 Member intends to appear at the Final Approval Hearing; and (5) be mailed to the Settlement
24 Administrator, postmarked no later than the Response Deadline. If a Class Member objects to the
25 Class Settlement, the Class Member will remain a Participating Class Member and if the Court
26 approves this Agreement, the Participating Class Member will be bound by the terms of the Class
27 Settlement in the same way and to the same extent as a Participating Class Member who does not
28 object to the Class Settlement. The date of mailing of the Class Notice to the objecting Participating

1 Class Member shall be conclusively determined according to the records of the Settlement
2 Administrator. The Court retains final authority with respect to the consideration and admissibility
3 of any objections to the Class Settlement from Participating Class Members. The Class Notice
4 shall contain instructions on how to object to the Class Settlement.

5 **C. Opportunity to Be Excluded from the Class Settlement and Defendants' Opt-**
6 **Out Threshold.**

7 1. In order for any Class Member to validly exclude himself or herself from the
8 Class Settlement (i.e., to validly opt out of the Class Settlement), a Request for Exclusion must: (1)
9 contain the case name and number of the Litigation; (2) contain the Class Member's full name,
10 address, telephone number, and last four digits of his or her Social Security number; (3) be signed
11 by the Class Member or his or her authorized representative; (4) contain a clear statement that the
12 Class Member requests to be excluded from the Class Settlement; and (5) be sent to the Settlement
13 Administrator, postmarked no later than the Response Deadline. The Class Notice shall contain
14 instructions on how to opt out.

15 2. The date of the initial mailing of the Class Notice, and the date the signed
16 Request for Exclusion was postmarked, shall be conclusively determined according to the records
17 of the Settlement Administrator. Any Class Member who timely and validly submits a Request for
18 Exclusion will not be entitled to an Individual Settlement Payment, will not be bound by the Class
19 Settlement, and will not have any right to object, appeal, or comment thereon.

20 3. Any Class Member who does not submit a timely and valid Request for
21 Exclusion to the Settlement Administrator will be deemed bound by the Class Settlement in
22 accordance with this Settlement. All Aggrieved Employees shall be bound by the PAGA Settlement
23 regardless of their decision to participate in the Class Settlement.

24 4. In the event that more than five percent (5%) of the Class Members exercise
25 their right to exclude themselves and opt out of the Class Settlement, Defendants retain the
26 exclusive right, but not the obligation, to withdraw from and terminate the Settlement and return
27 all Parties back to their same position before the Settlement was reached and the Settlement
28 Agreement was entered into. In the event that Defendants exercise such rights under this Section,

1 Plaintiffs and Defendants shall resume the Litigation. Defendants must notify Class Counsel and
2 the Court in writing of such a decision to withdraw and terminate the Settlement no later than five
3 (5) business days after receiving written notice from the Settlement Administrator that the number
4 of opt outs exceeds 5% of the Class. In the event of Defendants' withdrawal, no Party may use the
5 fact that the Parties agreed to the Settlement for any reason, and Defendants shall pay all
6 administration expenses incurred through the date of its termination of the Settlement.

7 **D. Cooperation.**

8 The Parties and their respective counsel agree not to encourage members of the Class to opt
9 out of the Class Settlement or to object to the Class Settlement, directly or indirectly, through any
10 means. However, if a Class Member contacts Class Counsel, Class Counsel may discuss the terms
11 of the Settlement and the Class Member's options with respect to the Settlement.

12 **XI. WORKWEEKS DISPUTE PROCEDURE**

13 **A.** If a Participating Class Member and/or Aggrieved Employee disputes the number
14 of Workweeks credited to him or her for the Class Period and/or Pay Periods credited to them
15 during the PAGA Period, which will be set forth in the Class Notice, he or she must submit a written
16 dispute ("Workweeks Dispute") that: (1) contains the case name and number of the Litigation; (2)
17 contains the Participating Class Member and/or Aggrieved Employee's full name, address,
18 telephone number, signature, and last four digits of his or her Social Security number; (3) contains
19 a statement setting forth the number of Workweeks during the Class Period and/or Pay Periods
20 during the PAGA Period that he or she contends is correct and attaches any relevant documentation
21 in support thereof; and (4) is submitted to the Settlement Administrator by mail, postmarked no
22 later than the Response Deadline. If a Participating Class Member and/or Aggrieved Employee
23 does not dispute his or her number of Workweeks or Pay Periods, the number of Workweeks and
24 Pay Periods set forth in the Class Notice will govern the Individual Settlement Payment to the
25 Participating Class Member and/or the Individual PAGA Payment to the Aggrieved Employee, and
26 such individual need not take further action to participate in the Settlement.

27 **B.** Upon timely receipt of any such challenge, the Settlement Administrator, in
28 consultation with Class Counsel and counsel for Defendants, will review the pertinent records

1 showing the dates the Participating Class Member and/or Aggrieved Employee worked for
2 Defendants in California and the number of Workweeks and Pay Periods worked, which records
3 Defendants agree to make available to the Settlement Administrator.

4 C. After consulting with Class Counsel and counsel for Defendants, the Settlement
5 Administrator shall compute the number of Workweeks and/or Pay Periods to be used in computing
6 the Participating Class Member's *pro rata* share of the Net Settlement Amount and the Aggrieved
7 Employee's *pro rata* share of the Employee PAGA Amount. In the event that there is a disparity
8 between the number of Workweeks a Participating Class Member claims he or she worked during
9 the Class Period and/or the number of Pay Periods an Aggrieved Employee claims he or she worked
10 during the PAGA Period and the number of Workweeks or Pay Periods indicated by Defendants'
11 records, Defendants' records will control unless inconsistent with records provided by the
12 Participating Class Member and/or Aggrieved Employee (or bona fide copies thereof), in which
13 case the records provided by the Participating Class Member and/or Aggrieved Employee will
14 control. The Settlement Administrator's decision as to the number of Workweeks and/or Pay
15 Periods to be credited to a Participating Class Member and/or Aggrieved Employee shall be final
16 and non-appealable. The Settlement Administrator shall send written notice of the decision on any
17 such dispute to the Participating Class Member and/or Aggrieved Employee, to Class Counsel, and
18 counsel for Defendants within ten (10) calendar days of receipt of the Workweeks Dispute.

19 **XII. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

20 **A. Formula for Calculating Individual Settlement Payments.**

21 Participating Class Members will receive a lump sum payment as good and valuable
22 consideration for the waiver and release of Released Class Claims set forth in Section VII(A),
23 above, in an amount determined by the Settlement Administrator in accordance with the provisions
24 of this Agreement. Each Participating Class Member's Individual Settlement Payment will be
25 determined as follows:

26 1. Defendants will calculate the number of Workweeks of each Class Member
27 during the Class Period and include this information in the Class List.
28

1 2. The value of each Workweek shall be determined by the Settlement
2 Administrator by dividing the Net Settlement Amount by the total number of Workweeks of all
3 Participating Class Members (“Class Workweek Value”).

4 3. Each Participating Class Member’s individual Workweeks will be multiplied
5 by the Class Workweek Value to arrive at his or her Individual Settlement Payment. Individual
6 Settlement Payments for each Participating Class Member will be reduced by any required legal
7 deductions for the employee’s share of taxes and withholdings on the wages portion of the
8 Individual Settlement Payments.

9 **B. Formula for Calculating Individual PAGA Payments.**

10 Aggrieved Employees will receive a lump sum payment as good and valuable consideration
11 for the waiver and release of Released PAGA Claims set forth in Section VII(B), above, in an
12 amount determined by the Settlement Administrator in accordance with the provisions of this
13 Agreement. Each Aggrieved Employee’s Individual PAGA Payment will be determined as follows:

14 1. Defendants will calculate the number of Pay Periods of each Aggrieved
15 Employee during the PAGA Period (“PAGA Pay Periods”) and include this information in the Class
16 List.

17 2. The value of each PAGA Pay Period shall be determined by the Settlement
18 Administrator by dividing the Employee PAGA Amount by the total number of PAGA Pay Periods
19 of all Aggrieved Employees (“PAGA Pay Period Value”).

20 3. Each Aggrieved Employee’s individual PAGA Pay Periods will be
21 multiplied by the PAGA Pay Period Value to arrive at his or her Individual PAGA Payment.

22 **C. Funding of Settlement.**

23 Within thirty (30) calendar days of the Effective Date, Defendants will deposit the Gross
24 Settlement Amount and Employer Taxes into an interest-bearing account established by the
25 Settlement Administrator for administration of the Settlement. At no time prior to the Effective
26 Date shall Defendants be required to escrow any portion of the Gross Settlement Amount.

27 **D. Time for Distribution.**

28 1. The Settlement Administrator shall distribute the Court-approved Attorney’s

1 Fees and Litigation Costs to Class Counsel, Court-approved Enhancement Award to Plaintiffs,
2 Court-approved Administration Costs to the Settlement Administrator, LWDA Payment to the
3 LWDA, Individual Settlement Payments to Participating Class Members, and the Individual PAGA
4 Payments to Aggrieved Employees within fourteen (14) calendar days following the full funding
5 of the Settlement.

6 2. If an Individual Settlement Payment and/or Individual PAGA Payment
7 check is returned to the Settlement Administrator as undeliverable within thirty (30) calendar days
8 of the mailing of the check, the Settlement Administrator shall promptly attempt to obtain a valid
9 mailing address by performing a skip trace search and, if another address is identified, shall mail
10 the check to the newly identified address. The Settlement Administrator may, at its discretion,
11 distribute the Individual Settlement Payment and Individual PAGA Payment by way of a single
12 check that combines both payments (if applicable).

13 3. Any checks issued by the Settlement Administrator to Participating Class
14 Members and Aggrieved Employees will be valid and negotiable for one hundred eighty (180) days
15 after issuance, and thereafter, the checks will be cancelled. The funds remaining and associated
16 with cancelled Individual Settlement Payment and/or Individual PAGA Payment checks shall be
17 forwarded to the Controller of the State of California pursuant to the Unclaimed Property Law,
18 California Civil Code § 1500, *et seq.*, to be held in trust for those Participating Class Members and
19 Aggrieved Employees who did not timely cash their Settlement checks. The Parties agree that this
20 disposition results in no “unpaid residue” under California Civil Procedure Code § 384, as all
21 payments to the Participating Class Members and Aggrieved Employees will be paid out, whether
22 or not these individuals cash their Settlement checks.

23 **XIII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

24 The amounts paid under this Agreement do not represent a modification of any previously
25 credited hours of service under any employee benefit plan, policy, or bonus program sponsored by
26 Defendants. Such amounts will not form the basis for additional contributions to, benefits under,
27 or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by
28 Defendants’ policies or bonus programs. Any payments made under the terms of this Settlement

1 shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages,
2 or any other form of compensation for the purposes of Defendants' benefit plan, policy, or bonus
3 program. Defendants retain the right to modify the language of their benefit plan, policies, and
4 bonus programs to effect this intent and to make clear that any amounts paid pursuant to this
5 Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring
6 term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting,
7 benefit accrual, or any other purpose, and that additional contributions or benefits are not required
8 by this Settlement.

9 **XIV. CLASS COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS**

10 Defendants shall not oppose an application by Class Counsel for an amount up to thirty-
11 five percent (35%) of the Gross Settlement Amount (i.e., \$805,000.00, if the Gross Settlement
12 Amount remains at \$2,300,000.00) for all past and future attorneys' fees necessary to prosecute,
13 settle, and administer the Litigation and this Settlement. All attorneys' fees awarded shall be paid
14 67.5% to Lawyers *for Justice*, PC and Parker & Minne, LLP (of which 85% shall be paid to Lawyers
15 *for Justice*, PC and 15% shall be paid to Parker & Minne, LLP) and 32.5% to Gaines & Gaines,
16 APLC, as authorized in writing by Plaintiffs. Additionally, Defendants shall not oppose an
17 application by Class Counsel for an amount up to Thirty Thousand Dollars and Zero Cents
18 (\$30,000.00) for all past and future litigation costs and expenses necessary to prosecute, settle, and
19 administer the Litigation and the Settlement. All costs awarded shall be paid to the Class Counsel
20 law firm who incurred the actual costs. Any Attorneys' Fees or Litigation Costs awarded to Class
21 Counsel by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount
22 for the purpose of determining the Net Settlement Amount. The "future" aspect of these amounts
23 includes, without limitation, all time and expenses expended by Class Counsel in implementing the
24 Settlement and securing preliminary and final approval (including any appeals therein). There will
25 be no additional consideration paid by Defendants for such work; although such work may cause
26 Class Counsel's lodestar to increase, Class Counsel will be limited to the Attorneys' Fees and
27 Litigation Costs provided for under the Settlement. The Attorneys' Fees and Litigation Costs shall
28 include all attorneys' fees, litigation costs, and expenses for which Plaintiffs and Class Counsel

could claim under any legal theory whatsoever with respect to the Litigation. Within fourteen (14) calendar days following the full funding of the Settlement, the Settlement Administrator shall disburse payment to Class Counsel from the Gross Settlement Amount for the Court-approved Attorneys' Fees and Litigation Costs. Should the Court approve a lesser percentage or amount of Attorneys' Fees and/or Litigation Costs than the amount that Class Counsel ultimately seeks, then any such unapproved portion or portions shall be part of the Net Settlement Amount to be distributed to Participating Class Members on a *pro rata* basis.

XV. ENHANCEMENT AWARD TO PLAINTIFFS

Defendants shall not oppose an application by Plaintiffs, and Plaintiffs shall not seek or receive an amount in excess of \$10,000.00 each for their participation in and assistance with the Litigation. Any Enhancement Award awarded to Plaintiffs by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount, and shall be reported on an IRS Form 1099. If the Court approves an Enhancement Award of less than \$10,000.00 each to Plaintiffs, then the unapproved portion or portions shall be part of the Net Settlement Amount to be distributed to Participating Class Members on a *pro rata* basis.

XVI. TAXATION AND ALLOCATION

A. The Parties agree that all employees' share of employment taxes and other legally required withholdings will be withheld from payments to the Participating Class Members and Plaintiffs based on the Parties stipulated allocation of the Net Settlement Amount as provided for in this Section.

B. In Defendants' sole discretion, and to which Plaintiffs and Class Counsel do not object, the amount of federal income tax withholding will be based upon a flat withholding rate for supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholdings will also be made pursuant to applicable state and/or local withholding codes or regulations.

1 C. For withholding tax characterization purposes and payment of taxes, the Individual
2 Settlement Payments to Participating Class Members shall be deemed twenty percent (20%) wages
3 and eighty percent (80%) penalties, interest, and non-wage damages.

4 D. For withholding tax characterization purposes and payment of taxes, the Individual
5 PAGA Payments to Aggrieved Employees shall be deemed one hundred percent (100%) penalties.

6 E. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner
7 required by the Internal Revenue Code of 1986 (the “Code”) and consistent with this Agreement,
8 by the Settlement Administrator. If the Code, the regulations promulgated thereunder, or other
9 applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section
10 may be modified in a manner to bring Defendants into compliance with any such changes.

11 F. The employer’s share of payroll taxes and contributions on the wages portion of
12 Individual Settlement Payments will be paid by Defendants in addition to and not as a deduction
13 from the Gross Settlement Amount.

14 **XVII. PAGA ALLOCATION**

15 In order to implement the terms of this Settlement and to settle claims alleged under the
16 Private Attorneys General Act, California Labor Code section 2698 *et seq.*, the Parties agree to
17 allocate Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) from the Gross Settlement
18 Amount as PAGA Penalties. Seventy-five percent (75%) of the PAGA Penalties (i.e., \$150,000.00)
19 will be distributed to the LWDA, and twenty-five percent (25%) of the PAGA Penalties (i.e.,
20 \$50,000.00) will be distributed on a *pro-rata* basis to the Aggrieved Employees. If the Settlement
21 is not approved, in whole or in part, because the Court determines that the amount allocated to the
22 PAGA Settlement should increase, the portion of the Gross Settlement Amount allocated for
23 payment to the Class shall be decreased to account for any increase required for the PAGA
24 Settlement, such that the total Gross Settlement Amount does not exceed \$2,300,000.00. Plaintiffs’
25 Counsel will provide notice to the LWDA of the fact that the Settlement has been approved by the
26 Court along with a copy of the Final Approval Order through the appropriate LWDA/DIR website.
27 Aggrieved Employees will be issued their Individual PAGA Payments regardless of their decision
28 to opt-out of the Class Settlement.

1 **XVIII. COURT APPROVAL**

2 **A.** This Agreement and the Settlement is contingent upon final approval by the Court
3 and entry of judgment. Plaintiffs and Defendants agree to take all steps as may be reasonably
4 necessary to secure both preliminary approval and final approval of the Settlement, to the extent
5 not inconsistent with the terms of this Agreement, and will not take any action adverse to each other
6 in obtaining approval by the Court, and, if necessary, appellate approval, of the Settlement in all
7 respects. Plaintiffs and Defendants expressly agree that they will not file any objection to the terms
8 of the Settlement or assist or encourage any person or entity to file any such objection.

9 **B.** In the event it becomes impossible to secure approval of the Settlement, the Parties
10 shall be restored to their respective positions in the Litigation, as of the date on which the Settlement
11 was reached, except as otherwise provided in Section XIX, below.

12 **XIX. MISCELLANEOUS PROVISIONS**

13 **A. Interim Stay of Litigation.**

14 Plaintiffs and Defendants agree to the stay of all proceedings in the Litigation, including
15 with respect to California Code of Civil Procedure section 583.310, except such proceedings
16 necessary to implement and complete the Settlement, pending final approval of the Settlement by
17 the Court.

18 **B. Interpretation of the Agreement.**

19 This Agreement constitutes the entire agreement between Plaintiffs and Defendants. Except
20 as expressly provided herein, this Agreement has not been executed in reliance upon any other
21 written or oral representations or terms, and no such extrinsic oral or written representations or
22 terms shall modify, vary from or contradict its terms. In entering into this Agreement, the Parties
23 agree that this Agreement is to be construed according to its terms and may not be varied or
24 contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws
25 of the State of California, both in its procedural and substantive aspects, without regard to its
26 conflict of laws provisions. Any claim arising out of or relating to the Agreement, or the subject
27 matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California
28 for the County of Santa Cruz, and Plaintiffs and Defendants hereby consent to the personal

1 jurisdiction of the Court over them solely in connection therewith. Plaintiffs, on their own behalf,
2 on behalf of the Class, and on behalf of the State of California pursuant to PAGA, and Defendants
3 participated in the negotiation and drafting of this Agreement and had available to them the advice
4 and assistance of independent counsel. As such, neither Plaintiffs nor Defendants may claim that
5 any ambiguity in this Agreement should be construed against the other. The terms and conditions
6 of this Agreement constitute the exclusive and final understanding and expression of all agreements
7 between Plaintiffs and Defendants with respect to the Settlement.

8 **C. Further Cooperation.**

9 Plaintiffs and Defendants and their respective attorneys shall proceed diligently to prepare
10 and execute all documents, to seek the necessary approvals from the Court, and to do all things
11 reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

12 **D. Confidentiality of Documents and Information.**

13 Plaintiffs, the Settlement Administrator, and Class Counsel shall maintain the
14 confidentiality of all documents and other information obtained in the Litigation that were
15 specifically designated as confidential at the time they were produced (formally or informally) in
16 the Litigation, unless ordered to be disclosed by the Court or by a subpoena.

17 **E. Neutral Employment Reference.**

18 Defendants agree that they will adopt a neutral reporting policy regarding any future
19 employment references related to Plaintiffs. In the event that any potential or future employers of
20 Plaintiffs request a reference regarding Defendants' employment of Plaintiffs, Defendants shall
21 only provide Plaintiffs' dates of employment and job titles during employment. Defendants shall
22 not refer to the Litigation or this Settlement.

23 **F. Counterparts.**

24 The Agreement may be executed in one or more actual or non-original counterparts, either
25 through a physical original, facsimile, electronic, or e-mail signature, all of which will be
26 considered one and the same instrument and all of which will be considered duplicate originals.

27 ///

28 ///

1 **G. Authority.**

2 Each individual signing below warrants that he or she has the authority to execute this
3 Agreement on behalf of the Party for whom or which that individual signs.

4 **H. No Third-Party Beneficiaries.**

5 Plaintiffs, Participating Class Members, Aggrieved Employees, the LWDA, Defendants,
6 and Released Parties are intended beneficiaries of this Agreement, and there are no other third-
7 party beneficiaries.

8 **I. Modification.**

9 Before this Agreement has been submitted to the Court in connection with seeking
10 preliminary approval of the Settlement, it may not be changed, altered, or modified, except in a
11 writing signed by the counsel for the Parties. After this Agreement has been submitted to the Court
12 in connection with seeking preliminary approval of the Settlement, it may not be changed, altered,
13 or modified, except in a writing signed by the counsel for the Parties, subject to approval by the
14 Court. Notwithstanding the forgoing, the Parties agree that any dates contained or contemplated in
15 this Agreement may be modified by agreement of counsel for the Parties in writing without
16 approval by the Court if the Parties agree and cause exists for such modification. This Agreement
17 may not be discharged except by performance in accordance with its terms or by a writing signed
18 by the Parties.

19 **J. Deadlines Falling on Weekends or Holidays.**

20 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or
21 legal holiday, that deadline shall be continued until the following business day.

22 **K. California Law Governs.**

23 All terms of this Settlement Agreement and Exhibits hereto will be governed and interpreted
24 according to the laws of the State of California.

25 **L. Severability.**

26 In the event that any one or more of the provisions contained in this Agreement shall for
27 any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
28 unenforceability shall in no way effect any other provision if Defendants' counsel and Class

Counsel, on behalf of the Parties, the Settlement Class, State of California, and Aggrieved Employees, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

M. Binding on Successors and Assigns.

This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

N. Waiver.

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

O. Representation by Counsel.

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Agreement.

P. Binding Agreement.

The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties subject to Court approval, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

IT IS SO AGREED:

Date: 08/21/2024



Julian Arreola Lopez (Aug 21, 2024 10:21 PDT)

Julian Arreola Lopez, Plaintiff

Date: _____

Michael Parris, Plaintiff

Date: _____

Johnny Ruiz, Plaintiff

26

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

Counsel, on behalf of the Parties, the Settlement Class, State of California, and Aggrieved Employees, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

M. Binding on Successors and Assigns.

This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

N. Waiver.

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

O. Representation by Counsel.

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Agreement.

P. Binding Agreement.

The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties subject to Court approval, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

IT IS SO AGREED:

Date: _____

Julian Arreola Lopez, Plaintiff

Date: 08/21/2024



[Michael H Parris \(Aug 21, 2024 13:30 PDT\)](#)
Michael Parris, Plaintiff

Date: _____

Johnny Ruiz, Plaintiff

Counsel, on behalf of the Parties, the Settlement Class, State of California, and Aggrieved Employees, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

M. Binding on Successors and Assigns.

This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

N. Waiver.

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

O. Representation by Counsel.

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Agreement.

P. Binding Agreement.

The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties subject to Court approval, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

IT IS SO AGREED:

Date: _____

Julian Arreola Lopez, Plaintiff

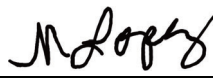
Date: _____

Michael Parris, Plaintiff

Date: 08/20/2024


Johnny Ruiz (Aug 20, 2024 07:54 PDT)
Johnny Ruiz, Plaintiff

1 Date: 08 / 20 / 2024


Michelle Lopez, Plaintiff

2
3 Date: 9/9/2024


Bonnie Plants, Inc., Defendant
Name: Kevin C. Gray
Position: Secretary

4
5
6 Date: 9/9/2024


Bonnie Plants, LLC, Defendant
Name: Justin Funk
Position: Chief Financial Officer

7
8
9 **APPROVED AS TO FORM:**

10 Date: August 21, 2024

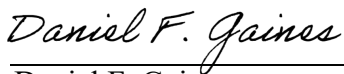
PARKER & MINNE, LLP


Jill J. Parker

Attorneys for Plaintiffs Julian Arreola Lopez,
Michael Parris, and Johnny Ruiz and Proposed
Class Counsel

11
12
13
14
15 Date: August 20, 2024

GAINES & GAINES, APLC


Daniel F. Gaines

Attorneys for Plaintiff Michelle Lopez and
Proposed Class Counsel

16
17
18
19
20
21 Date: September 10, 2024

FISHER PHILLIPS, LLP


Lonnie D. Giamela

Attorneys for Defendants Bonnie Plants, Inc.
and Bonnie Plants, LLC

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Julian Arreola Lopez, et al. v. Bonnie Plants, Inc., et al.

Superior Court of the State of California for the County of Santa Cruz, Case No. 22CV02758

You are not being sued. This is a Court-approved notice that affects your rights. Please read it carefully.

The purpose of this Notice is to let you know of a proposed settlement (the “Settlement”) that has been reached in a class and representative action that is pending in the Superior Court for the County of Santa Cruz. The lawsuit is brought by Julian Arreola Lopez, Michael Parris, Johnny Ruiz, and Michelle Lopez (“Plaintiffs”) against Bonnie Plants, Inc. and Bonnie Plants, LLC (“Defendants”) (collectively, Plaintiffs and Defendants are referred to as the “Parties”), and is entitled *Julian Arreola Lopez, et al. v. Bonnie Plants, Inc., et al.*, Santa Cruz Superior Court Case No. 22CV02758 (the “Lawsuit”).

In the Lawsuit, Plaintiffs seek to represent: (1) all current and former hourly-paid or non-exempt employees, and employees in sales and driver positions who worked for Bonnie Plants, Inc. and/or Bonnie Plants, LLC in the State of California at any time during the period from December 15, 2018 to March 12, 2024 (“Class Members”); and (2) all current and former hourly-paid or non-exempt employees, and employees in sales and driver positions who worked for Bonnie Plants, Inc. and/or Bonnie Plants, LLC in the State of California at any time during the period from July 21, 2022 through March 12, 2024 (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a “Class Settlement” requiring Defendants to fund Individual Settlement Payments, and (2) a “PAGA Settlement” requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

The Court granted preliminary approval of the Parties’ settlement on [Date], and has scheduled a hearing on [Date] at [Time] (the “Final Approval Hearing”) to determine whether or not to grant final approval of the Settlement. **Your legal rights may be affected, and you have a choice to make now.**

1. WHAT ARE MY OPTIONS?

DO NOTHING	Receive an Individual Settlement Payment and an Individual PAGA Payment (if eligible). By doing nothing, you will receive an Individual Settlement Payment, and, if eligible, an Individual PAGA Payment. However, you will release the right to assert all of the Released Class Claims (see Section 8 below) against Defendants and the other Released Parties.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	Exclude Yourself from the Class Settlement and Receive No Individual Settlement Payment. If eligible, you will still receive an Individual PAGA Payment because you cannot exclude yourself from the PAGA Settlement. You may opt-out of the Class Settlement by submitting a signed Request for Exclusion (see Section 9(B) below) that must be postmarked no later than [Response Deadline]. If you submit a valid and timely Request for Exclusion, you will not receive any payment from the Class Settlement and you will not be bound by the release of class claims provided under the Settlement. You cannot opt-out of the PAGA Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and who must give up their rights to pursue Released PAGA Claims (see Section 8 below).
OBJECT TO THE CLASS SETTLEMENT	Object to the Class Settlement. You cannot object to the PAGA Settlement. If you choose to participate in the Class Settlement, you may submit an objection to the Class Settlement. To object, you can submit an objection (see Section 9(C) below) to the Settlement Administrator no later than [Response Deadline], or you can appear at the Final Approval Hearing and state any objections to the Class Settlement.

	If the Court overrules your objection, you will receive an Individual Settlement Payment, and you will release the right to assert all of the Released Class Claims (see Section 8 below) against Defendants and the other Released Parties.
CHALLENGE THE CALCULATION OF YOUR WORKWEEKS/ PAY PERIODS	You may Challenge the Calculation of Your Workweeks/Pay Periods. The amount of your Individual Settlement Payment and Individual PAGA Payment (if any) depends on how many Workweeks and how many Pay Periods that you worked during the Class Period and the PAGA Period, respectively. The number of Class Period Workweeks and PAGA Period Pay Periods that you worked according to Defendants' records is stated in Section 6. If you wish to dispute the Workweeks and/or Pay Periods credited to you in this Notice, you must submit a challenge to the Settlement Administrator no later than [Response Deadline] as described in Section 6.

2. WHY DID I GET THIS NOTICE?

Defendants' records show that you were employed by Defendants in California at some point during the period from December 15, 2018 on March 12, 2024 (the "Class Period"). The Court has authorized this notice because you have the right to know about the Settlement and your options before the Court decides whether to approve it. This notice explains what the Lawsuit is about, the terms of the Settlement, and your rights.

3. WHAT IS THIS LAWSUIT ABOUT?

On December 15, 2022, Plaintiffs Julian Arreola Lopez, Michael Parris, and Johnny Ruiz filed a Class Action Complaint for Damages (the "Class Action Complaint") in the Superior Court for the County of Santa Cruz. They alleged that Defendants failed to pay all wages due, including overtime wages, meal period premiums, rest period premiums, and minimum wages; failed to timely pay wages during employment and upon termination; failed to issue compliant wage statements; failed to maintain accurate payroll records; failed to reimburse all necessary business expenses; and engaged in unfair business practices. In the Class Action Complaint, Plaintiffs sought to represent a class of all current and former non-exempt and/or hourly-paid employees who worked for Defendants in the State of California at any time during the period from December 15, 2018 to final judgment. On September 7, 2023, Plaintiffs provided written notice to the LWDA and Defendants of the specific provisions of the California Labor Code that they contend were violated.

On July 21, 2023, Michelle Lopez provided written notice to the LWDA and Defendants of the provisions of the California Labor Code that she contends were violated. On September 27, 2023, Michelle Lopez filed a Representative Action Complaint For Penalties (the "PAGA Complaint").

On [REDACTED], Plaintiffs filed a First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. in the Class Action, thereby consolidating the claims in the Class Action Complaint and the PAGA Complaint (the "First Amended Complaint").

Defendants deny all of the material allegations in the First Amended Complaint and asserted numerous affirmative defenses.

4. WHY IS THERE A SETTLEMENT?

The Court has not made any decision about the merits of Plaintiffs' Lawsuit. There has been no trial. However, to avoid additional expense and the risks of continued litigation, Plaintiffs and Defendants have concluded that it is in their respective best interests and the interest of the Class Members and Aggrieved Employees to settle the Lawsuit on the terms summarized in this Notice.

The Settlement was reached after an exchange of extensive information about the facts and legal arguments in support of, and against, all of the claims raised in the Lawsuit. Plaintiffs, Class Counsel, and Defendants all support this Settlement due to, among other things, Defendants' potential defenses to liability, the inherent risk associated with a trial on the merits, the delays and uncertainties associated with litigation, and the benefits provided to Class Members and Aggrieved Employees under the Settlement.

5. SUMMARY OF THE SETTLEMENT

Defendants have agreed to pay a settlement amount of Two Million Three Hundred Thousand Dollars and Zero Cents (\$2,300,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to the Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) Enhancement Awards in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) to each of the Plaintiffs, (2) PAGA Penalties in an amount not to exceed Two Hundred Thousand Dollars and Zero Cents (\$200,000.00), (3) Attorneys’ Fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$805,000.00), (4) Litigation Costs in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), and (5) Settlement Administration Costs in an amount not to exceed Fifteen Thousand Dollars and Zero Cents (\$15,000.00).

Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) of the Gross Settlement Amount has been allocated towards penalties under the PAGA (“PAGA Penalties”), of which 75% will be allocated to the LWDA (“LWDA Payment”), and the remaining 25% will be allocated to the Aggrieved Employees (“Employee PAGA Amount”).

Class Members are eligible to receive payment of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of weeks that each Class Member was credited to have worked for Defendants as an hourly-paid or non-exempt employee in the State of California at any time during the Class Period, and worked at least one day (“Workweeks”).

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Class Workweek Value” and multiplied each Class Member’s individual Workweeks by the Class Workweek Value to yield his or her estimated Individual Settlement Payment that he or she may be eligible to receive under the Settlement. If the Court grants final approval of the Settlement, the Settlement Administrator shall divide the final Net Settlement Amount by the Workweeks of all Class Members who did not submit a valid and timely Request for Exclusion (“Participating Class Members”) to yield his or her Individual Settlement Payment, which shall be paid from the Net Settlement Amount, less applicable employee-side tax withholdings.

Each Individual Settlement Payment will be allocated twenty percent (20%) to wages, which will be reported on an IRS Form W2, and eighty percent (80%) to penalties and interest, which will be reported on an IRS Form 1099 (if applicable). The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the wage portion of the Individual Settlement Payments, and issue checks to Participating Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Payment net of these taxes and withholdings). The employer’s share of taxes on the wage portion of Individual Settlement Payments will be paid by Defendants separately and in addition to the Gross Settlement Amount. The Individual PAGA Payments are characterized as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

6. YOUR WORKWEEKS BASED ON DEFENDANTS’ RECORDS

According to Defendants’ records, during the period **from December 15, 2018 to March 12, 2024 (i.e., the Class Period)** you worked for Defendants as an hourly-paid or non-exempt employee, and/or sales or driver employee in California for approximately [REDACTED] Workweeks.

According to Defendants’ records, during the period **from July 21, 2022 to March 12, 2024 (i.e., the PAGA Period)** you worked for Defendants as an hourly-paid or non-exempt employee, and/or sales or driver employee in California for approximately [REDACTED] Pay Periods.

If you wish to dispute the Workweeks credited to you in this Notice, you must submit a written, signed challenge (“Workweeks Dispute”) to the Settlement Administrator. The Workweeks Dispute must contain: (1) the case name and number of the Lawsuit (*Lopez, et al. v. Bonnie Plants, Inc. et al.*, Case No. 22CV02758); (2) your full name, address,

telephone number, signature, and last four digits of your Social Security number; and (3) a statement setting forth the number of Workweeks during the Class Period and/or Pay Periods during the PAGA Period that you contend is correct and any relevant documentation in support thereof. The Workweeks Dispute must be submitted to the Settlement Administrator by mail, postmarked no later than [Response Deadline].

7. WHAT IS MY ESTIMATED INDIVIDUAL SETTLEMENT PAYMENT?

As explained above, your estimated Individual Settlement Payment and Individual PAGA Payment (if eligible) is based on the number of Workweeks and Pay Periods credited to you.

Under the terms of the Settlement, your Individual Settlement Payment is estimated to be \$ [REDACTED]. The Individual Settlement Payment is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payment.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED].

Your Individual Settlement Payment and Individual PAGA Payment (if applicable) reflected in this Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

The settlement approval process may take multiple months. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

8. WHAT RIGHTS AM I RELEASING IF I PARTICIPATE IN THE SETTLEMENT?

If the Court approves the Settlement, the Court will enter a judgment and the Settlement Agreement will bind all Participating Class Members (i.e., Class Members who have not submitted a timely and valid Request for Exclusion) as well as all Aggrieved Employees. This will bar all Participating Class Members and Aggrieved Employees from bringing certain claims against Defendants.

Upon the Effective Date and the full funding of the Gross Settlement Amount, Plaintiffs and all Participating Class Members waive, release, and discharge Released Parties of any and all Released Class Claims. "Released Class Claims" means any and all claims that were alleged in or which could have been alleged in the First Amended Complaint based on the factual allegations in the First Amended Complaint, arising during the Class Period during employment in an hourly-paid or non-exempt, and/or sales or driver position in California, including the following claims, under any legal theory of liability, for violations of California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.3, 226.7, 510, 512, 551, 552, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, and 2802, and the IWC Wage Orders, which includes: (1) alleged failure to pay overtime wages ; (2) alleged failure to provide meal periods; (3) alleged failure to provide rest periods ; (4) alleged failure to pay all minimum wages owed; (5) alleged failure to pay all wages owed at termination; (6) alleged failure to pay all wages in a timely manner during employment; (7) alleged failure to furnish accurate itemized wage statements; (8) alleged failure to maintain adequate payroll records; (9) alleged failure to reimburse all necessary business expenses; and (10) alleged violations of California Business & Professions Code sections 17200, *et seq.* related to any of the above-referenced claims.

Upon the Effective Date and the full funding of the Gross Settlement Amount, Plaintiffs, the State of California, and Aggrieved Employees waive, release, and discharge Released Parties of any and all Released PAGA Claims. "Released PAGA Claims" means any and all claims, actions, and causes of action for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.*, arising during the PAGA Period during employment in an hourly-paid or non-exempt, and/or sales or driver position in California based on the factual allegations and legal theories in the PAGA Notices and PAGA Complaint, for alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 221, 226(a), 226.3, 226.7, 510, 512(a), 551, 552, 558, 1174, 1174.5, 1174(d), 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, and 2802 and the applicable Industrial Welfare Commission Wage Orders.

“Released Parties” means Defendants and their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The information provided in this Notice is only a summary. The terms of the Settlement Agreement are the binding terms of this settlement, and all of these terms, including the releases that will bind you as a class member if you do not submit a Request for Exclusion, are set forth fully in the Settlement Agreement that is on file with the Court and which can also be found at www. [redacted]. If the Court does not approve the Settlement, or the Settlement does not become final for some other reason, the litigation against Defendants will continue.

9. WHAT ARE MY RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. PARTICIPATE IN THE SETTLEMENT

If you wish to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and will be issued your Individual Settlement Payment and Individual PAGA Payment (if eligible). If you participate in the Settlement, you will be bound by its terms and any judgment that may be entered by the Court based thereon, and you will release all of the claims described in Section 8 above. As a Participating Class Member, you will not be separately responsible for the payment of attorneys’ fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorneys’ fees and expenses.

B. EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT

If you wish to exclude yourself from the Class Settlement because you wish to pursue a separate lawsuit against Defendants for the claims asserted in this Lawsuit, or if you do not wish to participate in the Settlement for other reasons, you must submit a signed Request for Exclusion to the Settlement Administrator asking to exclude yourself from the Settlement. The Request for Exclusion must: (1) contain the case name and number of the Lawsuit (*Lopez, et al. v. Bonnie Plants, Inc. et al.*, Case No. 22CV02758); (2) contain your full name, address, telephone number, and last four digits of your Social Security number; (3) be signed by you or your authorized representative; (4) contain a clear statement that you request to be excluded from the Class Settlement; and (5) be mailed to the Settlement Administrator, postmarked no later than [Response Deadline] to the following address:

[Name of Settlement Administrator]
[Mailing Address]

Requests for Exclusion that are postmarked after [Response Deadline] will not be valid. Requests for Exclusion that do not include all of the required information will be deemed null, void, and ineffective.

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section 8 above), and will not have any right to object to, appeal, or comment on the Settlement. Any Class Members who do not submit a valid and timely request for exclusion will be deemed Participating Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section 8 above, as well as any judgment that may be entered by the Court based thereon.

Class Members will receive their share of the PAGA payment, regardless of whether they opt out of being a Class Member.

C. OBJECT TO THE CLASS SETTLEMENT

If you do not think the Class Settlement is fair, you can object to the Class Settlement and tell the Court you do not agree with the Class Settlement or some part of it if you have not submitted a Request for Exclusion from the Class Settlement. The Court will consider your views. To object, you must submit a written objection to the Settlement Administrator or appear at the final settlement hearing to explain your objection. To be valid, a written objection must: (1) contain the

case name and number of the Lawsuit (*Lopez, et al. v. Bonnie Plants, Inc. et al.*, Case No. 22CV02758); (2) contain your full name, address, telephone number, signature, and last four digits of your Social Security number; (3) clearly state the grounds for the objection; (4) state whether you intend to appear at the Final Approval Hearing; and (5) be mailed to the Settlement Administrator, postmarked no later than [Response Deadline] to the address listed in Section 9(B).

10. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold a Final Approval Hearing on [Date] at [Time] in Department 5 of the Santa Cruz County Superior Court, located at 701 Ocean Street, Santa Cruz, California 95060 to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve and award Attorneys' Fees and Litigation Costs to Class Counsel and the Enhancement Awards to Plaintiffs. The hearing may be postponed without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

11. WHAT IF I HAVE QUESTIONS?

A complete copy of the Settlement Agreement and this Notice are available at www. [redacted]. This website may be updated periodically to update the Class Members on any developments in the case.

You may also view the Settlement Agreement and documents filed in the Action for a fee by visiting the civil clerk's office, located at 701 Ocean Street, Santa Cruz, California 95060, during business hours, or online by visiting the following website: <https://portal.santacruzcourt.org/portal>, and typing in the case number "22CV02758."

For further information about this case, you may contact Class Counsel or the Settlement Administrator. Class Counsel's contact information is as follows:

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The contact information for the Settlement Administrator is as follows:

[Name of Settlement Administrator]

[Mailing Address]
[Telephone Number]

DO NOT CONTACT THE COURT, DEFENDANTS, OR DEFENDANTS' ATTORNEYS ABOUT THIS NOTICE.