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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF GLENN

Ferry Mendoza, individually and on behalf of
all similarly situated individuals,

Plaintiff,

vs.

Baughner Ranch Organics, Inc., a
California Corporation; and **Does 1-10**,
inclusive;

Defendants.

CASE NO. 25CV00036

(Assigned to The Hon. Alicia Ekland; Dept 2)

CLASS ACTION

**DECLARATION OF NAVID
BARAHMAND IN SUPPORT OF
MOTION FOR:**

**(1) PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT;**

**(2) APPROVAL OF NOTICE TO CLASS
MEMBERS AND RELATED
MATERIALS; AND**

**(3) SETTING HEARING FOR FINAL
APPROVAL OF SETTLEMENT**

Date: August 13, 2025

Time: 2:30 p.m.

Dept.: 2

DECLARATION OF NAVID BARAHMAND

I, Navid Barahmand, declare as follows:

1. I am an attorney licensed to practice law before this Court and the federal and state courts of California. I am over 18 years of age. I have personal knowledge of the facts set forth in this declaration and if called upon to testify, could and would testify competently thereto. This Declaration does not purport to exhaust my knowledge of the topics discussed.

2. I am the Principal of the law firm of Barahmand Law Group (“Plaintiff’s Counsel” or “Class Counsel”), attorney of record for Plaintiff Ferry Mendoza (“Plaintiff” or “Class Representative”) and the proposed settlement class (the “Class”) in the above-captioned matter.

Plaintiff's Counsel Are Experienced in Wage-And-Hour Litigation

3. I founded Barahmand Law Group in December 2021. Barahmand Law Group is dedicated to representing Plaintiffs in both individual and class action litigation in California Courts, as well as in arbitration hearings. Since the founding of my firm, Barahmand Law Group, I have represented hundreds of employees in numerous employment claims, including wage and hour and other employment-related putative class actions.

4. Through my practice at Barahmand Law Group, my prior employment working for law firms that exclusively handle employment law claims, and my association with attorneys that have significant class action and wage and hour and employment litigation on both a class and individual level, I have gained significant experience regarding the obligations of and burdens of representing a class from inception and am an experienced practitioner in the realm of wage and hour and employment litigation on both a class and individual level.

5. I received a B.A. from University of California, Los Angeles, in 2016. In 2021, I received a J.D. from Loyola Law School in Los Angeles, California. I became a member of the Bar of the State of California in December 2021 where I subsequently founded my firm, Barahmand Law Group.

6. Barahmand Law Group is currently prosecuting claims on behalf of Aggrieved Employees in *Mendoza v. Baugher Ranch Organics, Inc.*, Case No. 25CV00036 (Glenn Cnty. Sup. Ct. 2024) (wage and hour case related to failure to pay all wages and provide compliant meal and rest periods);



1 *Newsome v. Kiva Sales and Services, LLC*, Case No. 23CV035642 (Alameda Cnty. Sup. Ct. 2023) (PAGA
2 action relating to failure to pay all wages due to COVID-19 security checkpoints and provide compliant
3 meal/rest periods); *Amed Mullins v. Harmonium, Inc.*, Case No. 37-2023-00040472-CU-OE-CTL (San
4 Diego Cnty. Sup. Ct. 2023) (wage and hour case relating to failure to pay all wages and provide compliant,
5 off-premises meal/rest periods); *Benjamin Ruiz v. Seven Nineteen by GS*, Case No. 23STCV26500 (Los
6 Angeles Sup. Cnty. Ct. 2023) (wage and hour case relating to failure to pay all wages and provide
7 compliant meal/rest periods); *Dorian Laviene v. Urban Flavours*, Case No. 23CV040942 (Alameda Cnty.
8 Sup. Ct. 2023); *Alan Garibay v. LA Taco Management, LLC*, Case No. 24STCV02792 (Los Angeles Cnty.
9 Sup. Ct. 2024) (wage and hour case related to failure to pay all wages and provide compliant meal/rest
10 periods); *Karina Vera v. Up Real Estate Holding Corp*, Case No. 2024CUOE021511 (Ventura Sup. Cnty. Ct.
11 2024) (wage and hour case related to failure to provide reporting time pay and provide compliant
12 meal/rest periods); *Yehoshoua Lalezarian v. Homak Enterprises*, Case No. 24STCV06524 (Los Angeles Cnty.
13 Sup. Ct. 2024) (wage and hour case related to failure to pay all wages and provide compliant meal/rest
14 periods); *Andrew Hutton v. Pacific Tank Lines, Inc.*, Case No. CVRI2401967 (Riverside Sup. Cnty. Ct. 2024)
15 (wage and hour case related to failure to pay wages for all hours worked and provide meal/rest periods);
16 *Elisa Hilaire v. Spencer Gifts, LLC*, Case No. 37-2024-00019642-CU-OE-CTL (San Diego Cnty. Sup. Ct.
17 2024) (wage and hour case related to failing to provide suitable seating and failure to provide compliant
18 meal/rest periods); *Serenity Dunbarr v. Pacific Drive-Ins, LLC*, Case No. 37-2024-00025683-CU-OE-CTL
19 (San Diego Cnty. Sup. Ct. 2024) (PAGA action relating to failure to pay all wages and provide compliant
20 meal/rest periods); *Cinnamon Johnson v. ASLB, LLC*, Case No. 24STCV13710 (Los Angeles Cnty. Sup.
21 Ct. 2024) (wage and hour case related to failure to pay all wages and provide compliant meal/rest periods);
22 *Sophia Aguirre v. Shift4 Payments, LLC*, Case No. C24-01636 (Contra Costa Cnty. Sup. Ct. 2024) (wage and
23 hour case related to failure to pay all wages and provide compliant meal/rest periods); *Rebekah Patterson*
24 *v. Advanced Home Health, Inc.*, Case No. 24CV018567 (Sacramento County Cnty. Sup. Ct. 2024) (wage and
25 hour case related to failure to pay all wages and provide compliant meal/rest periods); *Shanel Quilhuiz v.*
26 *Sugared + Bronzed, LLC*, Case No. 24STCV20871 (Los Angeles Sup. Ct. 2024 (wage and hour case related
27 to failure to pay all wages and provide compliant meal/rest periods); *Marco Antonio Villasenor v. J. G Boswell*,
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1 Case No. 24STCV26669 (Los Angeles Cnty. Sup. Ct. 2024) (PAGA action relating to failure to pay all
2 wages and provide compliant meal/rest periods); *Salvador Ferreira v. Frontline Express Solutions*, Case No.
3 CV-24-007354 (Stanislaus Sup. Ct. 2024) (wage and hour case related to failure to pay all wages and
4 provide compliant meal/rest periods); *Alondra Manza Espinoza v. GNC Holdings, LLC*, Case No. 2:24-cv-
5 09138 (C.D. Cal.) (wage and hour case related to failing to provide reporting time pay and failure to
6 provide compliant meal/rest periods); *Antonio Estrada v. EBS Foods, LLC*, Case No. 24STCV33064 (Los
7 Angeles Sup. Ct. 2024) (PAGA action relating to failure to pay all wages and provide compliant meal/rest
8 periods); *Estephany Gonzalez v. PNC Management, LLC*, Case No. CGC-24-618430 (San Francisco Sup. Ct.
9 2024) (wage and hour case related to failure to pay all wages and provide compliant meal/rest periods);
10 *Albert Avalos v. George Electric Co.*, Case No. 24STCV25162 (Los Angeles Sup. Ct. 2024) (PAGA action
11 relating to failure to pay all wages and provide compliant meal/rest periods); *Heather Abalos v. McCampbell*
12 *Analytical, Inc.*, Case No. C24-02882 (Contra Costa Sup. Ct. 2024) (wage and hour case related to failure
13 to pay all wages and provide compliant meal/rest periods); *Joseph Williams v. Curbstand, Inc.*, Case No.
14 24STCV28143 (Los Angeles Sup. Ct. 2024) (wage and hour case related to misclassification as an
15 independent contractor and failure to provide compliant meal/rest periods); *Isaac Davidson-Gesser v. Aequor*
16 *Technologies, LLC et al.*, Case No. 8:25-cv-00760-FWS-ADS (C.D. Cal. 2025); *Daniel Alvarado et al. v.*
17 *CTOS, LLC et al.* BCV-25-100908 (Kern Sup. Ct. 2025) (wage and hour case relating to failure to pay all
18 wages and provide compliant meal/rest periods); *Valerie Marie Powell v. Bellamy's Fine Dining Corp.*; Case
19 No. 25CU015131C (San Diego Sup. Ct. 2025) (wage and hour case related to failure to pay all wages and
20 provide compliant meal/rest periods); *Lucille Tinajero v. Sequoia Medical Center, LP et al.* (Tulare Sup. Ct.
21 2025) (wage and hour case related to failure to pay all wages and provide compliant meal/rest periods);
22 *Abel Martinez v. Maria Elena Motors, Inc.*, (Fresno Sup. Ct. 2025) (PAGA action relating to failure to pay
23 all wages and provide compliant meal/rest periods); *Brenda Ceja v. Western Veterinary Center, Inc.* (Los
24 Angeles Sup. Ct. 2025) (PAGA action relating to failure to pay all wages and provide compliant meal/rest
25 periods).

26 7. I have been named "Rising Stars" by Super Lawyers magazine beginning in 2024. This is
27 an honor awarded to no more than two and a half percent of attorneys under the age of 40 in California.
28

1 Procedural Background and Settlement

2 8. Plaintiff Ferry Mendoza is a resident of the State of California. Mr. Mendoza was an
3 hourly, non-exempt employee of Baugher Ranch Organics, Inc. working as a Forklift Operator from
4 approximately September 2023 to November 1, 2023. At all relevant times, Plaintiff and other non-
5 exempt employees of Defendants in California were subject to the same policies, practices, and
6 procedures governing the control and payment of wages earned and hours worked. Mr. Mendoza is a
7 member of the Class.

8 9. Defendant Baugher Ranch Organics, Inc. (“Defendant”) is a California corporation and
9 is an almond farm.

10 10. Defendants have represented that, during the period from December 26, 2021 through
11 December 1, 2024, there were approximately 68 current and former non-exempt class members who
12 worked 3,477 workweeks during the relevant period. Plaintiff has secured an escalator clause in the
13 Settlement protecting Class Members from dilution should this number increase. *See* Settlement, § 86.

14 11. On December 26, 2023, Plaintiff gave notice to the LWDA and Defendants of his intent
15 to file suit and bring claims under the Private Attorney General Act (“PAGA”). Plaintiff also gave notice
16 of the Settlement to LWDA on May 20, 2025. As of the date of this Motion, Plaintiff has not received a
17 response from the LWDA regarding the PAGA Notice or the proposed Settlement. Class Counsel also
18 is serving a copy of this Motion on the LWDA contemporaneous with the filing. *See* Proof of Service.

19 12. On October 24, 2024, Plaintiff filed this Class Action Complaint in Butte County
20 Superior Court. The Parties subsequently stipulated to transfer the case to Glenn County Superior Court,
21 where it is now entitled *Ferry Mendoza v. Baugher Ranch Organics, Inc.*, et al., Case No. 25CV00036, alleging
22 class action claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to
23 provide meal periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay
24 in lieu thereof; (5) failure to provide sick leave; (6) failure to provide and maintain complete and accurate
25 wage statements; (7) failure to maintain accurate records; (8) failure to reimburse necessary business
26 expenses; (9) failure to timely pay all wages during employment; (10) failure to pay all wages due upon
27 termination; (11) civil penalties under the Private Attorneys General Act of 2004 (“PAGA”), Cal. Lab.
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Code §§ 2698, *et seq.* (“PAGA”); and (12) Unlawful Business Practices, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

13. Plaintiff’s Class Action Complaint alleged several unlawful wage and hour practices.

14. *First*, throughout the Class Period, Class Members were denied compliant meal periods as a matter of common practice and policy as demonstrated by employee time records, which confirm that a significant number of first meal periods were taken late and a staggering number of first meal periods were not even taken, in violation of Labor Code §§ 226.7, 512, and Wage Order No. 1.

15. *Second*, throughout the Class Period, Class Members were denied compliant rest periods as a matter of common practice and policy as Defendant required its non-exempt employees to continue working during their rest periods or otherwise interrupting or cut short their rest periods, or remain on duty and under Defendant’s control during their rest periods to perform other tasks at Defendant’s directions due to Defendant’s policies and practices, including their scheduling and staffing practices and policies.

16. *Third*, Plaintiff and Class Members were not reimbursed for necessary business expenditures, such as using their cellular phones to discharge their duties.

17. *Fourth*, Plaintiff alleged that these violations led to derivative penalties under Labor Code §§ 201-203, 210, 226, and under PAGA.

18. Prior to the filing of the complaint, Plaintiff’s and Defendants’ counsel engaged in comprehensive discussions regarding Plaintiff’s claims.

19. Defendants, through their counsel, at all times vigorously denied liability, denied the material allegations of Plaintiff’s claims, and asserted various affirmative defenses to the legal claims set forth in the Complaint.

20. As part of these discussions, the Parties agreed to attend private mediation to be held on September 24, 2024 with Lynn Frank of Frank and Feder, a well-respected neutral experienced in wage and hour matters, and agreed to exchange informal discovery for use at mediation.

21. Following their agreement to mediate, Defendants provided Plaintiff with an informal production of data and documents relating to the Class, including time clock data and wage statements

1 for employees through February 22, 2024, a list of all employees containing individual pay rates, and start
2 and end dates of employment; and Defendants' relevant policy documents.

3 22. Along with this production, Plaintiff's counsel engaged in extensive factual and legal
4 investigation into the claims, which included (a) telephonic conferences with Plaintiff regarding his
5 experiences at Defendants' facility and interpretation of the data provided; (b) inspection and analysis of
6 numerous payroll and policy documents and other information produced by Plaintiff and Defendants;
7 (c) analysis of the legal positions taken by Defendants; (d) investigation into the viability of class treatment
8 of the claims asserted in the operative Complaint; (e) analyses of potential class-wide damages, including
9 information sufficient to understand Defendants' potential defenses to Plaintiff's class-wide and
10 individual claims; (f) research of the applicable law with respect to the claims asserted in the operative
11 Complaint and the potential defenses thereto; (g) assembly and analysis of data for calculating damages;
12 (h) hiring the services of an expert to analyze and prepare Defendants' exposure.

13 23. Plaintiff's counsel analyzed all of the data provided by Defendants and retained the
14 services of an expert from Berger Consulting Group, who conducted numerous data analyses, including
15 but not limited to, the amounts of all underpayments of regular and overtime wages; the amount of hours
16 that qualified for overtime treatment; the violation rate of a potentially invalid alternative workweek
17 schedule, the number of late, short, and missed meal periods based on time punch data; the number of
18 rest period violations; and the maximum and realistic exposure for each claim alleged in the Complaint.
19 Defendant's production was fulsome and allowed Plaintiff's counsel to develop a sound understanding
20 of the merits of the claims; their value; and the viability of the defenses asserted by Defendants.

21 24. Defendant's production and Class Counsel's investigation were fulsome and allowed
22 Plaintiff's counsel to develop a sound understanding of the merits of the claims; their value; and the
23 viability of the defenses asserted by Defendants

24 25. On September 24, 2024, the Parties and their counsel attended an all-day mediation with
25 Lynn Frank of Frank and Feder, a well-respected mediator of wage and hour class actions and
26 employment litigation. Negotiations lasted all day and were conducted at arm's length. The case did settle
27 at mediation.
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26. The Parties agreed to settle the entire action, subject to Court approval, for the MSA of \$265,000.00. The Parties executed a Memorandum of Understanding (“MOU”) containing the key deal points that formed the basis for the long-form Settlement Agreement now before the Court for preliminary approval

27. On May 5, 2025, the Parties fully and finally executed the Settlement Agreement. The Agreement provides for a non-reversionary Maximum Settlement Amount (“MSA”) of \$265,000.00 to the Settlement Class. The Settlement Class is defined as follows: “*All non-exempt persons who worked at least one 3.5-hour shift for Defendants in the State of California during the Release Period.*” The Release Period is defined as follows: “is the period from December 26, 2021 to December 1, 2024.”

28. The MSA is inclusive of Individual Settlement Payments to Participating Class Members, attorneys’ fees and litigation costs, settlement administration costs, the Class Representative’s enhancement payment, and the PAGA payment to the Labor & Workforce Development Agency (“LWDA”) to be approved by the Court, but exclusive of employer-side payroll taxes (which will be paid separately by Defendants). A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 1**. The proposed Notice of Proposed Class Action Settlement Hearing Date for Court Approval (“Class Notice”) and Exclusion, Challenge, and Share Forms are attached as **Exhibit A** the Settlement Agreement. The Settlement Agreement, in its entirety, is incorporated herein by reference.

29. Class Counsel’s factual investigation, comprehensive discussions between the Parties’ counsel, and the informal discovery conducted in this matter have been adequate to give the Class Representative and Class Counsel a sound understanding of the merits of his position and to evaluate the worth of the claims of the Class. The informal discovery conducted in this Action, and the information exchanged by the Parties before, after, and during the mediation, was sufficient to reliably assess the merits of the respective Parties’ positions and to compromise on a fair and equitable basis. Class Counsel believes that the Settlement set forth below confers substantial benefits upon the members of the Class.

30. Based on their own independent investigation and evaluation, Class Counsel has determined that the settlement terms set forth below are in the best interests of Plaintiff and the members

of the Settlement Class.

Summary of Plaintiff's and the Class Claims

31. In the operative Complaint, Plaintiff alleged 12 causes of actions on behalf of himself and the Putative Class for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay in lieu thereof; (5) failure to provide sick leave; (6) failure to provide and maintain complete and accurate wage statements; (7) failure to maintain accurate records; (8) failure to reimburse necessary business expenses; (9) failure to timely pay all wages during employment; (10) failure to pay all wages due upon termination; (11) civil penalties under the Private Attorneys General Act of 2004 ("PAGA"), Cal. Lab. Code §§ 2698, *et seq.* ("PAGA"); and (12) Unlawful Business Practices, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

A. Defendants' Failure to Pay Minimum Wages

32. California Labor Code §§ 1182.12, 1194, 1197.1, and 1198 requires employers to compensate employees for all time that an employee is "suffered or permitted to work," which includes all time "when any employer 'directs, commands or restrains' an employee." *See, e.g., Morillion v. Royal Packing Co.*, 22 Cal. 4th 575, 583 (2000), *as modified* (May 10, 2000); *see also* Code Regs. tit. 8, § 11070 ("Hours worked" means the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so."); *see also Ghazaryan v. Diva Limousine, Ltd.*, 169 Cal. App. 4th 1524 (2008); *Cervantez v. Celestica Corp.*, 618 F. Supp. 2d 1208 (C.D. Cal. 2009).

33. Plaintiff alleged that throughout the Class Period, Defendant failed to compensate Plaintiff and the Class for all hours worked because Defendant had a policy and/or practice whereby they required and/or pressured Class Members to work under Defendant's control while off-the-clock, including the times they were required to work during their meal periods.

34. Based on these allegations, Plaintiff asserted that this resulted in violations of Labor Code §§ 1182.12, 1194, 1197.1, 1198 for a failure to pay employees for all hours the Class was required or permitted to work.

35. However, Class Counsel recognizes that there is appellate binding authority while an employee may *assert* a claim for either unpaid wages or seek one additional hour of pay (i.e., premium pay) under Labor Code Section 226.7, the employee cannot *recover* damages under both theories and must elect one. *Sanchez v. Martinez*, 54 Cal. App. 5th 535, 546–47 (2020), review filed (Oct. 20, 2020).

B. Defendants’ Failure to Pay Overtime Wages

36. California Labor Code §§ 510 and 1198 provide that it is unlawful to employ persons without compensating them at a rate of pay of either one-and-one-half or two-times that person’s regular rate of pay, depending on the number of hours worked by the person on a daily or weekly basis; namely, at the rate of one-and-one-half for hours worked in excess of eight hours in a day and/or more than forty hours in a workweek, and the rate of two-times for hours worked in excess of 12 hours per day and/or in excess of 8 hours on the seventh consecutive day in a workweek.

37. Plaintiff alleged that throughout the Class Period, Plaintiff and other Class Members were not paid overtime premiums for all of the hours they worked in excess of eight hours in a day, in excess of twelve hours in a day, in excess of eight hours on the seventh consecutive day of work in a workweek, and in excess of forty hours in a week due Defendant failing to pay employees for all hours worked, including the times they were required to work during their meal periods.

38. Based on data exchanged as part of mediation, Plaintiff and Class Members typically worked an average of 9.8 hours per shift under Defendants. Since Class Members were entitled to overtime for time worked over 8 hours in a given shift or 40 hours per week, the unpaid time would lead to significant overtime in a given pay period, however, Defendants failed to accurately record and compensate this time as overtime. As a result, Plaintiff alleged that throughout the Class Period, Plaintiff and other Class Members were not paid overtime premiums for all the hours they worked in excess of in excess of 8 hours in a day hours in a day and in excess of 40 hours in a week.

C. Defendants’ Failure to Provide Meal Periods

39. Labor Code section 512(a) provides that an employer may not require, cause, or permit an employee to work for a period of more than five hours in a day without providing the employee with a meal period of not less than thirty minutes, except that if the total work period per day of the employee is not more than six hours, the meal period may be waived by mutual consent of both the employer and

the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-104 (2012). An employee is also entitled to a second meal period during shifts in which the employee works more than ten hours in a day pursuant to Labor Code section 512(a).

40. Labor Code § 226.7(d) also requires employers to “relieve [the employee] of duty, with the employee thereafter at liberty to use the [meal and/or rest break] period for whatever purpose he or she desires.” “An off-duty meal period, therefore, is one in which the employee “is relieved of all duty during [the] 30-minute meal period . . . an employer’s obligation is to provide an off-duty meal period: an uninterrupted 30–minute period during which the employee is relieved of all duty.” *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1035 (2012) (internal quotation marks omitted). The meal period must be provided within the first five hours of an employee’s shift and the employee must also be “free to leave the premises.” *Id.* at 1036.¹

41. With respect to Plaintiff and the Class, Plaintiff alleged that Defendants consistently denied their non-exempt employees the opportunity to take compliant 30-minute meal periods in accordance with these mandates.

42. Plaintiff alleged that Class Members were denied compliant meal periods as a matter of common practice and policy as demonstrated by employee time records, which confirm that a significant number of first meal periods were taken late and a staggering number of first meal periods were not even taken, in violation of Labor Code §§ 226.7, 512, and Wage Order No. 1.

43. Plaintiff alleged that, despite these policies and practices, Defendants did not pay Plaintiff and Class Members all meal period premium wages when meal periods were missed, late, short, or subject to employer control.

D. Defendants’ Failure to Provide Rest Periods

¹ *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1036 (2012) (“As these opinion letters make clear, and as the DLSE argues in its amicus curiae brief, the wage order’s meal period requirement is satisfied if the employee (1) has at least 30 minutes uninterrupted, (2) is free to leave the premises, and (3) is relieved of all duty for the entire period. We agree with this DLSE interpretation of the wage order.”).

1 44. Labor Code § 226.7 provides that “no employer shall require any employee to work
2 during any meal or rest period mandated by an applicable order of the Industrial Welfare Commission.”
3 Labor Code § 226.7(d) requires employers to “relieve [the employee] of duty, with the employee
4 thereafter at liberty to use the [rest break] period for whatever purpose he or she desires.” *See, e.g., Brinker*
5 *Restaurant Corp. v. Sup. Ct.*, 53 Cal. 4th 1004, 1017 (2012). Employers violate this mandate by requiring
6 employees to remain on call. *Augustus v. ABM Security Servs., Inc.*, 2 Cal. 5th 257, 270 (2016), *as modified on*
7 *denial of reh’g* (Mar. 15, 2017). Employees cannot be required to “remain at the ready and capable of being
8 summoned to action”; rather, they must have the “freedom to use rest periods for their own purposes.”
9 *Id.* (“During required rest periods, employers must relieve their employees of all duties and relinquish
10 any control over how employees spend their break time.”); *see also Morillion v. Royal Packing Co.*, 22 Cal.4th
11 575, 582-83 (2000), *as modified* (May 10, 2000) (finding that time spent in employer’s premises and subject
12 to employer’s control qualifies as hours worked); *Bono Enterps., Inc. v. Bradshaw*, 32 Cal.App.4th 968, 974-
13 75 (1995).

14 45. Employees must also be free to leave the employer’s premises during their rest period.
15 *Augustus*, 2 Cal. 5th 270 (“In the context of a 10-minute break that employers must provide during the
16 work period, a broad and intrusive degree of control exists when an employer requires employees to
17 remain on call and respond during breaks. An employee on call cannot take a brief walk—five minutes
18 out, five minutes back—if at the farthest extent of the walk he or she is not in a position to respond.
19 Employees similarly cannot use their 10 minutes to take care of other personal matters that require truly
20 uninterrupted time.”); *see also* Department of Industrial Relations, “Rest Periods,” *available at*
21 https://www.dir.ca.gov/dlse/FAQ_RestPeriods.htm (“Q. Can my employer require that I stay on the work
22 premises during my rest period? A. No, your employer cannot impose any restraints not inherent in the
23 rest period requirement itself.”).

24 46. With respect to Plaintiff and the Class, Plaintiff alleged that Defendants failed to relieve
25 Plaintiff and Class Members from all duty when on their rest period by requiring Plaintiff and Class
26 Members to comply with an unlawful and systematic policy and practice that interfered with their ability
27 to take compliant rest periods whereby they pressured Plaintiff and Class Members to prioritize
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1 completing assigned work by working through their rest periods, or by interrupting their rest periods, or
2 by taking them late.

3 47. Plaintiff alleged that despite these policies and practices, Defendants did not pay Plaintiff
4 and Class Members all rest period premium wages based on their failure to provide compliant rest
5 periods. Plaintiff alleged that this resulted in violations of Labor Code §§ 226.7, 512, 558, and 1198.

6 **E. Plaintiff's Reimbursement for Necessary Business Expenses Claim**

7 48. Labor Code section 2802 provides that "[a]n employer shall indemnify his or her
8 employee for all necessary expenditures or losses incurred by the employee in direct consequence of the
9 discharge of his or her duties, or of his or her obedience to the directions of the employer." Lab. Code §
10 2802.

11 49. Defendant failed to reimburse Plaintiff and Class Members for all business-related
12 expenses that were necessary to perform their job, including requiring Plaintiff and the Class to use of
13 their cell phones.

14 **F. Plaintiff's Wage Statement Claim**

15 50. Plaintiff claimed Defendants systematically provided Plaintiff and Class Members with
16 incomplete and inaccurate wage statements in violation of Labor Code sections 226(a)(1) and 226(a)(5).
17 California Labor Code section 226(a) provides that every employer shall furnish to each of his or her
18 employees an accurate and complete itemized wage statement in writing, including, but not limited to,
19 the name and address of the legal entity that is the employer, the inclusive dates of the pay period, total
20 hours worked, gross wages earned, net wages earned, and all applicable rates of pay.

21 51. Because Defendants failed to properly compensate for off-the-clock work, including
22 through the payment of overtime premiums for time worked in excess of 8 hours in a day and 40 hours
23 in a week and Defendant's requirement that Plaintiff and Class Members work through their legally
24 mandated meal period, Defendants did not list the correct number of regular and overtime hours worked
25 and premium wages earned (for non-compliant meal and rest periods) on Class Members' wage
26 statements. As a result, Defendants' wage statements failed to set forth the correct amount of gross wages
27 earned by Plaintiff and Class Members—constituting a violation of section 226(a)(1). *Id.* For the same
28

1 reason, Defendants failed to list the correct amount of net wages earned by Plaintiff and Class Members
2 in violation of section 226(a)(5).

3 52. Plaintiff alleged that Defendants' failure to furnish Plaintiff and members of the Class
4 with complete and accurate, itemized wage statements resulted in actual injury, as these failures led to,
5 among other things, the non-payment of all wages earned, including overtime, and deprived them of the
6 information necessary to identify discrepancies in Defendant's reported data.

7 53. An employee suffering injury as a result of a knowing and intentional failure by an
8 employer to comply with Labor Code § 226(a) is entitled to recover the greater of all actual damages or
9 fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100)
10 per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of four
11 thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees." Labor
12 Code § 226(e). *Id.*

13 **G. Plaintiff's Waiting Time Penalty Claim**

14 54. Labor Code sections 201 and 202 provide that if an employer discharges an employee,
15 the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an
16 employee voluntarily leaves his or her employment, his or her wages shall become due and payable no
17 later than seventy-two hours thereafter, unless the employee has given seventy-two (72) hours previous
18 notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the
19 time of quitting.

20 55. During the relevant time period, Plaintiff alleged that Defendants willfully failed to pay
21 former Class Members the earned and unpaid wages set forth above, including but not limited to
22 overtime wages and premium pay, either at the time of discharge, or within seventy-two hours of leaving
23 Defendants' employ.

24 56. Plaintiff argued that Defendants' failure to pay former Class Members their wages earned
25 and unpaid at the time of discharge, or within seventy-two hours of their leaving Defendants' employ,
26 violates Labor Code sections 201 and 202. Former Class Members are therefore entitled to recover from
27 Defendants the statutory penalty wages for each day they were not paid, at their regular rate of pay, up
28 to a 30-day maximum penalty under Labor Code section 203.

H. Plaintiff's PAGA Claim

57. The Private Attorney General Act of 2004 ("PAGA" - Labor Code §§ 2699, *et seq.*) allows an aggrieved employee to bring suit against an employer for violations of most Labor Code provisions. Suits brought under PAGA do not affect the employee's right to recover other remedies under state or federal law. *See* Labor Code § 2699(g); *Caliber Bodyworks, Inc. v. Superior Court*, 134 Cal. App. 4th 365, 375 (2005). Wherever the Labor Code gives the Labor and Workforce Development Agency discretion to assess a civil penalty, a court is authorized to exercise the same discretion. Labor Code § 2699(e)(1). The statute of limitations for PAGA suits is one year. An employee who prevails in an action brought under PAGA is entitled to an award of reasonable attorneys' fees and costs. The penalties available under PAGA are those provided in the underlying Labor Code provision that is violated or, if no penalty is listed, those provided by PAGA itself. Where the Labor Code does not provide for a penalty, PAGA establishes a civil penalty of \$100 for each aggrieved employee per pay period for the initial violation and \$200 for each aggrieved employee per pay period for each subsequent violation. Labor Code § 2699(f). For any civil penalties collected under PAGA, seventy-five percent of the penalties are distributed to the LWDA for enforcement and education, and twenty-five percent is distributed to the aggrieved employees. *Id.*, at (i).

58. Plaintiff alleged that by virtue of each of Defendants' foregoing Labor Code violations, Plaintiff and the Class Members are, in addition to other remedies, entitled to additional civil penalties under PAGA. This cause of action exposes Defendants to additional penalties for the Labor Code violations, in additions to attorneys' fees and costs. Labor Code § 2699(g)(1).

I. Plaintiff's Unfair Competition Claim

59. Plaintiff contends that by failing to pay Plaintiff and Class Members for overtime, failing to provide meal periods or premium pay in lieu thereof, and committing the above-described Labor Code violations, Defendants engaged in unlawful, unfair, and/or fraudulent business practices in violation of Cal. Bus. & Profs. Code §§ 17200-17204 and is liable for restitution to the Class. Furthermore, this cause of action lengthens the statute of limitations of the class claims to four (4) years. Cal. Bus. & Profs. Code § 17208.

Defendants' Denial of Liability and its Legal and Factual Defenses

60. Defendants denied and continue to deny generally the claims, contentions, and all material allegations made in the Complaint. Defendants also claimed various defenses against certification, liability, and damages as to all claims.

61. Defendants argued they could defeat class certification as to Plaintiff's claims because they argued that liability would have to be determined on an individual basis for each putative Class Member, *i.e.*, there was no way to determine either the wage violations or the meal or rest period violations on a common method of fact subject to class-wide adjudication.

62. "The certification question is 'essentially a procedural one that does not ask whether an action is legally or factually meritorious.'" *Sav-On Drug Stores, Inc. v. Superior Court*, *supra*, 34 Cal. 4th 319, 326 (2004) (quoting *Linder v. Thrifty Oil Co.*, 23 Cal. 4th 429, 439-40 (2000), *as modified* (Aug. 9, 2000)). "The party seeking certification has the burden to establish the existence of both an ascertainable class and a well-defined community of interest among class members." *Sav-On Drug Stores, Inc.*, *supra*, 326 (2004) (citing *Lockheed Martin Corp. v. Superior Court*, 29 Cal.4th 1096, 1106 (2003)). "The 'community of interest' requirement embodies three factors: (1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class." *Id.*

63. "Commonality requires that there be questions of law or fact common to the class. "What matters to class certification is not the raising of common questions ... but rather the capacity of a classwide proceeding to generate common answers apt to drive the resolution of the litigation." *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350 (2011); *Ayala v. Antelope Valley Newspapers, Inc.*, 59 Cal.4th 522, 237 (2014). A plaintiff attempting to prove commonality must show their employer "violated California law not just on paper, but also in practice and in a consistent way that would permit class wide adjudication." *Towle v. Cummins Pac., LLC*, 2018 WL 5785337, at *6 (S.D. Cal. 2018).

64. "In addition to establishing commonality, [plaintiffs] must...prove that common questions of law or fact predominate over questions affecting only individual class members." *Ramirez*, *supra*, at *2; Plaintiff must also show "substantial benefits from certification that renders proceeding as a

class superior to the alternatives.” *Brinker Rest. Corp. v. Superior Court*, 53 Cal 4th 1004, 1021 (2012).² This superiority requirement encompasses consideration of “the manageability of individual issues.” *Duran v. U.S. Bank Nat’l Assn.*, 59 Cal 4th 1, 29 (2014).

65. Common issues do not predominate “where each member’s right to recover depends on facts peculiar to his case,” and “every member of the alleged class would be required to litigate numerous and substantial questions determining his individual right to recover following the ‘class judgment’ determining issues common to the purported class.” *City of San Jose v. Superior Court*, 12 Cal.3d 447, 459 (1974). When a class action will “splinter into individual trials,” common questions do not predominate and litigation of the action in the class format is inappropriate. *Id.*, at 460; *McCullah v. Southern Cal. Gas*, 82 Cal.App.4th 495, 499 (2000) (“[C]ommunity of interest requirement is not satisfied if every member of alleged class would be required to litigate numerous and substantial questions.”).

66. To that end, Defendants argued that Plaintiff would be unable to prevail as to certification because they argued that there were no *written*, class-wide policies that could serve as the “common question” necessary to support certification. More specifically, (1) they argued its written meal and rest periods policies were compliant with California law and authorized and permitted employees to take their legally mandated breaks; and (2) its practices were to allow employees to take legally mandated breaks without interruption.

67. Defendants asserted that each of these issues would have to be determined on an individual basis because none of them could be determined by reference to written policy documents or Class-wide documentary evidence such that the resulting inquiries would be entirely individual and would overwhelm and class-wide questions.

68. Defendants then argued that even if common questions do exist, they do not predominate because whether an individual Class Member is entitled to recovery will depend on numerous non-common factors: why they decided to clock in late or early, what they were doing before and after their

² See also *Bell v. Farmers Ins. Exchange*, 15 Cal.App.4th 715, 741 (2004) (“A line of California cases follows the principle of rule 23(b)(3) of the Federal Rules of Civil Procedure (28 U.S.C.), which provides that, for a class action to be maintained, it must be superior to other available methods for the fair and efficient adjudication of the controversy.”).

1 shifts while clocked in (*i.e.*, was it controlled time), whether they took meal or rest periods without
2 employer interruption or control, whether they choose to take meal periods late or shortened, which
3 supervisors oversaw which employees and how they implemented the policies and practices at issue, and
4 the individual Class Member's own interpretation of policies and practices.

5 69. According to these arguments, certification would be inappropriate because "each
6 member's right to recover depends on facts peculiar to his case," and "every member of the alleged class
7 would be required to litigate numerous and substantial questions determining his individual right to
8 recover following the 'class judgment' determining issues common to the purported class." *City of San*
9 *Jose v. Superior Court*, 12 Cal.3d 447, 459 (1974)); *Sotelo v. Medianews Grp., Inc.*, 207 Cal.App.4th 639, 655
10 (2012) ("Nor have appellants, having failed to address these causes of action in their motion, made a
11 factual showing that any such policy could be established by common evidence."). Separate mini trials
12 would have to determine both liability (*i.e.*, whether Defendants prevented a particular employee from
13 taking meal breaks they knew they were entitled to take) and damages (*i.e.*, how often Defendants
14 prevented a particular employee from taking a meal break).

15 70. If Plaintiff continued litigation, there was a risk that Defendants would defeat class
16 certification as to Plaintiff's unpaid time and meal and rest period claims. This risk factor could eliminate
17 much of the Class's claims, including penalties under PAGA, since numerous derivative causes of action
18 for penalties rise and fall with the underlying claims for unpaid time and/or meal and rest periods.

19 71. That said, while acknowledging this risk, Class Counsel determined that these defenses
20 were less compelling than other defenses asserted by Defendants as to the meal period claims, based, in
21 part, on the California Supreme Court's recent ruling in *Donohue v. AMN Servs., LLC*, 11 Cal. 5th 58, 74-
22 78 (2021) regarding the evidentiary impact of time records in the rounding context as it pertains to
23 certification of meal period and off-the-clock claims. Class Counsel therefore gave a lesser discount to
24 this defense as it pertained to (1) the meal periods claims given that a significant portion of the
25 noncompliant breaks were present in the Class's time records and could thus serve as a presumption of
26 violation, and (2) unpaid time claims given Class Counsel's belief that, at least as to certification,
27 Defendant's time records created a presumption of noncompliance with relevant law on a Class-wide
28

1 basis.

2 72. Defendants argued that they would prevail on meal and rest periods on the merits given
3 that their written meal and rest break policies, which were provided in their employee handbook,
4 adequately informed the Class of their right to take one or two meal breaks or two and three rest breaks
5 for shifts exceeding five or ten hours, respectively, complied with California state law requirements.
6 Defendants argued that the California Supreme Court held an employer is required only to “provide”
7 breaks but is not required to ensure or police that they are taken, citing to *Brinker Restaurant Corp. v.*
8 *Superior Court*, 53 Cal.4th 1004, 1040 (2012). Thus, the obligation to provide a meal period is generally
9 satisfied if the employer “relieves its employees of all duty, relinquishes control over their activities and
10 permits them a reasonable opportunity to take an uninterrupted 30-minute break, and does not impede
11 or discourage them from doing so.” Rather, “[b]ona fide relief from duty and the relinquishing of control
12 satisfies the employer’s obligations.” *Brinker*, at 1041; *see also Ordonez v. Radio Shack, Inc.* (C.D. Cal. 2013)
13 No. CV 10-7060-CAS (JCGx), 2013 WL 210223, at *8 (denying meal break and off-the-clock claims
14 based on “disparate employment settings” among putative class members), *Gonzalez v. Millard Mall Servs.,*
15 *Inc.* (S.D. Cal. 2012) 281 F.R.D. 455, 461-64 (denying class certification of meal and rest break claims,
16 among others, and listing similar cases).

17 73. As to the overtime claims, Defendants argued that Plaintiff and the Class were bound by
18 a legally binding Alternative Workweek Schedule (“AWS”) that was elected and approved by the
19 Department of Industrial Relations. Defendants further argued that Class Members were only required
20 to work on the regularly scheduled number of hours worked as established by the AWS and no more
21 than 40 hours a week, thereby defeating any potential claims of overtime violations. Class Counsel notes
22 that Defendant registered their election with the DIR and appear to have complied with all notice and
23 voting requirements to implement the AWS for its production, picking, and handling positions and
24 departments.

25 74. As to the reimbursement claims, Defendants argued they would prevail on the merits
26 because they do not require employees to use their personal cell phones for work purposes (and cannot
27 control if an employee chooses to use it.
28

1 75. Defendants then argued, and Plaintiff recognized, the likelihood that the Court would
2 not award waiting time and/or wage statement penalties, respectively, based on difficulties in establishing
3 bad faith, intentionality, and/or willfulness by Defendants—a required element to recover penalties
4 under these statutes. *See, e.g., Naranjo v. Spectrum Sec. Servs., Inc.*, 15 Cal. 5th 1056, 1090 (2024) (“In short,
5 the Court of Appeal in this case correctly concluded that when an employer shows that it reasonably and
6 in good faith, albeit mistakenly, believed that it complied with section 226, subdivision (a), that employer’s
7 failure to comply with wage statement requirements is not “knowing and intentional,” and the employer
8 is therefore not subject to penalties under section 226, subdivision (e)(1).”); *see also Naranjo*, 15 Cal. 5th
9 at 1065 (“[T]he answer to the question of Labor Code section 203 penalties was clear. Under long
10 established law, an employer cannot incur civil or criminal penalties for the willful nonpayment of wages
11 when the employer reasonably and in good faith disputes that wages are due.”).

12 76. In other words, Defendant argued that while it might have violated the law, its payment
13 of limited meal period premium payments, attempt at complying with California exemption requirements,
14 and the lack of evidence of systemic violations across the Exempt Class would allow it to establish that
15 it had acted in good faith such that these penalties could not legally be imposed. *See Diaz v. Grill Concepts*
16 *Servs., Inc.*, 233 Cal. Rptr. 3d 524 (2018); *Amaral v. Cintas Corp.*, 163 Cal.App.4th 1157, 1201 (2008); Cal.
17 Code Regs. tit. 8 § 13520.

18 77. In addition to willfulness, Defendants argued that Section 203 and 226 penalties would
19 not be recoverable on the merits because they were derivative of the causes of action for unpaid wages
20 and the failure to provide meal periods. Thus, to the extent those causes of action failed, the derivatives
21 would, as well.

22 78. *Finally*, Defendants argued, and Plaintiff recognized the likelihood of a reduction of
23 available PAGA penalties by the Court. Labor Code § 2699, subdivision (e)(2) gives the court discretion
24 to reduce PAGA civil penalties if it finds that awarding the full amount of penalties would be “unjust,
25 arbitrary and oppressive, or confiscatory” and courts have found that PAGA penalties as low as \$5.00
26 per pay period to be appropriate. *See Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018); *see also*
27 *Thurman v. Baysshore Transit Management, Inc.*, 203 Cal.App.4th 1112, 1135 (2012) (overruled on other
28

grounds) (upholding PAGA penalties of \$35.00 per pay period); *Magadia v. Wal-Mart Associates, Inc.*, 384 F.Supp.3d 1058, 1104 (N.D. Cal. 2019).

79. In conjunction with this argument, Defendants contended that Plaintiff would not be able to obtain the higher “subsequent” penalty amount for civil penalties because there was no prior judicial notice or determination of the illegality of Defendants’ conduct. (*See, Bernstein v. Virgin Am., Inc.* (9th Cir. Feb. 23, 2021) No. 19-15382, 2021 WL 867583, at *11) [overturning use of \$200 per pay period subsequent violation rate and holding that employer could not be subjected to such heightened penalties where neither the Labor Commissioner nor the court had previously determined the employer was in violation].) *See Gunther v. Alaska Airlines, Inc.*, No. D076762 (Cal. Ct. App. Dec. 1, 2021), at *40 (“[T]he increased \$200 civil penalty for ‘subsequent violation[s]’ does not apply unless [plaintiff] presents evidence that the Labor Commission or a court notified [defendant] that it was in violation of the Labor Code.”); *Amaral v. Cintas Corp.*, 163 Cal.App.4th 1157, 1209 (2008) (“Until the employer has been notified that it is violating a Labor Code provision . . . employer cannot be presumed to be aware that its continuing underpayment of employees is a “violation” subject to penalties.”).

80. Defendant claimed that, based on this appellate authority, the heightened penalty can only occur “subsequent” to a court or commissioner having advised the employer of prior violations; it is not created by a plaintiff’s attorney simply sending a letter to the employer that merely alleges such violations. Thus, they argued that since there is a good faith dispute in the present matter and because Defendant has not previously been notified by a court or commissioner that it had violated the Labor Code, Defendant would not be subject to heightened penalty amount. Given this clear-cut appellate authority, Plaintiff’s Counsel believed there was significant risk that Class Members would be limited to \$100 per violation as a maximal penalty and significant risk of further reduction under Carrington.

Class Counsel’s Analysis of Defendants’ Exposure

81. After considering the above legal and factual risks, as well as the time, expense and cost of litigation, trial and appeals, Class Counsel determined that Settlement was appropriate, fair and reasonable, and justified by Class Counsel’s legal and factual investigation.

82. Prior to agreeing to any settlement, Class Counsel conducted its factual investigation, obtained aggregate and individual Class Member data, and numerous wage-related and policy documents

as part of formal and informal discovery, including (1) per-shift time punch data, plus itemized wage statements, for the entirety for the Class; (2) a list of Class Members containing individual pay rates and start and end dates of employment; all compensation, security, payroll, time-keeping, time tracking, and meal/rest period policy-related documents in effect during the relevant period; and (4) additional information relevant to potential damages, such as Defendants' positions as to the average shift length for the Class and other aggregate data.

83. The informal discovery conducted in this Action, Class Counsel's investigation, and the information exchanged by the Parties before, after, and during the mediation, was sufficient to assess reliably the merits of the respective Parties' positions.

84. Class Counsel, in conjunction with its expert's analysis, determined Defendant's unadjusted maximum exposure as follows:

Unpaid Wages (Assuming an Invalid AWS)

85. Defendants failed to accurately record employee time and compensate Class Members for all regular and overtime hours worked. Class Counsel's expert determined from an analysis of the time records and other information provided by Defendants that there was 12,574 net overtime hours lost to Class Members based on data analysis. These lost hours translated to damages for Class Members in the amount of \$124,530.00 worth of unpaid overtime wages.

Unpaid Meal Period Premiums

86. Defendants' time-keeping records demonstrated a significant number of missed, short, or late meal periods. Based on Plaintiff's Counsel's expert's analysis of the time and payroll records, there were an extrapolated 6,180 unique meal period violations amongst Class Members, after subtracting for paid meal period premiums³, resulting in \$115,529 of unpaid premiums throughout the Class Period.

87. (Class Counsel did not attribute significant value to any unpaid minimum wages unpaid to class members based on their time working off the clock when putative only their meal periods in light of the appellate binding authority while an employee may *assert* a claim for either unpaid wages or seek one additional hour of pay (i.e., premium pay) under Labor Code Section 226.7, the employee cannot

³ Defendants paid a total of approximately 364 meal period penalties during the Class Period.

1 recover damages under both theories and must elect one. *Sanchez v. Martinez*, 54 Cal. App. 5th 535, 546–47
2 (2020), review filed (Oct. 20, 2020).)

3 Unpaid Rest Period Premiums

4 88. Plaintiff assumed a maximal rest break violations rate of one hundred percent of shifts.
5 Based on that assumed violation rate, Class Counsel’s expert calculated 12,574 rest period violations
6 extrapolated to Class Members, resulting in \$259,316 in unpaid premiums throughout the Class Period
7 for non-compliant or missed rest periods.

8 Waiting Time Penalties

9 89. The Class has an estimated 32 former employees within the three-year statute of limitation
10 period for waiting time penalties (December 26, 2020 through December 1, 2024). They are owed waiting
11 time penalties of \$159,332 (calculated at 30 days per employee at 9.8 hours per day).

12 Wage Statement Penalties

13 90. Defendants violated Sections 226 by failing to provide the correct regular rate, overtime
14 rate, and correct number of hours worked on Class Members’ wage statements. There are approximately
15 45 Class Members in the penalty period, yielding wage statement penalties of \$62,950 (applying the \$4,000
16 penalty cap per Class Member).

17 PAGA Penalties

18 91. The PAGA period runs from December 26, 2023 (one year prior to mailing of the PAGA
19 Notice) through February 18, 2025, for a total of approximately 652 PAGA pay periods, resulting in
20 unstacked PAGA penalties of \$65,200 in *unstacked* PAGA penalties.

21 92. This penalty amount incorporated Class Counsel’s view that they would be unable to
22 obtain stacked PAGA penalties. Plaintiff’s Counsel is not aware of any published California appellate
23 court decisions that have held that plaintiffs may “stack” PAGA penalties, and while some federal district
24 courts have allowed stacking, many have not.⁴ See, e.g., *Hamilton v. Juul Labs*, 20-cv-03710-EMC, at *14

25
26 ⁴ Moreover, there is an unpublished California appellate decision that casts doubt on the ability to stack
27 penalties under PAGA: “Stacking penalties occurs when a civil penalty is recovered for each violation
28 within a single pay period. Ali’s attorney noted that no appellate court had ruled on the issuing of stacking
and argued to the trial court that the availability of stacking, particularly in a PAGA settlement, is unclear
because Labor Code section 2699, subdivision (f) references ‘a’ penalty for ‘a’ violation, while subdivision

(N.D. Cal. Nov. 16, 2021); *see also* *Snow v. United Parcel Services, Inc.*, 2020 WL 1638250, *3 (C.D. Cal April 1, 2020) (“[P]laintiffs **may** only recover a set of civil penalties for each type of violation.”); *Smith v. Lux Retail North America*, 2013 WL 2932243, *4 (N.D. Cal. June 13, 2013) (“Another necessary but equally flawed assumption undergirding the Luxottica calculation is the stacking of penalties . . . no actual holding in any judicial decision has ever blessed such stacking.”); *Salazar v. PODS Enterprise, LLC*, 2019 WL 2023726, *6 (C.D. Cal. May 8, 2019) (“[I]t is possible (although highly unlikely) that plaintiff could recover PAGA penalties for each separate type of Labor Code violation.”).

Defendants’ Total Potential Exposure for Class Claims

93. The total potential *damages* recoverable for the Class, before accounting for any associated risks and interest, is \$517,105. The total potential *penalties* recoverable for the Class, before accounting for any associated risks and interest, is \$287,482. The maximum potential damages *and* penalties recoverable—before accounting for any associated risks and present value discount—is \$804,587.

Class Counsel’s Risk Analysis of the Class’s Claims

in Light of Defendants’ Asserted Defenses

94. In coming to a determination that this settlement is fair and reasonable and in the best interests of the Class, Class Counsel took into account the possibility of unfavorable decisions on class certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that would all take several more years to litigate; the risk of Plaintiff not prevailing on one or more of the underlying claims due to factors such as Defendants’ ability to distinguish this case from existing cases; the risk that a court may not award waiting time penalties, wage statement penalties, and/or PAGA penalties based on difficulties in establishing bad faith; and the costs and time of continued litigation as follows:

95. *First*, Plaintiff ascribed a conservative 20% discount to the value of unpaid wages and overtime wages to account for the possibility of losing at class certification based on any of Defendant’s asserted defenses and manageability issues.

96. *Second*, Plaintiff ascribed a further conservative 30% discount to the value of unpaid

(g) references ‘the’ civil penalty on behalf of employees against whom ‘one or more of the alleged violations.’” *Ali v. Auto Nation, Inc.*, No. D077323, at *23 n.9 (Cal. Ct. App. July 14, 2021) (unpub.). While this decision is not precedent, Class Counsel viewed it as an indicator of how the Court might rule on this issue.

1 overtime wages to account for the possibility of losing on the merits as to the claim that Defendants
2 implemented an alternative workweek schedule that was adopted by the Department of Industrial
3 Relations. This discount is quite conservative given that Defendant registered their election with the DIR
4 and appear to have complied with all notice and voting requirements to implement the AWS.

5 97. *Second*, Plaintiff ascribed a conservative 20% risk discount to the value of unpaid meal
6 period premiums due to the possibility of losing at class certification in light of the California Supreme
7 Court's ruling in *Donobue v. AMN Servs., LLC*, 11 Cal. 5th 58 (2021), which established that the meal
8 period punches can serve as a rebuttable presumption of violation at the certification stage. *Donobue*, 11
9 Cal. 5th at 76-77 (rounding time punches showing missed, short, or delayed meal periods create a
10 rebuttable presumption of meal period violations for purposes of class certification).

11 98. Plaintiff ascribed a further 33% discount to the value of unpaid meal period premiums
12 due to the possibility of losing on the merits based on the likelihood that Defendants would demonstrate
13 that in practice meal period policies were compliant, Class Members were aware of their right to take
14 breaks, and Class Members did take breaks or voluntarily forewent or shortened them without pressure
15 from Defendants. This discount also take into account the risks associated with the presumed failure to
16 provide a second meal periods, which form the bulk of the damages for this claim, for shifts in excess of
17 10 hours given that some portion of those claims relied on prevailing on the rounding claims to establish
18 that certain shifts were in excess of 10 hours and the risk that for those shifts between 10-12 hours
19 without a second recorded meal period Defendant might be able to present testimony that those breaks
20 were voluntarily waived.

21 99. *Third*, Plaintiff ascribed a 40% risk discount to the value of unpaid rest period premiums
22 due to the possibility of losing at class certification based on any of Defendant's asserted defenses and
23 manageability issues given that Defendant authorized 10-minute rest breaks, the difficulty of obtaining
24 certification for rest period claims given that they are not recorded, and lacked a facially violative rest
25 period policy.

26 100. Plaintiff ascribed a further 50% discount to the value of unpaid rest period premiums due
27 to the possibility of losing on the merits based due to Defendants' asserted defenses and based on the
28

1 potential that Defendants would could that in practice rest period policies were compliant, Class
2 Members were aware of their right to take breaks, Class Members did take breaks or voluntarily forewent
3 or shortened them without pressure from Defendants, and all breaks were off-duty and off-premises,
4 and the difficulty of establishing rest period claims given that they are not recorded.

5 101. *Fourth*, Plaintiff ascribed a 20% discount to certification for the reimbursement claim for
6 the risk of being unable to show a common question of fact given that none of Defendants' policy
7 documents required an employee to utilize a personal cellphone and another 35% discount on the merits
8 for proving the claim given Defendants purported defenses to this claim.

9 102. *Fifth*, Plaintiff ascribed a 35% risk to the Court not awarding waiting time and/or wage
10 statement penalties, respectively, based on a failure to prevail on any of the predicate claims. Plaintiff
11 ascribed a further 50% discount to these penalties based on difficulties in establishing bad faith,
12 intentionality, and/or willfulness. While Class Counsel believes the alleged violations (*i.e.*, failure to pay
13 all wages and overtime premiums and failure to authorize and make available compliant meal and rest
14 periods) would have a likelihood of being proven at trial, Plaintiff also recognized a likelihood that said
15 violations would not be proven to have been knowing and intentional—a required element to recover
16 penalties under these statutes as discussed above.

17 103. *Sixth*, Plaintiff ascribed a 60% risk to a significant reduction of PAGA penalties by the
18 Court. Labor Code § 2699(e)(2) gives the court discretion to reduce PAGA civil penalties if it finds that
19 awarding the full amount of penalties would be “unjust, arbitrary and oppressive, or confiscatory.” Such
20 risk is significant as state and district courts have found that PAGA penalties as low as \$5.00 per pay
21 period (a reduction of over 95% of the collectible penalties) to be appropriate. *See, e.g., Carrington v.*
22 *Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018); *see also Thurman v. Baysshore Transit Management, Inc.*, 203
23 Cal.App.4th 1112, 1135 (2012) (overruled on other grounds) (upholding PAGA penalties of \$35.00 per
24 pay period); *Magadia v. Wal-Mart Associates, Inc.*, 384 F.Supp.3d 1058, 1104 (N.D. Cal. 2019). The fact that
25 Defendant paid some meal period premiums during the Class Period also informed Class Counsel's
26 assessment of this discount factor.

27 104. This discount also reflected Class Counsel's recognition that the Class would likely not
28

1 be able to obtain the higher “subsequent” penalty amount for civil penalties because there was no prior
2 judicial notice or determination of the illegality of Defendants’ conduct. *See Gunther v. Alaska Airlines, Inc.*,
3 No. D076762 (Cal. Ct. App. Dec. 1, 2021), at *40 (“[T]he increased \$200 civil penalty for ‘subsequent
4 violation[s]’ does not apply unless [plaintiff] presents evidence that the Labor Commission or a court
5 notified [defendant] that it was in violation of the Labor Code.”); *Amaral v. Cintas Corp.*, 163 Cal.App.4th
6 1157, 1209 (2008) (“Until the employer has been notified that it is violating a Labor Code provision . . .
7 employer cannot be presumed to be aware that its continuing underpayment of employees is a “violation”
8 subject to penalties.”).

9 105. Class Counsel also took into account the value of an immediate and guaranteed
10 Settlement against the uncertainty and delay that would occur before the Class’s claims could be heard at
11 trial, extended by any potential appeals.

12 106. Ultimately, Class Counsel determined that Defendants’ *risk-adjusted, realistic* maximum
13 damage exposure was approximately \$296,028, before any discount for the time value of money.

14 107. By contrast, the Settlement will yield a *prompt, certain, and substantial* recovery for Class
15 Members, which also benefits the parties and the Court. The Settlement was based on calculations, risk
16 assessment, and non-collusive, third-party mediated negotiation with Defendants. The resulting
17 settlement takes those risks and others into account in arriving at the non-reversionary Maximum
18 Settlement Amount of \$265,000.00, which represents a meaningful recovery of 89.5% of the value of
19 Defendants’ *risk-adjusted, realistic, maximum* exposure for damages and penalties.

20 108. The informal discovery conducted in this Action, and the information exchanged by the
21 Parties before, after, and during the mediation, was sufficient to assess reliably the merits of the respective
22 Parties’ positions and determine that this Settlement was fair is reasonable and in the best interests of the
23 Class. Class Counsel took into consideration the merits of the action on balance with the risk of the court
24 not certifying the class based on common issues not predominating; the risk of a finding Defendants
25 provided compliant meal and/or rest break policies and/or implemented compliant practices; the risk
26 the Court would find against Plaintiff on the minimum wage and overtime claims; the risk of the court
27 not awarding waiting time penalties, and/or other civil or PAGA penalties based on a lack of willfulness
28

1 or difficulties in establishing bad faith; and other potential defenses of Defendants on the merits.

2 109. If Defendants prevailed on any of these defenses, the claims of the Class would
3 potentially be worth little to nothing. Class Counsel also took into account the value of an immediate and
4 guaranteed Settlement against the uncertainty and delay that would occur before the Class's claims could
5 be heard at trial, extended by any potential appeals.

6 110. To be clear, Class Counsel believes that the claims have merit, and that the Class would
7 ultimately prevail at trial. However, Class Counsel recognizes and acknowledges the expense and delay
8 of continued lengthy proceedings necessary to prosecute the Action against Defendants through class
9 certification, summary judgment, trial, and appeals. I have also taken into account the uncertain outcome
10 and the risk inherent in any litigation, the risk of continued litigation in complex actions such as this, the
11 risk that Defendants defeat class certification or wins on the merits as to each of Plaintiff's claims for
12 damages, of which the other wage and hour claims for penalties are derivative, and the resulting risk of
13 little or no recovery. If settlement were not achieved, continued litigation of the claims would take
14 substantial time and possibly confer little or no benefit on Class Members.

15 111. In contrast, the Settlement obtained here will result in meaningful recovery for each Class
16 member with the estimated 68 Class Members being potentially entitled to an average individual gross
17 recovery of \$1,678.92 per Class Member. Class Counsel believes that the Settlement confers substantial
18 benefits upon the Class Participants and each of the members of the Class, and that an independent
19 review of the Settlement Agreement by the Court in the approval process will confirm this conclusion.

20 112. Based on their own independent investigation and evaluation, Class Counsel has
21 determined that the Settlement set forth in the Settlement Agreement is fair and reasonable and is in the
22 best interests of the Class Members.

23 113. The Settlement is within the "zone of reasonableness," justifying preliminary approval
24 and notice dissemination to the Class—and is an excellent result, meeting or exceeding settlements in
25 similar wage and hour cases based on the percentage of recovered damages or on average recovery.⁵

26 ⁵ See, e.g., *Arredondo*, 2022 WL 396575, at *14-15 (granting preliminary approval of \$1.25 million settlement
27 that represented 11% of the theoretical maximum recovery); *Ferrell v. Buckingham Property Mgmt.* (E.D. Cal.
28 Jan. 21, 2020) Case No. 1:19-cv-00332-LJO-SAB, 2020 WL 291042, *17-20 (granting preliminary
approval of \$600,000 wage and hour class and collective action settlement that represented 5.2% of the

The Attorneys' Fees Allocation is Reasonable

114. Plaintiff also requests that the Court preliminarily approve an award of reasonable attorneys' fees amounting to 1/3 of the settlement fund, or \$88,333.33. The attorneys' fee award of 1/3 of the settlement fund is reasonable considering the experience of Class Counsel in wage-and-hour cases, including class actions, the legal expertise required to litigate this case and negotiate this Settlement, and the amount of actual time that Class Counsel has dedicated to this case and the salutary effect of the lawsuit on Defendants' policies and practices with respect to the Labor Code violations alleged in the Complaint. The attorneys' fees sought are comparable to attorneys' fee awards granted in comparable cases. Significantly, the retainer agreement in this case provides for fees up to one-third of the amount obtained.

115. If the Court grants preliminary approval to the Settlement and authorizes the

original valuation of the claims); *Cooley v. Indian River Transp. Co.* (E.D. Cal. Jan. 24, 2019) No. 1:18- CV-00491, 2019 WL 316634, at *8 (granting preliminary approval of \$1.4 million wage and hour class settlement representing 11% of potential liability); *Thompson v. Costco Wholesale Corp.* (S.D. Cal. May 11, 2017) No. 14-CV-2778-CAB-WVG, 2017 WL 1957552, at *8 (granting preliminary approval of \$2 million wage and hour class settlement reflecting approximately 10% of exposure); *Ma v. Covidien Holding, Inc.* (C.D. Cal. Jan. 31, 2014) No. SACV 12-02161- DOC, 2014 WL 360196, at *5 (granting preliminary approval of \$2.5 million wage and hour class settlement that represented 9.1% of total exposure as within "range of reasonableness"); *Munyan v. Nationwide Medical, Inc.*, No. BC579015, 2017 WL 6452647, at *6 (Cal. Super. Oct. 12, 2017) (approving settlement of \$400,000, which represented 12% of potential recovery in wage-and-hour case); *Solis v. Bottomley Distribution Co., Inc.*, No. 15-CV-287797, 2017 WL 1046615, at *3 (Cal. Super. Mar. 03, 2017) (approving wage-and-hour class settlement that represented 8.1% of total potential recovery of \$3,307,479); *see also Badami v. Grassroots Campaigns, Inc.*, Case No. C 07-03465 JSW (N.D. Cal. Sept. 15, 2008) (average net recovery of approximately \$195); *Sandoval v. Nissbo of Cal., Inc.*, Case No. 37-2009-00091861 (San Diego County Super. Ct.) (average net recovery of approximately \$145); *Fukuchi v. Pizza Hut*, Case No. BC302589 (L.A. County Super. Ct.) (average net recovery of approximately \$120); *Contreras v. United Food Group, LLC*, Case No. BC389253 (L.A. County Super. Ct.) (average net recovery of approximately \$120); *Ressler v. Federated Department Stores, Inc.*, Case No. BC335018 (L.A. County Super. Ct.) (average net recovery of approximately \$90); *Doty v. Costco Wholesale Corp.*, Case No. CV05-3241 FMC-JWJx (C.D. Cal. May 14, 2007) (average net recovery of approximately \$65); *Lim v. Victoria's Secret Stores, Inc.*, Case No. 04CC00213 (Orange County Super. Ct.) (average net recovery of approximately \$35); *Gomez v. Amadeus Salon, Inc.*, Case No. BC392297 (L.A. Super. Ct.) (average net recovery of approximately \$20); *Sorenson v. PetSmart, Inc.*, Case No. 2:06-CV-02674-JAM-DAD (E.D. Cal. 2008) (wage and hour class action settlement approved where average class member recovery was approximately \$60); *Schiller v. David's Bridal, Inc.*, Case No. 1:10-cv-00616-AWI-SKO, 2012 WL 2117001 (E.D. Cal. June 11, 2012) (finding that average payment to class members of less than \$200 was a "good" result); *Williams v. Centerplate, Inc.*, Case Nos. 11-CV-2159 HKSC, 12-CV-0008-H-KSC, 2013 WL 4525428 (S.D. Cal. Aug. 26, 2013) (granting final approval of class action settlement with "very favorable" average recovery of approximately \$108).

1 dissemination of notice of the Settlement to the Class, Class Counsel anticipates filing a Motion for
2 Attorneys' Fees, Costs, and Incentive Award that will be scheduled to be heard concurrently (or will be
3 part of) the Motion for Final Approval and Fairness Hearing. In connection with the filing of the Motion
4 for Attorneys' Fees and Costs, Class Counsel will submit updated information in the form of a sworn
5 declaration setting forth a summary of their lodestar hours on this case, as well all of their costs reasonably
6 incurred in the litigation this case.

7 116. I have no knowledge of the existence of any conflicting interests between my firm and
8 any of its attorneys, on the one hand, and Plaintiff or any other Class Member, on the other.

9 *The Class Representative Enhancement Award is Fair and Appropriate*

10 117. Plaintiff requests payment of an Enhancement Award from the non-reversionary
11 Maximum Settlement Amount to the Class Representative in the amount of \$7,500, in addition to
12 whatever payment he is otherwise entitled to receive as a Class Member and in satisfaction of his
13 individually plead claims. The proposed Enhancement Award is reasonable compensation given the time
14 and effort that the Named Plaintiff devoted to this case; the valuable assistance he provided to Class
15 Counsel; and the strength of his individual claims, and the fact that he entered into a general release of
16 claims that is broader than the release of the class, which discussed in more depth below.

17 118. Plaintiff provided invaluable assistance to Class Counsel and the Class in this case,
18 including providing factual background for mediation and the Class Complaint; reviewing the relevant
19 documents, and Complaint; participating in phone calls with Class Counsel to discuss litigation and
20 settlement strategy; remaining on-call and available during mediation, and reviewing the settlement
21 documents. Plaintiff agreed to participate in this case with no guarantee of personal benefit.

22 119. Further, Plaintiff agreed to undertake the financial risk of serving as Class Representative
23 and exposed himself to the risk of negative publicity by anyone who opposed this case. Moreover, the
24 requested \$7,500.00 Incentive Payment for the Named Plaintiff falls within the range of incentive
25 payments typically awarded to Class Representatives in similar class actions. *See e.g., Bond v. Ferguson*
26 *Enterprises, Inc.*, No. 1:09-cv-1662 OWW MJS, 2011 WL 2648879 (E.D. Cal. June 30, 2011) (approving
27 \$11,250 service award to each of the two class representatives in a trucker meal break class action); *Ross*
28

15 120. Based on Class Counsel’s investigation and the discovery in this Action, Plaintiff’s claims
16 were strong and had merit. However, Plaintiff and his counsel also recognized the potential risk, expense,
17 and complexity posed by litigation. The resulting Settlement took into consideration the merits of
18 Plaintiff’s claims on balance with the risks identified above. The resulting Enhancement Award of \$7,500
19 in satisfaction of Plaintiff’s individual claims is a fair and equitable compromise.

The Settlement Administrator

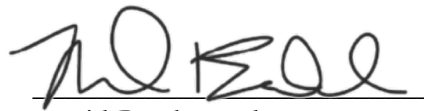
121. The Parties propose that the Court appoint Apex Class Actions, LLC (“Apex”) to serve as the Settlement Administrator. Apex provided a quote of \$5,000 to administer this Settlement with English and Spanish Translation. Class Counsel solicited bids from several potential settlement administrators and selected Apex based on their bid amount, their experience in administering class action settlements, and Class Counsel’s prior experience with Apex. Apex’s bid in this matter are attached as **Exhibit 2**.

27 | 122. Apex is experienced in administering class action settlements, having administered

1 thousands of class actions, and is qualified to administer this Settlement. Class Counsel has used Apex
2 for numerous other class action settlement administration and Apex has successfully completed its duties
3 for those settlements. Apex provided a discounted quote of \$5,000 to administer this Settlement with
4 notice in both English and Spanish.

5
6 I declare under penalty of perjury under the laws of the United States and the State of California
7 that the foregoing is true and correct. Executed on May 28, 2025 in Los Angeles, California.

8
9 By:



10 Navid Barahmand
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EXHIBIT 1

1 Bardia Aaron Akhavan, Esq. (State Bar No. 316493)
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18 724 South Spring Street, Suite 201
19 Los Angeles, California 90014
20 tel: (213) 465-4802

21 Attorneys for Plaintiff and the Settlement Class

22 [Additional Counsel on the next page]

23 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
24 **FOR THE COUNTY OF GLENN**

25 **Ferry Mendoza**, individually and on behalf of
26 all similarly situated individuals,

27 Plaintiff,

28 vs.

29 **Baughter Ranch Organics, Inc.**, a California
30 Corporation; and **Does 1-10**, inclusive;

31 Defendants.

CASE NO. 25CV00036

CLASS ACTION

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

Complaint Filed: October 24, 2024

1 HIEU T. WILLIAMS (SBN 280585)
CHINA M. DALY (SBN 300982)
2 **HIRSCHFELD KRAEMER LLP**
456 Montgomery Street, Suite 2200 San Francisco, CA 94104
3 Telephone: (415) 835-9000
4 Facsimile: (415) 834-0443
Attorneys for Defendant
5 BAUGHER RANCH ORGANICS, INC.
6 Attorneys for Defendants

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1 This Joint Stipulation of Settlement and Release of Class and PAGA Action (“Agreement”
2 or “Settlement Agreement”) is made and entered into by and between Plaintiff Ferry Mendoza
3 (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly
4 situated individuals and Defendant Baugher Ranch Organics, Inc. (“Defendant”). Plaintiff and
5 Defendant may be referred to herein as the “Parties,” singularly as a “Party,” or by their designated
6 names.

7 This Agreement is subject to the approval of the Court and is made for the sole purpose of
8 attempting to consummate settlement of the Action on a class-wide basis subject to the following
9 terms and conditions.

10 This Settlement Agreement shall be binding on Plaintiff, the Settlement Class, and the
11 Aggrieved Employees, on the one hand, and Defendant, on the other hand, subject to the terms
12 and conditions hereof and the approval of the Court.

13 RECITALS

14 1. Plaintiff filed his complaint on October 24, 2024 against Defendant in the Butte
15 County Superior Court. The parties subsequently stipulated to transfer the case to Glenn County
16 Superior Court, where it is now entitled *Ferry Mendoza v. Baugher Ranch Organics, Inc., et al.*,
17 Case No. 25CV00036 (the “Action”). The Action asserts the following class-wide causes of action
18 for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide
19 meal periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay in
20 lieu thereof; (5) failure to provide sick leave; (6) failure to provide and maintain complete and
21 accurate wage statements; (7) failure to maintain accurate records; (8) failure to reimburse
22 necessary business expenses; (9) failure to timely pay all wages during employment; (10) failure
23 to pay all wages due upon termination; (11) civil penalties under the Private Attorneys General
24 Act of 2004 (“PAGA”), Cal. Lab. Code §§ 2698, *et seq.* (“PAGA”); and (12) Unlawful Business
25 Practices, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

26 2. Defendant denies all material allegations set forth in the Action and have asserted
27 numerous affirmative and other defenses in response to the Class, PAGA, and individual claims.
28 Defendant contends it has complied with the California Labor Code, the California Business &

1 Professions Code, the applicable IWC Wage Orders, and all other applicable California and
2 Federal law. Nonetheless, Defendant has concluded that further litigation would be protracted and
3 expensive, and would also divert Defendant's resources away from its core mission. Defendant
4 has therefore concluded that it is desirable that the litigation be resolved upon the terms and
5 conditions set forth in this Stipulation.

6 3. On September 24, 2024, the Parties participated in a full-day of mediation with
7 Lynn Frank, Esq. of Frank and Feder (the "Mediator"), a well-respected mediator in the field of
8 employment law and wage-and-hour class actions. After a full-day of mediation, the Parties agreed
9 to the principal terms of a class action and PAGA settlement and entered into a Memorandum of
10 Agreement ("MOA") setting forth those terms, which have now been expanded upon in this
11 Stipulation.

12 4. Class Counsel conducted a significant investigation during the prosecution of the
13 Action. This investigation included, among other things, (a) numerous telephonic conferences
14 with Plaintiff; (b) inspection and analysis of numerous payroll and policy documents and other
15 information produced by Plaintiff and Defendant, including informal discovery production; (c)
16 analysis of the legal positions taken by Defendant; (d) investigation into the viability of class
17 treatment of the claims asserted in the Action; (e) analysis of potential class-wide damages,
18 including information sufficient to understand Defendant's potential defenses to Plaintiff's
19 claims; (f) research of the applicable law with respect to the claims asserted in the Action and the
20 potential defenses thereto; (g) assembling and analyzing of data for calculating damages; and (h)
21 hired the services of an expert to analyse and prepare Defendant's exposure.

22 5. The informal discovery conducted in this matter, as well as discussions between
23 counsel, and confirmatory discovery, have been adequate to give the Class Representative and
24 Class Counsel a sound understanding of the merits of their positions and to evaluate the risks of
25 litigation and the value of the Settlement Class's claims. The informal discovery and investigation
26 conducted in this Action and the information exchanged by the Parties through informal discovery
27 and settlement discussions are sufficient to reliably assess the merits of the Parties' respective
28 positions and to compromise the issues on a fair and equitable basis.

1 6. The settlement discussions during mediation were conducted at arm's length and
2 the settlement of the Action is the result of an informed and detailed analysis of Defendant's
3 potential liability in relation to the costs and risks associated with continued litigation.

4 7. Plaintiff and Class Counsel believe that the claims, causes of action, allegations,
5 and contentions asserted in the Action have merit. However, Plaintiff and Class Counsel recognize
6 and acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute
7 the Action against Defendant through trial and appeals. Class Counsel has taken into account: 1)
8 the uncertain outcome of the litigation; 2) the risk of continued litigation in complex actions such
9 as this lawsuit; 3) the difficulties and delays inherent in such litigation; 4) the potential difficulty
10 of obtaining certification of the Action; and 5) the potential risk of trying the claims of the class.
11 Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the
12 claims alleged in the Action and litigation of those claims on a class-wide basis.

13 8. Class Counsel believes that the Settlement set forth in this Settlement Agreement
14 confers substantial benefits upon Plaintiff and the Class Members, and that an independent review
15 of this Settlement Agreement by the Court in the approval process will confirm this conclusion.
16 Based on their own independent investigation and evaluation, Class Counsel has determined that
17 the Settlement set forth in the Stipulation is in the best interests of Plaintiff and the Class Members.

18 9. Based on the data and documents produced during informal discovery and in
19 response to Plaintiff's Labor Code sections 226 and 1198.5 records request, Class Counsel's own
20 independent investigation and evaluation, and the Mediator's efforts, Class Counsel believes that
21 Plaintiff's settlement with Defendant for the consideration provided and on the terms set forth in
22 this Settlement Agreement is fair, reasonable, and adequate, and is in the best interest of the Class
23 Members in light of all known facts and circumstances, including the risk of significant delay and
24 uncertainty associated with litigation, various defenses asserted by Defendant, the contested legal
25 and factual issues involved, and potential appellate issues.

26 10. This Settlement Agreement is made and entered into by and between Plaintiff
27 individually and on behalf of all other allegedly similarly situated Aggrieved Employees and
28 Settlement Class Members on the one hand, and Defendant on the other hand. This Settlement

1 Agreement is subject to the terms and conditions hereof, as well as the Court's approval. The
2 Parties expressly acknowledge that this Agreement is entered into solely for the purpose of
3 compromising disputed claims and that nothing herein is an admission of any liability or
4 wrongdoing by Defendant. If, for any reason the Settlement Agreement is not approved, it will be
5 of no force or effect, and the Parties shall be returned to their original respective positions.

6 11. The Parties agree to abide by the terms of the Settlement Agreement in good faith
7 and to support the Settlement Agreement fully and to use their best efforts to defend this
8 Settlement Agreement from any legal challenge, whether by appeal or collateral attack.

9 DEFINITIONS

10 The following definitions are applicable to this Settlement Agreement. Definitions
11 contained elsewhere in this Settlement Agreement will also be effective:

12 12. “**Action**” means *Ferry Mendoza v. Baugher Ranch Organics, Inc., et al.* Case No.
13 25CV00036, originally filed in Butte County Superior Court on October 24, 2024 and transferred
14 to the Glenn County Superior Court on December 28, 2023.

15 13. “**Aggrieved Employees**” means those Class Members who worked for Defendant
16 within the **PAGA Period**.

17 14. “**Class Counsel's Fees and Costs**” means attorneys' fees agreed upon by the
18 Parties and approved by the Court for Class Counsel's litigation and resolution of this Action.
19 Class Counsel's Fees and Costs shall include all costs incurred and to be incurred by Class Counsel
20 in the Action, including, but not limited to, costs associated with documenting the Settlement,
21 securing the Court's approval of the Settlement, responding to any objections to the settlement
22 and appeals arising therefrom, administering the Settlement, and obtaining entry of a Judgment
23 terminating this Action, and expenses for any experts. Class Counsel will request attorneys' fees
24 not in excess of one-third of the Maximum Settlement Amount (i.e., up to Eighty-Eight Thousand
25 Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$88,333.33)).¹ The Class Counsel's
26

27 ¹ For the avoidance of doubt, if the Escalator Clause is triggered and the Gross Settlement Amount
28 increases, Class Counsel shall have the right to seek attorney's fees up to one-third of the increased
Gross Settlement Amount

1 Fees and Costs will also mean and include the additional reimbursement of Class Counsel's actual
2 reasonable costs incurred in connection with Class Counsel's litigation and settlement of the
3 Action, up to Twenty Thousand Dollars and Zero Cents (\$20,000.00), subject to the Court's
4 approval. Defendant agrees not to oppose Class Counsel's request for fees and reimbursement of
5 costs as set forth above.

6 15. **"Class Counsel"** means Bardia Akhavan of Akhavan & Associates, Elliot J. Siegel
7 of King & Siegel LLP, and Navid Barahmand of Barahmand Law Group.

8 16. **"Class List"** means a complete list of all Class Members that Defendant will
9 diligently and in good faith compile from their records and provide to the Settlement
10 Administrator within five (5) calendar days after Preliminary Approval of this Settlement. The
11 Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include, to
12 the extent in the possession of Defendant or its agents, Class Members' names; last-known
13 addresses; last-known telephone numbers; last-known email address; social security numbers;
14 start dates of employment; end dates of employment; number of weeks worked by each Class
15 Member during the Class Period; the number of pay periods worked by each Aggrieved Employee
16 during the PAGA Period.

17 17. **"Class Member(s)"** or **"Settlement Class"** or the **"Class"** means the following:

18 *"All non-exempt persons who worked at least one 3.5-hour shift for Defendants in*
19 *the State of California during the Release Period."*

20 18. **"Class Size Representation"**: Defendants represent that there are 68 Class
21 Members during the period from December 26, 2021 through December 1, 2024 and that these
22 Class Members worked a combined 3,477 workweeks during that same period. This representation
23 is a material term for Plaintiff entering into this Stipulation.

24 19. **"Class Period"** is the period from December 26, 2021 to December 1, 2024.

25 20. **"Class Representatives"** means Plaintiff Ferry Mendoza who will seek to be
26 appointed as the representative for the Settlement Class.

27 21. **"Class Representative Enhancement Payment"** means the amounts to be paid to
28 Plaintiff in recognition of his efforts and work in prosecuting the Action on behalf of Class

1 Members and negotiating the Settlement. Defendant agrees not to dispute that the Class
2 Representative will be paid, subject to Court approval, up to Seven Thousand Five Hundred
3 Dollars and Zero Cents (\$7,500.00) from the Maximum Settlement Amount for his services on
4 behalf of the class, subject to the Court granting Final Approval of this Settlement Agreement.
5 Should the Court reduce the Class Representative Enhancement Payment, any such reduction shall
6 revert to the Net Settlement distributed to Participating Class Members.

7 22. “**Court**” means the Superior Court in the County of Glenn.

8 23. “**Defendant**” means Baugher Ranch Organics, Inc.

9 24. “**Effective Date**” means the date on which the settlement embodied in this
10 Settlement Agreement shall become effective and is the date after all of the following events have
11 occurred: (i) this Settlement Agreement has been executed by Plaintiff and Defendant; (ii) the
12 Court has given Preliminary Approval to the Settlement, including approving a provisional
13 Settlement Class; (iii) notice has been given to the putative members of the Settlement Class,
14 providing them with an opportunity to object to the terms of the Settlement or to opt-out of the
15 Settlement; and (iv) *either* (1) the Court has held a formal fairness hearing and, having heard no
16 objections to the Settlement, has given Final Approval to the Settlement, including entering a final
17 order and judgment certifying the Class and approving this Settlement Agreement; or (2) in the
18 event there are oral or written objections filed prior to or at the formal fairness hearing which are
19 not later withdrawn or denied, the later of the following events: (a) five (5) business days after the
20 period for filing any appeal, writ, or other appellate proceeding opposing the Court’s Final
21 Approval of the Settlement have elapsed without any appeal, writ, or other appellate proceeding
22 having been filed; or (b) five (5) business days have elapsed following the final and conclusive
23 dismissal or resolution of any appeal, writ, or other appellate proceeding opposing the Settlement,
24 with no right to pursue further appellate remedies or relief.

25 25. “**Individual Class Payment**” means each Participating Class Member’s share of
26 the Net Settlement Amount, to be distributed to the Class Members who do not submit a valid
27 Request for Exclusion, to be paid without the need to submit a claim.

28 26. “**Individual PAGA Payment**” means each Aggrieved Employee’s pro rata share

1 of the 25% of the Labor and Workforce Development Agency Payment allocated to the Aggrieved
2 Employees. Aggrieved Employees will receive their Individual PAGA Payment regardless of
3 whether they submit a valid Request for Exclusion.

4 27. “**Labor and Workforce Development Agency Payment**” means the amount that
5 the Parties have agreed that Defendants will pay in connection with Plaintiff’s Labor Code Private
6 Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.* (“PAGA”)) cause of action. The
7 Parties have agreed that Fifteen Thousand Dollars and Zero Cents (\$15,000.00) of the Maximum
8 Settlement Amount will be allocated to the resolution of the Aggrieved Employees’ claims arising
9 under PAGA (“PAGA Settlement Amount”). Pursuant to PAGA, Seventy-Five Percent (75%), or
10 Eleven Thousand Two Hundred and Fifty Dollars and Zero Cents (\$11,250.00), of the PAGA
11 Settlement Amount will be paid to the California Labor and Workforce Development Agency
12 (“LWDA”), and Twenty-Five Percent (25%), or Three Thousand Seven Hundred Fifty Dollars
13 and Zero Cents (\$3,750.00), of the PAGA Settlement Amount will be paid to the Class Members,
14 as allegedly Aggrieved Employees, as part of the Net Settlement Amount.

15 28. “**Maximum Settlement Amount**” means the maximum settlement amount of Two
16 Hundred and Sixty-Five Thousand Dollars and Zero Cents (\$265,000.00) to be paid by Defendant
17 in full satisfaction of all claims arising from the Action. The Maximum Settlement Amount shall
18 include all Individual Class Payments to Participating Class Members, Individual PAGA
19 Payments, the Class Representative Enhancement Payment, Settlement Administration Costs to
20 the Settlement Administrator, the Labor and Workforce Development Agency Payment, and the
21 Class Counsel’s Fees and Costs. The MSA shall not include employer-side payroll, which
22 Defendant agrees that it is responsible for and are to be paid in addition to the Maximum
23 Settlement Amount. The Maximum Settlement Amount is non-reversionary.

24 29. “**Net Settlement Amount**” means the portion of the Maximum Settlement Amount
25 remaining after deduction of the approved Class Representative Enhancement Payment,
26 Settlement Administration Costs, Labor and Workforce Development Agency Payment, and Class
27 Counsel’s Fees and Costs. The Net Settlement Amount will be distributed to Participating Class
28 Members and Individual PAGA Payment.

1 30. “**Notice of Objection**” means a Class Member’s valid and timely written objection
2 to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the
3 objector’s full name, signature, address, telephone number, and the last four digits of the
4 objector’s social security number, (b) the dates the objector was employed by Baugher Ranch
5 Organics, Inc. in California, (c) a written statement of all grounds for the objection accompanied
6 by any legal support for such objection, and (d) copies of any papers, briefs, or other documents
7 upon which the objection is based.

8 31. “**Notice Packet**” or “**Notice**” means the Notice of Class Action Settlement and
9 Share Form, substantially in the form attached as **Exhibit A**.

10 32. “**PAGA Period**” shall run from December 26, 2022 to December 1, 2024. There
11 are an estimated 590 pay periods in the PAGA Period.

12 33. “**PAGA Release Period**” means the period from December 26, 2022 to December
13 1, 2024

14 34. “**Participating Class Members**” means all Class Members who do not submit
15 valid and timely Requests for Exclusion.

16 35. “**Parties**” means Plaintiff and Defendant, collectively.

17 36. “**Plaintiff**” or “**Named Plaintiff**” or “**Class Representative**” means Ferry
18 Mendoza.

19 37. “**Preliminary Approval**” means the Court order granting preliminary approval of
20 the Settlement in an order in substantially the same form as the order attached as **Exhibit B**.

21 38. “**Final Approval**” means the Court granting final approval of the Settlement and
22 entering final judgement in an order in substantially the same form as the order attached as **Exhibit**
23 **C**.

24 39. “**Released Claims**” means those claims asserted in the Complaint or that
25 reasonably could have been alleged based on the factual allegations contained in the operative
26 complaint or LWDA letter, including but not limited to all of the following claims for relief: (1)
27 failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal
28 periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay in lieu

1 thereof; (5) failure to provide sick leave; (6) failure to provide and maintain complete and accurate
2 wage statements; (7) failure to maintain accurate records; (8) failure to reimburse necessary
3 business expenses; (9) failure to timely pay all wages during employment; (10) failure to pay all
4 wages due upon termination; (11) civil penalties under the Private Attorneys General Act of 2004
5 (“PAGA”), Cal. Lab. Code §§ 2698, *et seq.* (“PAGA”); and (12) Unlawful Business Practices,
6 Cal. Bus. & Prof. Code §§ 17200, *et seq.* It is the intent of the Parties that the judgment entered
7 by the Court upon Final Approval of the Settlement shall have *res judicata* and/or collateral
8 estoppel effect and be final and binding upon Plaintiff and all Participating Class Members
9 regarding all of the Released Claims. The Release will only take effect upon the latter of the
10 Effective Date and full funding of the MSA by Defendants.

11 40. “**Release Period**” is the period from December 26, 2021 to December 1, 2024.

12 41. “**Released PAGA Claims**” means the release of claims by Aggrieved Employees
13 for civil penalties under PAGA asserted in the Complaint or LWDA letter, or that could have
14 reasonably been alleged based on the factual allegations contained in the Operative Complaint
15 and PAGA Notice. The Released PAGA Claims shall be release through the PAGA Release
16 Period. No Aggrieved Employee may opt out of the PAGA Release and will be bound by this
17 Release regardless of whether they cash their Individual PAGA Payment. The Release will only
18 take effect upon the latter of the Effective Date and full funding of the MSA by Defendants.

19 42. “**Released Parties**” shall mean Defendant Baugher Ranch Organics, Inc., as well
20 as their subsidiaries and/or parent corporations, divisions, affiliates, past and present officers,
21 predecessors, directors, employees, agents, shareholders, fiduciaries, representatives, attorneys,
22 insurers, benefit plans, private investigators and each and all of the foregoing persons’ heirs,
23 assigns, executors, administrators and successors, or any of them.

24 43. “**Request for Exclusion**” means a timely letter submitted by a Class Member
25 indicating a request to be excluded from the Settlement. The Request for Exclusion shall include
26 the Class Members’ name and information needed to be properly identified and indicate the desire
27 to opt out of the settlement. Such information could include the name, address, telephone number,
28 and the last four digits of the Social Security Number of the Class Member requesting exclusion.

1 It must be returned by first class mail or equivalent to the Settlement Administrator at the specified
2 address and be postmarked on or before the Response Deadline. The date of the postmark on the
3 return mailing envelope will be the exclusive means to determine whether a Request for Exclusion
4 has been timely submitted. A Class Member who does not request exclusion from the Settlement
5 will be deemed a Participating Class Member and will be bound by all terms of the Settlement, if
6 the Settlement is granted Final Approval by the Court.

7 44. “**Response Deadline**” means the deadline by which Class Members must postmark
8 to the Settlement Administrator valid Share Forms, Requests for Exclusion, or file and serve
9 objections to the Settlement. The Response Deadline will be 35 calendar days from the initial
10 mailing of the Notice Packet by the Settlement Administrator, unless the that day falls on a Sunday
11 or federal holiday, in which case the Response Deadline will be extended to the next day on which
12 the U.S. Postal Service is open. The Response Deadline for Objections or Requests for Exclusion
13 will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet
14 by the Settlement Administrator, unless the 15th day falls on a Sunday or federal holiday, in which
15 case the Response Deadline will be extended to the next day on which the U.S. Postal Service is
16 open. The Response Deadline may also be extended by agreement between Class Counsel and
17 Defendant or by Order of the Court. Under no circumstances, however, will the Settlement
18 Administrator have the authority to extend the deadline for Class Members to submit a Request
19 for Exclusion, or objection to the Settlement other than as provided herein.

20 45. “**Settlement**” or “**Stipulation**” means the Parties’ agreement to resolve the Action
21 on terms and conditions as set forth in this Settlement Agreement.

22 46. “**Settlement Administrator**” means a third-party class action settlement claims
23 administrator selected by the Parties and approved by the Court for purposes of administering this
24 Settlement. The Parties each represent that they will not select a Settlement Administrator in
25 which either Party has any financial interest or other relationship that could create a conflict of
26 interest.

27 47. “**Settlement Administration Costs**” means the costs payable from the Maximum
28 Settlement Amount to the Settlement Administrator for administering this Settlement, including,

1 but not limited to, printing, distributing, and tracking documents for this Settlement, calculating
2 estimated amounts per Class Member, tax reporting, distributing the appropriate settlement
3 amounts, and providing necessary reports and declarations, and other duties and responsibilities
4 set forth herein to process this Settlement, and as requested by the Parties. The Settlement
5 Administration Costs will be paid from the Maximum Settlement Amount and shall not exceed
6 \$20,000.

7 48. “**Workweeks**” means the number of weeks worked by each Class Member as a
8 non-exempt employee during the Class Period. Workweeks are determined by calculating the
9 number of days each Class Member worked during the Class Period and dividing by seven (7).
10 Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down;
11 however, a Class Member who worked only one day during the Class Period will be credited with
12 having worked one Workweek for purposes of the Settlement. For purposes of calculating Class
13 Member Payments, Workweeks worked by exempt employees shall be weighted at 5:1 to the
14 workweeks worked by non-exempt employees to account for the difference in their factual and
15 legal claims and the minimum payment to any given Class Member shall be no less than \$25
16 dollars.

17 **CLASS CERTIFICATION**

18 49. Solely for purposes of settling the Action, the Parties stipulate and agree that the
19 requisites for establishing class certification with respect to the Settlement Class have been met
20 and are met. If the Settlement is not approved by the Court, Defendant retains all rights and
21 opportunities to contest class certification on all issues in the Action. More specifically, the Parties
22 stipulate and agree for purposes of this Settlement only that:

23 a. The Settlement Class is ascertainable and so numerous as to make it impracticable
24 to join all Class Members;

25 b. There are common questions of law and fact including, but not limited to, the
26 following:

27 i. Whether Defendant had a common policy and/or practice of depriving
28 Plaintiff and Class Members of required minimum and overtime wages;

- 1 ii. Whether Defendant unlawfully and/or willfully failed to compensate Plaintiff
2 and Class Members required minimum and overtime wages;
3 iii. Whether Defendant had a common policy and/or practice of depriving
4 Plaintiff and Class Members of compliant, off-duty meal and/or rest periods;
5 iv. Whether Defendant unlawfully and/or willfully deprived Plaintiff and Class
6 Members of compliant, off-duty meal and/or rest periods;
7 v. Whether Defendant had a common policy and/or practice of failing to
8 maintain accurate payroll records in the State of California;
9 vi. Whether Defendant unlawfully and/or willfully failed to maintain accurate
10 payroll records in the State of California;
11 vii. Whether Defendant had a common policy and/or practice of failing to provide
12 accurate wage statements reflecting hours worked and wages earned to
13 Plaintiff and Class Members;
14 viii. Whether Defendant unlawfully and/or willfully failed to provide accurate
15 wage statements reflecting hours worked and wages earned to Plaintiff and
16 Class Members;
17 ix. Whether Defendant had a common policy and/or practice of failing to
18 reimburse Plaintiff and Class Members for reasonable business expenses;
19 x. Whether Defendant unlawfully and/or willfully failed to reimburse Plaintiff
20 and Class Members for reasonable business expenses;
21 xi. Whether Plaintiff and Class Members sustained damages as a result of any of
22 the aforementioned violations, and, if so, the proper measure of those
23 damages, including interest, penalties, costs, attorneys' fees, and equitable
24 relief; and
25 xii. Whether Defendant violated the Unfair Competition Law, Cal. Bus. & Prof.
26 Code § 17200, et seq., by violating the above provisions of law.
27 c. That the Class Representative's claims are typical of the claims of the members of
28 the Settlement Class.

1 d. That the Class Representative and Class Counsel will fairly and adequately protect
2 the interests of the Settlement Class.

3 e. That the prosecution of separate actions by individual members of the Settlement
4 Class would create the risk of inconsistent or varying adjudications, which would establish
5 incompatible standards of conduct.

6 f. That questions of law and fact common to the members of the Settlement Class
7 predominate over any questions affecting any individual member in such Class, and that a class
8 action is superior to other available means for the fair and efficient adjudication of the controversy.

9 g. The Parties agree that this stipulation regarding class certification is for the sole
10 purpose of facilitating settlement approval. Should the Court ultimately deny settlement approval,
11 the Parties agree that Defendant maintains and has the right to contend that class certification, for
12 all the issues enumerated herein, is improper based upon all defenses available to Defendant prior
13 to execution of this Stipulation.

14 **TERMS OF AGREEMENT**

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

17 50. Funding of the Maximum Settlement Amount. Within seven (7) calendar days after
18 the Effective Date, the Settlement Administrator will provide the Parties with an accounting of
19 the amounts to be paid by Defendants pursuant to the terms of the Settlement, including the
20 amount of the employer contribution for payroll taxes to be paid by Defendants. Within fourteen
21 (14) days of receiving the final accounting of funds by the Settlement Administrator, Defendant
22 will make the required deposit of the Maximum Settlement Amount in the amount of \$265,000
23 ("Maximum Settlement Amount");²

24 51. Within seven (7) calendar days of the funding of the Maximum Settlement Amount,
25 the Settlement Administrator will issue payments to: (a) Class Representative; (b) Class Counsel;

26 _____
27 ² This payment shall be deposited into a Qualified Settlement Fund to be established by
28 the Settlement Administrator to be held in trust pending final approval of this Settlement. Should
final approval of this settlement not be granted for any reason, Defendant shall be entitled to return
of this deposit within 30 days of such event.

1 (c) the Participating Class Members; (d) the Labor and Workforce Development Agency; and (e)
2 the Settlement Administrator.

3 52. Class Counsel's Fees and Costs. Defendant agrees not to oppose or impede any
4 application or motion by Class Counsel for Class Counsel's Fees and Costs of up to one-third of
5 the Maximum Settlement Amount, or \$88,333.33, plus the reimbursement of actual reasonable
6 costs and expenses incurred in connection with Class Counsel's litigation and settlement of the
7 Action, up to Twenty Thousand Dollars and Zero Cents (\$20,000), both of which will be paid
8 from the Maximum Settlement Amount.

9 53. Class Representative Enhancement Payment. In recognition of his efforts and work
10 in prosecuting the Action on behalf of Class Members and the Aggrieved Employees and in
11 negotiating the Settlement, Defendant agrees not to oppose or impede any application or motion
12 for a Class Representative Enhancement Payment of up to a total of Seven Thousand Five Hundred
13 Dollars and Zero Cents (\$7,500.00) to the Class Representative, subject to the Court's approval.
14 The Class Representative Enhancement Payment, which will be paid from the Maximum
15 Settlement Amount, is in addition to the payment to which she is entitled as Settlement Class
16 Member or is entitled to as part of Plaintiff's Individual Class Payment.

17 54. Settlement Administration Costs. The Settlement Administrator will be paid for the
18 reasonable costs of administration of the Settlement and distribution of payments from the
19 Maximum Settlement Amount, which is capped at no more than \$20,000.00. These costs, which
20 will be paid from the Maximum Settlement Amount, will include, for instance, costs incurred for
21 the required tax reporting on the Individual Class Payments, the issuing of W-2 and 1099 IRS
22 Forms, distributing the Notice Packet, calculating Class Members' workweeks, and calculating
23 and distributing the Maximum Settlement Amount and Class Counsel's Fees and Costs, and
24 providing necessary reports and declarations.

25 55. Labor and Workforce Development Agency Payment. Subject to Court approval,
26 the Parties agree that the amount of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) of the
27 Maximum Settlement Amount will be allocated to the resolution of the Aggrieved Employees'
28 claims arising under PAGA ("PAGA Settlement Amount"). Pursuant to PAGA, Seventy-Five

1 Percent (75%), or Eleven Thousand Two Hundred Fifty Dollars and Zero Cents (\$11,250.00), of
2 the PAGA Settlement Amount will be paid to the California Labor and Workforce Development
3 Agency (“LWDA”), and Twenty-Five Percent (25%), or Three Thousand Seven-Hundred Fifty
4 Dollars and Zero Cents (\$3,750.00), will be distributed to allegedly Aggrieved Employees. Class
5 Counsel shall be responsible for giving any required notice of this Settlement to the LWDA.

6 56. Settlement Administration Cost Decreases. Any portion of the estimated or
7 designated Settlement Administration Costs which are not required to fulfill the total Settlement
8 Administration Costs will become part of the Net Settlement Amount.

9 57. Individual Class Payment and Individual PAGA Payment Calculations. Individual
10 Class Payments will be calculated and apportioned from the Net Settlement Amount based on the
11 Workweeks a Participating Class Member worked during the Class Period. Individual PAGA
12 Payments will be separately calculated and apportioned from the portion of the PAGA amount
13 intended for Aggrieved Employees. Specific calculations of Individual Class Payments and
14 Individual PAGA Payments will be made as follows:

15 a. The Settlement Administrator will calculate the number of Workweeks per
16 Participating Class Member during the Class Period based on records in Defendant’s
17 possession, custody, or control.³ Workweeks are determined by identifying each week an
18 employee actually worked based on Defendant’s timekeeping and/or payroll data. A Class
19 Member who worked only one day during the Class Period will be credited with having
20 worked one Workweek for purposes of the Settlement. Partial workweeks will not be
21 counted, meaning incomplete workweeks will be rounded down.

22 b. The Settlement Administrator will calculate the total Workweeks for all
23 Settlement Class Members by adding the number of Workweeks worked by each
24 Settlement Class Member during the Class Period.

26 ³ Defendant’s Workweek data will be presumed to be correct unless a particular Class
27 Member proves otherwise to the Settlement Administrator by credible written evidence. All
28 Workweek disputes will be resolved and decided by the Settlement Administrator in consultation
with Class Counsel and counsel for Defendant. The Settlement Administrator’s decision on all
Workweek disputes will be final and non-appealable.

1 c. The respective Workweeks for each Settlement Class Member will be
2 divided by the total Workweeks for each Settlement Class Member, resulting in the
3 Payment Ratio for each Settlement Class Member.

4 d. Each Settlement Class Member's Payment Ratio will then be multiplied by
5 the Net Settlement Amount to calculate each Settlement Class Member's estimated
6 Individual Class Payments. However, workweeks worked by exempt employees shall be
7 weighted at 5:1 to the workweeks worked by non-exempt employees to account for the
8 difference in their legal claims and the minimum payment to any given Class Member shall
9 be no less than \$25 dollars.

10 e. Using the Class Data, the Settlement Administrator will calculate the total
11 number of pay periods in the PAGA Period and will divide each Aggrieved Employees'
12 individual number of eligible pay periods in the PAGA Period to determine their pro rata
13 portion of the portion of the PAGA payment allocated to Aggrieved Employees. Partial
14 pay periods will not be counted, meaning incomplete pay periods will be rounded down;
15 however, an Aggrieved Employee who worked only one day during the PAGA Period will
16 be credited with having worked one pay period for purposes of the Settlement.

17 58. Confirmatory Discovery. Within ten (15) business days of execution of this
18 Agreement, Defendant will provide Plaintiff with a 25% redacted sample of time and payroll data
19 for the Class to allow Plaintiff to verify the information relied upon in agreeing to settle. Defendant
20 shall further not object to Class Counsel being provided with the Class List prior to final approval
21 being granted. Plaintiff's counsel agrees to treat the personal contact information as strictly
22 confidential.

23 59. Limited Confidentiality. The Parties agree not to issue press releases, communicate
24 with, or respond to, any media or publication entities concerning the Settlement, including the fact
25 of the Settlement, its terms or contents, and the negotiations underlying the Settlement prior to
26 final approval and Entry of Judgment, except as required by law or as shall be contractually
27 required to effectuate the terms of the Settlement as set forth herein. Nothing stated herein shall
28 prohibit Class Counsel from discussing the Settlement, the fact of Settlement, and its terms and

1 conditions: (i) with Class Members and/or (ii) in court filings, including in their respective firm
2 resumes, and/or (iii) in all necessary motions and supporting memoranda related to preliminary
3 and final approval of the Settlement or for other class action settlements. This provision also does
4 not limit Class Counsel (i) from complying with ethical obligations; or (ii) from posting a neutral
5 description of publicly available facts regarding the Settlement, provided that such posting does
6 not expressly identify Defendant by name.

7 60. Class Member Communications. Defendant will instruct its officers, directors, and
8 managers that, should they be contacted by Class Members or persons who believe they may be
9 Class Members in relation to this Agreement, such officers, directors, and exempt managers
10 should make no comment except those necessary to direct the employees to the Settlement
11 Administrator and the Class Notice, or Class Counsel, and to provide such Class Members with
12 contact information for the Settlement Administrator and Class Counsel. Defendant agrees not to
13 discourage or prevent Class Members from exercising any of their rights or obligations pursuant
14 to this Agreement. At no time will any of the Parties or their counsel take any action to encourage,
15 support, require, or induce Class Members to object to the Settlement Agreement, opt-out from
16 the Settlement, or appeal from the Order and Judgment.

17 61. Settlement Awards Do Not Trigger Additional Benefits. All Individual Class
18 Payments to Participating Class Members shall be deemed to be paid to such Participating Class
19 Members solely in the year in which such payments are received by the Participating Class
20 Members. It is expressly understood and agreed that the receipt of such Individual Class Payments
21 will not entitle any Participating Class Member to additional compensation or benefits under any
22 company bonus, commission, or other compensation or benefit plan or agreement in place during
23 the period covered by the Settlement, nor will it entitle any Participating Class Member to any
24 increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is
25 the intent of the Parties to this Settlement that the Individual Class Payments provided for in this
26 Settlement are the sole payments to be made by Defendants to the Participating Class Members,
27 and that the Participating Class Members are not entitled to any new or additional compensation
28 or benefits as a result of having received the Individual Settlement Payments (notwithstanding

1 any contrary language or agreement in any benefit or compensation plan document that might
2 have been in effect during the period covered by this Settlement).

3 62. Settlement Administration Process. The Parties agree to cooperate in the
4 administration of the Settlement and to make all reasonable efforts to control and minimize the
5 costs and expenses incurred in administration of the Settlement.

6 63. Delivery of the Class List. Within five (5) calendar days of Preliminary Approval,
7 Defendant will provide the Class List to the Settlement Administrator.

8 64. Notice by First-Class U.S. Mail. Within five (5) calendar days following receipt of
9 the Class List, the Settlement Administrator will mail a Notice Packet, substantially in the form
10 attached hereto as **Exhibit A**, to all Class Members via regular First-Class U.S. Mail, using the
11 most current, known mailing addresses identified in the Class List. Each Notice Packet will
12 provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's
13 principal terms; (c) the Settlement Class definition; (d) each Class Member's estimated Individual
14 Class Payment and the formula for calculating Individual Class Payments; (e) the dates which
15 comprise the Class Period; (f) instructions on how to submit valid Requests for Exclusion or
16 objections; (g) the deadlines by which the Class Member must fax or postmark Requests for
17 Exclusions or file and serve objections to the Settlement; (h) the claims to be released, as set forth
18 herein; and (i) the date for the Final Approval Hearing. The Settlement Administrator will also
19 create a website that lists key deadlines and has links to the notice, claim form (if any),
20 preliminary approval order, motions for preliminary and final approval and for attorneys' fees,
21 and any other important documents in the case.

22 65. Confirmation of Contact Information in the Class Lists. Prior to mailing, the
23 Settlement Administrator will perform a search based on the National Change of Address
24 Database for information to update and correct for any known or identifiable address changes.
25 Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the
26 Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
27 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing
28 on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will

1 promptly attempt to determine the correct address using a skip-trace, or other search using the
2 name, address and/or Social Security number of the Class Member involved and will then perform
3 a single re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by
4 skip-trace or by request, will have between the later of: (a) an additional fifteen (15) calendar
5 days; or (b) the Response Deadline to fax or postmark a Request for Exclusion, or file and serve
6 an objection to the Settlement.

7 66. The Settlement Administrator shall exercise its best judgment to determine the
8 current mailing address for each Class Member. The address identified by the Settlement
9 Administrator as the current mailing address shall be presumed to be the best mailing address for
10 each Class Member.

11 67. Disputed Information on Notice Packets. Class Members and Aggrieved
12 Employees will have an opportunity to dispute the information provided in their Notice Packets.
13 To the extent Class Members/Aggrieved Employees dispute the number of weeks he/she worked
14 during the Class Period or PAGA Period, or the amount of their Individual Class Payment or
15 Individual PAGA Payment, Class Members may produce evidence to the Settlement
16 Administrator showing that such information is inaccurate. Any disputes, along with supporting
17 documentation, must be postmarked on or before the Response Deadline. Absent evidence
18 rebutting Defendant's records, Defendant's records will be presumed determinative. However, if
19 a Class Member or Aggrieved Employee produces evidence to the contrary, the Settlement
20 Administrator will evaluate the evidence submitted by the Class Member/Aggrieved Employee in
21 consultation with Class Counsel and counsel for Defendant and will make the final decision as to
22 the Individual Class Payment/Individual PAGA Payment to which the Class Member/Aggrieved
23 Employee may be entitled with input from Class and Defense Counsel. This determination shall
24 be binding on the Class Member and Aggrieved Employee.

25 68. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
26 Settlement Agreement must sign and postmark a written Request for Exclusion to the Settlement
27 Administrator within the Response Deadline. The date of the postmark on the return mailing
28 envelope will be the exclusive means to determine whether a Request for Exclusion has been

1 timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator,
2 who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that
3 were timely submitted. Any Class Member who submits a Request for Exclusion shall be
4 prohibited from objecting to the Settlement Agreement.

5 69. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
6 Member who does not affirmatively opt-out of the Settlement Agreement by submitting a timely
7 and valid Request for Exclusion will be bound by all of the terms of the Settlement Agreement,
8 including those pertaining to the Released Claims, as well as any Judgment that may be entered
9 by the Court if it grants Final Approval to the Settlement.

10 70. Objection Procedures. To object to the Settlement Agreement, a Class Member
11 must file a valid Notice of Objection with the Court on or before the Response Deadline. The
12 Notice of Objection shall be signed by the Class Member and contain all information required by
13 this Settlement Agreement. Class Members may also raise objections orally at the Final Fairness
14 and Approval hearing, whether or not they previously submitted a valid Notice of Objection. At
15 no time will any of the Parties or their counsel take any action to encourage, support, or induce
16 Class Members to object to the Settlement Agreement, opt-out from the Settlement, or appeal
17 from the Order and Judgment. Class Counsel will not represent any Class Members with respect
18 to any such objections to this Settlement.

19 71. Certification Reports Regarding Individual Class Payment Calculations. The
20 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report
21 which certifies: (a) the number of Class Members who have submitted valid Requests for
22 Exclusion; and (b) whether any Class Member has submitted a challenge to any information
23 contained in their Claim Form or Notice Packet. Additionally, the Settlement Administrator will
24 provide to counsel for both Parties any updated reports regarding the administration of the
25 Settlement Agreement as needed or requested. No later than 30 days prior to the deadline for Class
26 Counsel to file its motion in support of the Final Approval and Fairness Hearing, the Settlement
27 Administrator will compile and deliver to Class Counsel and Defense Counsel a declaration with
28 summary information of the Notice process, including but not limited to: (a) the total amount of

1 final Individual Class Payments of each Settlement Class Member; (b) the number of Settlement
2 Class Members to receive such payments; (c) the final number of requests for exclusion/opt-outs
3 requests and objections; (d) the Settlement Administrator's qualifications for administration; and
4 (e) an explanation of the steps taken to implement the Notice process as set forth in this
5 Agreement. The Settlement Administrator will also provide a copy of each opt-out request and
6 objection, authenticate those documents, and provide all necessary details as requested by Counsel
7 regarding the timing and handling of any opt-out requests and objections.

8 72. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator
9 to Participating Class Members will be negotiable for 180 calendar days from the date the check
10 was issued (the "Void Date"). For any Class Member whose Individual Class Payment check or
11 Individual PAGA Payment check is uncashed and cancelled after the Void Date, the Administrator
12 shall transmit the funds represented by such checks to a Court-approved non-profit organization
13 or foundation recipients whose work is related to the subject matter of the lawsuit, its underlying
14 objections, and the Class Members' claims consistent with F.R.C.P. 23(e) ("Cy Pres Recipient").

15 73. Cy Pres Recipient. The Cy Pres Recipient shall be the California Bar's Justice Gap
16 Fund. The Parties represent and warrant that they have no interest or relationship, financial or
17 otherwise, with the intended Cy Pres Recipient.

18 74. Certification of Completion. Upon completion of administration of the Settlement,
19 the Settlement Administrator will provide a written declaration under oath to certify such
20 completion to the Court and counsel for all Parties.

21 75. Treatment of Individual Class Payments and Individual PAGA Payments.
22 Individual Class Payments will be allocated as follows: of each Individual Class Payment, 20%
23 will be allocated as alleged unpaid wages and 80% will be allocated as alleged unpaid civil
24 penalties. The percentage of each Individual Class Payment allocated as wages will be reported
25 on an IRS Form W-2 by the Settlement Administrator. The remaining percentage of each payment
26 shall be allocated as interest, penalties, and reimbursement, and will be reported on an IRS Form-
27 1099 by the Settlement Administrator. All Individual PAGA Payments will be allocated as alleged
28 penalties and will be reported on an IRS Form-1099 by the Settlement Administrator.

1 76. Administration of Taxes by the Settlement Administrator. The Settlement
2 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, Aggrieved
3 Employees, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for
4 all amounts paid pursuant to this Agreement.

5 77. Tax Liability. The Parties acknowledge that no tax advice has been offered or given
6 by any other Party, their attorneys, agents, or any other representatives, in the course of these
7 negotiations, and that each Party is relying upon the advice of his/its own tax consultant with
8 regard to any tax consequences that may arise as a result of the execution of this Agreement. The
9 Class Representatives and Class Counsel acknowledge that they may be required to submit a Form
10 W-9, and the Class Representatives, Class Members, and Class Counsel acknowledge that the
11 Settlement Administrator may be required to issue a Form 1099 or other tax form reporting the
12 consideration flowing to the Class Representatives, Class Members, and Class Counsel under this
13 agreement to the Internal Revenue Services and/or other taxing authority. Nothing herein shall
14 obligate the Class Representatives, Class Members, and Class Counsel to pay, indemnify, or
15 otherwise assume responsibility for any taxes that would be owed by Defendant in the first
16 instance or as a result of any re-classification of the treatment of the payments, such as, for
17 example, employer-side payroll contributions.

18 78. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
19 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
20 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
21 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
22 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
23 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
24 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
25 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
26 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR
27 PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
28 EXCLUSIVELY UPON HIS, his OR ITS OWN, INDEPENDENT LEGAL AND TAX

1 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
2 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
3 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
4 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
5 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
6 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
7 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
8 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
9 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
10 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
11 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
12 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
13 AGREEMENT.

14 79. No Prior Assignments. The Parties and their counsel represent, covenant, and
15 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
16 to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
17 action, cause of action, or right herein released and discharged.

18 80. Release of Claims by Class Members. As of the Effective Date and full funding the
19 MSA by Defendant, the Settlement Class and Participating Class Members fully release and
20 discharge the Released Parties for the Released Claims for the Release Period. Participating Class
21 Members will be deemed to have acknowledged and agreed that their claims for wages and
22 penalties in the Action are disputed, and that Individual Class Payments constitute payment of all
23 sums allegedly due. Participating Class Members will be deemed to have acknowledged and
24 agreed that California Labor Code Section 206.5 is not applicable to the Individual Class Payment.

25 81. Plaintiff's Released Claims. The Class Representative shall be bound by a complete
26 Section 1542 release and waiver of all claims known and unknown, without exception, against the
27 "Released Parties" (below), except as may be prohibited by law.

28 82. Release of Claims by Aggrieved Employees and State. As of the Effective Date

1 and full funding the MSA by Defendant, the Aggrieved Employees and State of California fully
2 release and discharge the Released Parties for the Released PAGA Claims for the PAGA Release
3 Period.

4 83. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit
5 this Settlement Agreement to the Court in support of Plaintiff's Motion for Preliminary Approval
6 and determination by the Court as to the fairness, adequacy, and reasonableness of the Settlement
7 Agreement. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the
8 Court for the entry of an order for:

9 a. Scheduling a fairness hearing on the question of whether the proposed Settlement,
10 including but not limited to, payment of Class Counsel's fees and costs, and the Class
11 Representative Enhancement Payment, should be finally approved as fair, reasonable, and
12 adequate as to the members of the Settlement Class;

13 b. Preliminarily Certifying a Settlement Class;

14 c. Approving, as to form and content, the proposed Notice;

15 d. Approving the manner and method for Class Members to request exclusion from
16 the Settlement as contained herein and within the Notice;

17 e. Directing the mailing of the Notice, by first class mail to the Class Members; and

18 f. Giving Preliminary Approval to Settlement subject to final review by the Court.

19 84. Duties of the Parties Following Preliminary Court Approval. Following
20 Preliminary Approval by the Court of the Settlement provided for in this Settlement Agreement
21 and Notice to the Class, Class Counsel will submit a proposed final order of approval and
22 judgment for:

23 a. Approval of the Settlement, adjudging the terms thereof to be fair, reasonable, and
24 adequate, and directing consummation of its terms and provisions;

25 b. Approval of Class Counsel's application for an award of attorneys' fees and costs;

26 c. Approval of the Class Representative Enhancement Payment to the Class
27 Representatives;

28 d. Approval of the Settlement Administration Costs of the Settlement Administrator;

1 and

2 e. That judgment be entered in the Action.

3 85. Rescission of Settlement Agreement (by Defendant). If more than ten percent
4 (10%) of the Class Members opt-out of the Settlement by submitting Requests for Exclusion,
5 Defendant may, at their option, rescind and void the Settlement and all actions taken in furtherance
6 of it will thereby be null and void. Defendant must exercise this right of rescission, in writing, to
7 Class Counsel within fourteen (14) calendar days after the Settlement Administrator notifies the
8 Parties of the total number of Requests for Exclusion received by the Response Deadline. If the
9 option to rescind is exercised, Defendant shall be solely responsible for all costs of the Settlement
10 Administrator accrued to that point.

11 86. Escalator Clause. Plaintiff has materially relied upon the Class Size Representation
12 in entering into this Settlement. Should the number of Settlement Class Members increase by 10%
13 on a per-person *or* per-workweek basis compared to the Class Size Representation, the MSA shall
14 increase by 1 % for each percentage increase over that 10% threshold. For the avoidance of doubt,
15 if the Escalator Clause is triggered and the Gross Settlement Amount increases, Class Counsel
16 shall have the right to seek attorney's fees up to one-third of the increased Gross Settlement
17 Amount.

18 87. Adjustments to Components of Maximum Settlement Amount. This Agreement
19 contemplates those future adjustments to the amounts of components of the Maximum Settlement
20 Amount listed above may be necessary and/or may be ordered by the Court. Any such future
21 adjustments shall be made only by written stipulation of the Parties or by an order of the Court.
22 For the avoidance of doubt, this Paragraph does not apply to the Escalator Clause above, and
23 modifications to this Settlement and the Notice shall be implemented upon the Escalator Clause
24 triggering without the need for a written stipulation or Court Order.

25 88. Nullification of Settlement Agreement. In the event that: (a) the Court does not
26 issue final approval of the Settlement as provided herein; or (b) the Settlement does not become
27 final for any other reason, then this Settlement Agreement, and any documents generated to bring
28 it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of

1 this Settlement Agreement will likewise be treated as void from the beginning. In such event, if
2 the Court rejects the Settlement despite the Parties' best efforts, Defendant shall be liable for all
3 Settlement Administration costs incurred.

4 89. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to
5 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
6 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes
7 only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for
8 a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for
9 the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the
10 Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth
11 the terms of this Settlement, and will include the proposed Notice Packet; *i.e.*, the proposed Notice
12 of Class Action Settlement document and share form, attached as **Exhibit A**. Class Counsel will
13 be responsible for drafting all documents necessary to obtain Preliminary Approval. Defendant
14 agrees not to oppose the Motion for Preliminary Approval.

15 90. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
16 deadlines for Class Members to submit Requests for Exclusion, or objections to the Settlement
17 Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will
18 be conducted to determine the Final Approval of the Settlement Agreement along with the
19 amounts properly payable for: (a) Individual Class Payments; (b) Individual PAGA Payments; (c)
20 the Labor and Workforce Development Agency Payment; (d) the Class Counsel's Fees and Costs;
21 (e) the Class Representative Enhancement Payment; (f) all Settlement Administration Costs; and
22 (g) the Defendants' share of payroll taxes for wages paid in connection with the Individual Class
23 Payments. Class Counsel will be responsible for drafting all documents necessary to obtain Final
24 Approval, including responding to any objections and appeals arising therefrom. Class Counsel
25 will also draft the attorneys' fees and costs application to be heard at the Final Approval hearing.
26 Defendant agrees not to oppose the Motion for Final Approval.

27 91. Termination of Settlement. Subject to the obligation(s) of cooperation set forth
28 herein, any Party may terminate this Settlement if the Court declines to enter the Preliminary

1 Approval Order, the Final Approval Order, or final judgment in substantially the form submitted
2 by the Parties, or the Settlement Agreement as agreed does not become final because of appellate
3 court action. The Terminating Party shall give to all other Parties (through his/its counsel) written
4 notice of his/its decision to terminate this Agreement no later than ten (10) business days after
5 receiving notice that one of the enumerated events has occurred. Termination of this Agreement
6 shall have the following effects:

7 a. The Settlement Agreement shall be terminated and shall have no force or effect,
8 and no Party shall be bound by any of its terms;

9 b. In the event the Settlement is terminated, Defendant shall have no obligation to
10 make any payments to any Party, Class Member or Class Counsel. The Terminating Party shall
11 pay the Settlement Administrator for services rendered up to the date the Settlement Administrator
12 is notified that the Settlement has been terminated;

13 c. The Settlement Agreement and all negotiations, statements, and proceedings
14 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
15 restored to their respective positions in the Action prior to the Settlement.

16 92. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by
17 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
18 Judgment pursuant to California Code of Civil Procedure section 664.6 to the Court for its
19 approval. After entry of the Judgment, the Court will have continuing jurisdiction for purposes of
20 addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement
21 administration matters, and (c) such post-Judgment matters as may be appropriate under court
22 rules or as set forth in this Agreement.

23 93. Exhibits Incorporated by Reference. The terms of this Agreement include the terms
24 set forth in any attached Exhibits, which are incorporated by this reference as though fully set
25 forth herein. Any Exhibits to this Agreement are an integral part of the Settlement.

26 94. Entire Agreement. This Settlement Agreement, the general release of all claims by
27 the Class Representative, and any attached Exhibits constitute the entirety of the Parties'
28 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed

1 binding on the Parties. The Parties expressly recognize California Civil Code §1625 and California
2 Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed
3 according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties
4 agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict
5 the terms of this Agreement.

6 95. Amendment or Modification. This Settlement Agreement may be amended or
7 modified only by a written instrument signed by the named Parties or their successors-in-interest.

8 96. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant
9 and represent they are expressly authorized by the Parties whom they represent to negotiate this
10 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
11 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
12 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
13 counsel will cooperate with each other and use their best efforts to effectuate the implementation
14 of the Settlement. If the Parties are unable to reach agreement on the form or content of any
15 document needed to implement the Settlement, or on any supplemental provisions that may
16 become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance
17 of the Court to resolve such disagreement.

18 97. Signatories. It is agreed for the purposes of this Settlement Agreement only that
19 because the members of the Class are so numerous, it is impossible or impractical to have each
20 member of the Class execute this Settlement Agreement. The Notice, attached hereto as **Exhibit**
21 **A**, will advise all Class Members of the binding nature of the release, and the release shall have
22 the same force and effect as if this Settlement Agreement were executed by each member of the
23 Class.

24 98. Binding on Successors and Assigns. This Settlement Agreement will be binding
25 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
26 defined.

27 99. California Law Governs. All terms of this Settlement Agreement and Exhibits
28 hereto will be governed by and interpreted according to the laws of the State of California.

1 100. Execution and Counterparts. This Settlement Agreement is subject only to the
2 execution of all Parties. The Agreement may be executed in one or more counterparts either by
3 ink or electronic signature. All executed counterparts and each of them, including electronic,
4 facsimile, and scanned copies of the signature page, will be deemed to be one and the same
5 instrument.

6 101. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
7 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action. The Parties
8 further agree that they have arrived at this Settlement after arm's-length negotiations and in the
9 context of adversarial litigation, taking into account all relevant factors, present and potential. The
10 Parties further agree that they and their respective counsel have conducted informal discovery,
11 including but not limited to per-shift time keeping data, payroll data, and evidence of pay and
12 timekeeping policies, and that the investigation conducted by the Parties was sufficient to satisfy
13 the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th
14 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130
15 (“*Dunk/Kullar*”). The Parties further acknowledge that they are each represented by competent
16 counsel and that they have had an opportunity to consult with their counsel regarding the fairness
17 and reasonableness of this Agreement.

18 102. Invalidity of Any Provision. Before declaring any provision of this Settlement
19 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
20 extent possible consistent with applicable precedents so as to define all provisions of this
21 Settlement Agreement valid and enforceable.

22 103. Plaintiff's Waiver of Right to Be Excluded and Object. Plaintiff agrees to sign this
23 Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms
24 herein. For good and valuable consideration, Plaintiff further agrees that he will not request to be
25 excluded from the Settlement Agreement, nor object to any terms herein, except as stipulated by
26 the Parties in regard to his individual claims.

27 104. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
28 class certification for purposes of this Settlement only; except, however, that Plaintiff or Class

1 Counsel may appeal any reduction in the Class Counsel's Fees and Costs below the amount
2 requested from the Court but must inform Defense Counsel and the Class Administrator of any
3 intent to appeal prior to the distribution of any funds from the Class Administrator to any
4 Settlement Class Members or any other Parties.

5 105. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
6 dispute that has arisen between them and to avoid the burden, expense, and risk of continued
7 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it
8 has violated any federal, state, or local law; violated any regulations or guidelines promulgated
9 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached
10 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
11 engaged in any other unlawful conduct with respect to its employees. Neither this Agreement, nor
12 any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as
13 an admission or concession by Defendant of any such violations or failures to comply with any
14 applicable law. The Parties agree that there exists a bona fide dispute as to whether any
15 compensation is actually due to Plaintiff, the putative class, and Aggrieved Employees, and if so,
16 the amount thereof, and no legal determinations have been made with respect to the legal claims
17 bought in the Action and resolved in this Settlement. Except as necessary in a proceeding to
18 enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be
19 offered or received as evidence in any action or proceeding to establish any liability or admission
20 on the part of Defendant or to establish the existence of any condition constituting a violation of,
21 or a non-compliance with, federal, state, local, or other applicable law.

22 106. Captions. The captions and section numbers in this Agreement are inserted for the
23 reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the
24 provisions of this Agreement.

25 107. Waiver. No waiver of any condition or covenant contained in this Agreement or
26 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
27 constitute a further waiver by such Party of the same or any other condition, covenant, right, or
28 remedy.

1 108. Enforcement Actions. In the event that one or more of the Parties institute any legal
2 action, motion, petition, or other proceeding against any other Party or Parties to enforce the
3 provisions of this Settlement or to declare rights and/or obligations under this Settlement, the
4 successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties
5 reasonable attorneys' fees and costs, including expert witness fees incurred.

6 109. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
7 and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly
8 against one Party than another merely by virtue of the fact that it may have been prepared by
9 counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations
10 between the Parties, all Parties have contributed to the preparation of this Agreement.

11 110. Representation By Counsel. The Parties acknowledge that they have been
12 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
13 and that this Agreement has been executed with the consent and advice of counsel, and reviewed
14 in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
15 Settlement Agreement.

16 111. All Terms Subject to Final Court Approval. All amounts and procedures described
17 in this Settlement Agreement herein will be subject to the Court's Final Approval.

18 112. Notices. Unless otherwise specifically provided herein, all notices, demands, or
19 other communications given hereunder shall be in writing and shall be transmitted to a Party via
20 email:

21 To Plaintiff and the Settlement Class:

22 Bardia Aaron Akhavan, Esq. (State Bar No. 316493)
23 **AKHAVAN & ASSOCIATES**
24 Bardia@baalaw.com
25 15760 Ventura Boulevard, Suite 1720
26 Encino, California 91436
27 Phone: (855) 463-4733

28 Navid Barahmand, Esq. (Bar No.
340934)
29 **BARAHMAND LAW GROUP**
30 navid@barahmandlaw.com
31 7324 Sepulveda Boulevard, Suite B

1 Van Nuys, CA 91405
2 tel: (818) 574-3355

3 Elliot J. Siegel (Bar No. 286798)
4 elliot@kingsiegel.com
5 Julian Burns King (Bar No. 298617)
6 julian@kingsiegel.com
7 **KING & SIEGEL LLP**
8 724 South Spring Street, Suite 201
9 Los Angeles, California 90014
10 tel: (213) 465-4802

11 To Defendant:

12 HIEU T. WILLIAMS (SBN 280585)
13 CHINA M. DALY (SBN 300982)
14 **HIRSCHFELD KRAEMER LLP**
15 456 Montgomery Street, Suite 2200 San Francisco, CA 94104
16 Telephone: (415) 835-9000
17 Facsimile: (415) 834-0443

18 113. Cooperation and Execution of Necessary Documents. All Parties will cooperate in
19 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of
20 this Settlement Agreement.

21 114. Binding Agreement. The Parties warrant that: 1) they understand and have full
22 authority to enter into this Agreement; 2) they intend that this Agreement will be fully enforceable
23 and binding on all Parties; and 3) agree that it will be admissible and subject to disclosure in any
24 proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
25 otherwise might apply under federal or state law.

26 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
27 Joint Stipulation of Settlement and Release Between Plaintiff and Defendant as of the date(s) set
28 forth below:

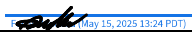
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SIGNATURES

READ CAREFULLY BEFORE SIGNING

PLAINTIFF: Ferry Mendoza

Dated: May 15, 2025



Ferry Mendoza

DEFENDANT: Baugher Ranch Organics, Inc.

Dated: _____

By: _____
Its: _____

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SIGNATURES

READ CAREFULLY BEFORE SIGNING

PLAINTIFF: Ferry Mendoza

Dated: _____

Ferry Mendoza

DEFENDANT: Baugher Ranch Organics, Inc.

Dated: May 5, 2025

By: 

Its: CEO

EXHIBIT A

**NOTICE OF PROPOSED CLASS AND PAGA ACTION SETTLEMENT AND HEARING DATE FOR
COURT APPROVAL**

Ferry Mendoza v. Baugher Ranch Organics, Inc. et al.
Superior Court of the State of California, Glenn County
Case No. 25CV000363

*You are **not** being sued. This is **not** an advertisement. This notice affects your rights.*

YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice of Class Action Settlement because Baugher Ranch Organics, Inc. (“Baugher Ranch”) records show you are what is called a “Class Member,” and are entitled to a payment from this class action settlement (“Settlement”). Class Members are all current and former non-exempt employees of Baugher Ranch who worked at least one 3.5 hour shift in California from December 26, 2021 through December 1, 2024.

On [REDACTED], the Honorable Alicia Ekland of the Superior Court of California for the County of Glenn granted preliminary approval of this Class Action Settlement and ordered that all Class Members be notified of the Settlement.

Unless you choose not to participate in the Settlement (in other words, should you choose to “opt out”) by following the procedures described below, you will be considered a Participating Class Member. If the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement fund, which is estimated to be <<estAmount>>. [For PAGA Aggrieved Employees only: You are also a PAGA Aggrieved Employee, and will be mailed a check for you portion of the civil penalties under PAGA allocated in this Settlement, which is estimated to be <<estAmount>>.¹]

**IF YOU STILL WORK FOR BAUGHER RANCH, PARTICIPATION IN THIS
SETTLEMENT WILL NOT AFFECT OR DISRUPT YOUR WORK IN ANY MANNER.
YOU WILL NOT BE RETALIATED AGAINST BY DEFENDANT FOR YOUR
PARTICIPATION.**

California law strictly prohibits retaliation. Defendant is prohibited by law from taking any adverse action against any Class Member or otherwise targeting, retaliating, or discriminating against any Class

¹ By law, under the Private Attorney Generals Act (“PAGA”), the amount recovered in settlement, after paying for attorney’s fees and costs, and costs of administration of settlement, are to be split between the State of California and the PAGA Settlement Members. The State receives 75% of the net settlement amount and the PAGA Settlement Members receive 25% of the net settlement (to be allocated on a pro rata basis). Each PAGA Settlement Member will receive a pro rata share of the PAGA Settlement Members Payment based on their Eligible Pay Periods relative to the total Eligible Pay Periods of all PAGA Settlement Members (“Individual PAGA Settlement Member Payment”). You worked <<PayPeriods>> pay periods during the PAGA Period. The total amount of pay periods worked by all Aggrieved Employees during the PAGA Period is <<PayPeriods>>. Therefore, your Individual PAGA Settlement Member Payment is <<CheckAmount>>.

Questions? Contact the Settlement Administrator toll free at [REDACTED]

Member because of the Class Member's participation in or decision not to participate in this Settlement.

You can view the proposed Final Approval Order, Final Judgment, and payment schedule at [www._____](http://www._____.).

What Is This Case About?

Ferry Mendoza was an employee of Defendant. He is the "Plaintiff" in this case and is suing Baugher Ranch Organics, Inc. ("Defendant") on behalf of himself and all Class Members. Plaintiff sued Defendant, alleging they (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to authorize meal periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay in lieu thereof; (5) failure to provide sick leave; (6) failure to provide and maintain accurate wage statements; (7) failure to maintain accurate records; (8) failure to reimburse necessary business expenses; (9) failure to timely pay all wages during employment; (10) failure to timely pay wages upon termination; (11) civil penalties under the Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698, *et seq.* ("PAGA"); and (12) Unlawful Business Practices, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

This notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations raised in the Action or the merits of the claims or defenses asserted. The Court has made no ruling on the merits of Plaintiff's claims or Defendant's defenses thereto.

Defendant is not admitting to any allegations or wrongdoing in this case, and in fact expressly denies that any of its practices at issue in this lawsuit were or are unlawful. Specifically, Defendant asserts that the Class Members were properly compensated at all times during the Class Period. Defendant further asserts that it has and had during the Class Period lawful wage-and-hour policies, practices, and procedures, including legally compliant timekeeping policies.

Plaintiff entered into settlement discussions with Defendant in an attempt to resolve the disputed claims in this case. On September 24, 2024, the Parties negotiated a settlement on behalf of themselves and the Class Members with the assistance of a third-party mediator. The Parties' agreement has been documented in a Joint Stipulation of Settlement and Release of Class and PAGA Action ("Joint Stipulation"). Defendant does not admit any liability by agreeing to a settlement.

The Court has preliminarily approved the Joint Stipulation. The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing. The Final Fairness and Approval Hearing ("Hearing") on the adequacy, reasonableness, and fairness of the Settlement will be held at _____ on _____, in Department 2 of the Superior Court of California for the County of Glenn, 526 West Sycamore St, Willows, CA 95988. You are not required to attend the Hearing.

Attorneys for Plaintiff and the Class Members ("Class Counsel") are:

Bardia Akhavan
AKHAVAN & ASSOCIATES
(855) 463-4733
15760 Ventura Boulevard, Suite 1720

Questions? Contact the Settlement Administrator toll free at _____

Encino, California 91436

and

Navid Barahmand
BARAHMAND LAW GROUP
7324 Sepulveda Boulevard, Suite B
Van Nuys, California 91405

and

Elliot J. Siegel
KING & SIEGEL, LLP
(213) 465-4802
724 South Spring Street, Suite 201
Los Angeles, California 90014

Summary of the Settlement Terms

Plaintiff and Defendant have agreed to settle this case on behalf of themselves and the Class Members for \$265,000.00 (“Maximum Settlement Amount”).

The Maximum Settlement Amount includes: (1) Individual Settlement Payments to Participating Class Members; (2) a \$7,500 service payment to the Representative Plaintiff for his time and effort in pursuing this case and in exchange for a general release of claims against Defendant, subject to Court approval; (3) Settlement Administration Costs; (4) \$11,250.00 to the California Labor & Workforce Development Agency, representing the State of California’s portion of civil penalties under PAGA (or 75% of the \$15,000 allocated to PAGA penalties); (5) an aggregate of \$3,750 to alleged PAGA Aggrieved Employees (or 25% of the \$15,000 allocated to PAGA penalties); and (6) subject to Court approval of an application for fees and costs, an award of up to \$88,333.33 in attorneys’ fees and up to \$20,000 in litigation costs and expenses to Class Counsel.

After deducting the service payments to Plaintiff, the Settlement Administration Costs, the portion of the PAGA payment to be paid to the California Labor and Workforce Development Agency, payments to PAGA Aggrieved Employees, and attorneys’ fees and costs/expenses, a total of approximately \$_____ will be available to Class Members who do not opt out of the Settlement (“Net Settlement Amount”). Employer-side payroll taxes will be paid by Baugher Ranch Organics, Inc. *outside* of the Maximum Settlement Amount.

Plan of Distribution to Class Members and PAGA Aggrieved Employees

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of weeks a Participating Class Member worked during the Class Period (“Workweeks”). Individual PAGA Payments will be separately calculated and apportioned from the portion of the PAGA amount intended for PAGA Aggrieved Employees.

Specific calculations of Individual Settlement Payments will be made as follows:

- a. The Settlement Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendant’s

Questions? Contact the Settlement Administrator toll free at _____

possession, custody or control.² Workweeks are determined by identifying each week an employee actually worked based on Defendant's timekeeping and/or payroll data. A Class Member who worked only one day during the Class Period will be credited with having worked one Workweek for purposes of the Settlement. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down.

- b. Using the Class Data, the Settlement Administrator will calculate the total Workweeks for all Settlement Class Members by adding the number of Workweeks worked by each Settlement Class Member during the Class Period. The respective Workweeks for each Settlement Class Member will be divided by the total Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member.
- c. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated Individual Settlement Payments. However, the minimum payment to any given Class Member shall be no less than \$25 dollars.
- d. Using the Class Data, the Settlement Administrator will calculate the total number of pay periods in the PAGA Period and will divide each Aggrieved Employee's individual number of eligible pay periods in the PAGA Period to determine their pro rata portion of the portion of the PAGA Payment allocated to each Aggrieved Employees. Partial pay periods will not be counted, meaning incomplete pay periods will be rounded down; however, an Aggrieved Employee who worked only one day during the PAGA Period will be credited with having worked one pay period for purposes of the Settlement.

If you believe the information provided above as to the number of your Individual Workweeks is incorrect and you wish to dispute it, please submit the Challenge Form attached to your Share Form to the Settlement Administrator at *Ferry Mendoza v. Baugher Ranch Organics, Inc. et al.* Settlement Administrator, c/o [REDACTED] no later than 35 days after the date this Notice of Class Action Settlement was mailed to you.³

If you dispute the information stated above, the information provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation ("Disputes"), must be postmarked no later than [REDACTED] **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

² Defendant's Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator in consultation with Class Counsel and counsel for Defendant. The Settlement Administrator's decision on all Workweek disputes will be final and non-appealable.

³ Unless the 35th day falls on a Sunday or federal holiday. In that case, you have until the next day on which the U.S. Postal Service is open.

Questions? Contact the Settlement Administrator toll free at [REDACTED]

Class Member Tax Matters

IRS Forms W-2 and 1099-MISC will be distributed to participating Class Members and Aggrieved Employees, and the appropriate taxing authorities reflecting the payments Class Members and Aggrieved Employees receive under the Settlement. Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 20% of each Individual Settlement Payment will be allocated to alleged unpaid wages, 80% will be allocated as alleged unpaid civil penalties and interest. All Individual PAGA Payments will be allocated as penalties and will be reported on an IRS Form-1099 by the Settlement Administrator. Again, please consult with a tax advisor regarding the significance of how each Individual Settlement Payment is allocated between wages, penalties, and interest. This notice is not intended to provide legal or tax advice. To the extent this notice or any of its attachments is interpreted to contain or constitute advice regarding any United States or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the Settlement, then no further action is required on your part. You will automatically receive your Individual Settlement Payment and Individual PAGA payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1** and the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement funds. In addition, you will be deemed to have released or waived the following claims (“Released Claims”) against the Released Parties for the Release Period.

The Released Claims are defined as:

Those claims asserted in the Complaint or that reasonably could have been alleged based on the factual allegations contained in the operative complaint or LWDA letter, including but not limited to all of the following claims for relief: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay in lieu thereof; (5) failure to provide sick leave; (6) failure to provide and maintain accurate wage statements; (7) failure to maintain accurate records; (8) failure to reimburse necessary business expenses; (9) failure to timely pay all wages during employment; (10) failure to timely pay wages upon termination; (11) civil penalties under the Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698, et seq. (“PAGA”); and (12) Unlawful Business Practices, Cal. Bus. & Prof. Code §§ 17200, et seq.

The Released PAGA Claims include:

All claims by Aggrieved Employees for civil penalties under PAGA asserted in the Complaint or LWDA letter, or that could have reasonably been alleged based on the factual allegations contained in the Operative Complaint and PAGA Notice. The Released PAGA Claims shall be released through the PAGA Release Period.

Questions? Contact the Settlement Administrator toll free at _____

Released Parties means (i) Defendant Baugher Ranch Organics, Inc.; (ii) its respective past and present direct and indirect subsidiaries and affiliates of any of the foregoing; (iii) the past and present shareholders, directors, officers, agents, employees, clients, attorneys, insurers, predecessors, successors and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing.

The “Release Period” is the period from December 26, 2021 through December 1, 2024. The “PAGA Release Period” is the period from December 26, 2023 to December 1, 2024.

Option 2 – Opt-Out of the Settlement

You will be treated as a participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator, in writing, not later than [date], that you wish to opt-out.

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written “Request for Exclusion from The Class Action Settlement” letter or card to the Settlement Administrator postmarked no later than [redacted]. Your written request should clearly state your intent to opt out or be excluded. For instance, you could write:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *FERRY MENDOZA V. BAUGHER RANCH ORGANICS, INC., ET. AL.* LAWSUIT.”

The written request for exclusion should also include sufficient information to identify you, including your name, address, telephone number, or last four digits of your Social Security Number. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail or equivalent, to the address below.

Ferry Mendoza v. Baugher Ranch Organics, Inc., et. al Settlement Administrator

c/o [redacted]

[redacted]
[redacted]

Telephone: [redacted]

The written request to be excluded from the Settlement must be postmarked to the Settlement Administrator not later than [redacted] [35 days from mailing]. If you submit a request for exclusion which is not postmarked by [redacted], your request for exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, you will no longer be a Class Member. Therefore, you (1) will **not** receive any payment from the Settlement, with the exception of your pro-rata portion of the Aggrieved Employees’ portion of the civil penalties allocated to PAGA⁴; (2) will not be deemed to have released any claims due to this Settlement with the exception of the PAGA cause of action, and (3) will be barred from filing an objection to the Settlement.

⁴ By law, Aggrieved Employees cannot opt out of the Settlement with respect to the PAGA claims and will release their claims for civil penalties under PAGA as set forth in the Settlement regardless of whether they cash their Individual PAGA Payment.

Questions? Contact the Settlement Administrator toll free at [redacted]

Do not submit both a Dispute and a Request for Exclusion. If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Option 3 – *File an Objection to the Settlement*

If you wish to object to the Settlement, you can mail a written objection to the Settlement Administrator. Your objection should provide: your full name, address and telephone number, the last four digits of your Social Security Number, the dates you were employed by Baugher Ranch Organics, Inc. in California, and your objections to the Settlement, including each specific reason in support of each objection and any legal support for each objection together with any evidence in support of your objection. Your objection should be mailed to the Settlement Administrator on or before [REDACTED]. All objections or other correspondence should state the name and number of the case, which is *Ferry Mendoza v. Baugher Ranch Organics, Inc., et. al.*, Glenn County Case Number No. 25CV000363.

You may also appear at the Final Fairness and Approval Hearing set for [REDACTED] at [REDACTED] in Department 2 of the Superior Court of California for the County of Glenn located at 526 West Sycamore St, Willows, CA 95988, and discuss your objections with the Court and the Parties at your own expense.

You may appear at the Hearing regardless of whether you submitted a written objection. You can appear remotely by using the Court's zoom link at <https://saccourt-ca.gov.zoomgov.com/my/sscdept22> or by calling using the phone number: dial (833) 568-8864; ID 16184738886. You may also retain an attorney to represent you at the Hearing at your own expense.

If you choose **Option 3**, you will still be entitled to the money from the Settlement. You will remain a member of the Settlement Class, and if the Court overrules your objections and approves the Settlement, you will receive your Individual Settlement Payment and will be bound by the terms of the Settlement in the same way as Class Members who do not object, including being deemed to have released the Released Claims. You cannot both object to the settlement and exclude yourself. You must choose one option only.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may refer to the pleadings, the Joint Stipulation of Settlement, and other papers filed in this case, which may be inspected at the Office of the Clerk of the Superior Court of California for the County of Glenn, during regular business hours of each court day.

All questions by Class Members regarding this Notice of Class and PAGA Action Settlement and/or the Settlement should be directed to the Settlement Administrator or Class Counsel.

You can view the final approval order and final judgment and payment schedule at [www.\[REDACTED\]](http://www.[REDACTED]).

Questions? Contact the Settlement Administrator toll free at [REDACTED]

**PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THIS
NOTICE.**

Questions? Contact the Settlement Administrator toll free at _____

Page 8

Share Form

Ferry Mendoza v. Baugher Ranch Organics, Inc.
Superior Court of the State of California, Glenn County
Case No. 25CV00036

For all persons who are or previously were employed by Baugher Ranch Organics, Inc. (“Defendant”) in the State of California as a non-exempt employee from December 26, 2021 through December 1, 2024 (“Class Period”).

Your Estimated Payment

Your total Individual Settlement Payment is currently estimated at \$ [REDACTED]. [[Your total Individual PAGA Payment is currently estimated at \$ [REDACTED].]] Your estimated pro-rata share of the Net Settlement Amount, as defined in the accompanying Notice of Proposed Class and PAGA Action Settlement and Hearing Date for Court Approval (“Notice”), may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement. The Net Settlement Amount to be distributed to all Class Members who do not opt-out of the settlement is currently estimated to be \$ [REDACTED].

Your estimated award is based on your pro-rata percentage of the Net Settlement Amount. Your award is calculated based on your Workweeks as a non-exempt employee in California during the Class Period, as a percentage of all of Class Members’ Workweeks in California during the Class Period, as adjusted per the allocation method set forth in the Joint Stipulation of Settlement and Release of Class Action and the accompanying Notice.

“Workweeks” means the number of weeks actually worked by each Class Member as a non-exempt employee during the Class Period. Workweeks are determined by identifying each week an employee actually worked based on Defendant’s timekeeping and/or payroll data. A Class Member who worked only one day during the Class Period will be credited with having worked one Workweek for purposes of the Settlement. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down.

Defendant’s records show that during the Class Period, you worked a total of [REDACTED] Workweeks. [[Defendant’s records show that during the PAGA Period you worked a total of _____ Pay Periods.]]

**YOU DO NOT NEED TO DO ANYTHING IN ORDER TO RECEIVE MONEY
UNDER THE SETTLEMENT.**

If you believe the total number of your Workweeks during the Class Period or Pay Periods during the PAGA Period (listed above) are accurate, you do not need to take any further action in order to receive your payment(s).

TO CHALLENGE THE NUMBER OF YOUR WORKWEEKS DURING THE CLASS PERIOD OR PAY PERIODS DURING THE PAGA PERIOD, THE SHARE FORM AND THE CHALLENGE PORTION OF THE FORM BELOW MUST BE SIGNED AND POSTMARKED NO LATER THAN [DATE].

CHALLENGE FORM

Important:

1. You do NOT have to complete this part of the Share Form if the total number of your Workweeks during the Class Period as stated above is accurate.
2. If you do submit this form, it is strongly recommended that you keep proof of timely mailing of this form until receipt of your settlement payment.
3. If you change your mailing address, please provide your new mailing address to the Settlement Administrator. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.

Check the box below ONLY if you wish to challenge the total number of your Workweeks or Pay Periods as stated above. All fields on this Challenge Form must be complete for your challenge to be accepted:

- ☐ I wish to challenge the total number of my Workweeks or Pay Periods. I have included a written statement detailing what I believe to be the correct number of weeks or pay periods I was employed as an hourly, non-exempt employee in California during the Class Period or PAGA Period. I have also included information and/or documentary evidence that support my challenge. I understand that by submitting this challenge I authorize the Settlement Administrator to review Defendant's records and determine the validity of my challenge.

Signature

Name of Class Member _____ [preprinted]

Class Member ID Number (from address label): _____ [preprinted]

I believe that the correct number of Workweeks I was employed by Defendant as an hourly, non-exempt employee in California during the Class Period is:_____

I believe that the correct number of Pay Periods I was employed by Defendant as an hourly, non-exempt employee in California during the PAGA Period is:_____

The following is a statement of my reasons and documentation to support this number of Workweeks or Pay Periods:

[Attach documentation and use separate page(s) as necessary]

Mail to:

insert address

EXHIBIT 2



Quotation Request:

Navid Barahmand, Esq.
Barahmand Law
navid@barahmandlaw.com

Case Name:

Date:
RFP Number:

Ferry Mendoza v. Baugher Ranch Organics

Friday, December 13, 2024
23980001

Prepared By:

Michael Sutherland
Apex Class Action LLC
mike@apexclassaction.com
321.223.5067

Settlement Specifications	
Estimated Class Size:	68
Certified Language Translation:	Yes
Static Settlement Website:	Yes
Percentage of Undeliverable Mail:	20%

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	\$125.00	1	\$125.00
Data Analyst	Per Hour	\$150.00	1	\$150.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of \$150/hr.				
Sub Total:				\$275.00

Mailing of Class Notice				
Form Set Up	Per Hour	\$120.00	1	\$120.00
Print & Mail Class Notice	Per Piece	\$1.50	68	\$102.00
USPS First Class Postage	Per Piece	\$0.73	68	\$49.64
Remail Undeliverable Mail (Skip-Trace)	Per Piece	\$2.00	14	\$27.20
Receive and Process Undeliverable Mail	Per Hour	\$75.00	1	\$37.50
Process Class Member Correspondence via mail, e-mail & fax	Per Piece	\$75.00	1	\$37.50
NCOA Address Update (USPS)	Static Rate	\$25.00	1	\$25.00
Certified Language Translation: Spanish	Static Rate	\$750.00	1	\$750.00
Sub Total:				\$1,148.84

Project Management				
Project Management	Per Hour	\$150.00	2	\$300.00
Project Coordinator	Per Hour	\$90.00	2	\$180.00
Data Analyst and Reporting	Per Hour	\$140.00	2	\$280.00
Sub Total:				\$760.00



APEX

CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	\$150.00	1	\$150.00
Settlement Website: Static Apex URL	Static Rate	\$500.00	1	\$500.00
Settlement Status Reports	Static Rate	\$750.00	1	Waived
Sub Total:				\$650.00

Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	\$120.00	2	\$240.00
Account Management and Reconciliation	Per Hour	\$140.00	2	\$280.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	\$1.25	68	\$85.00
USPS First Class Postage	Per Piece	\$0.63	68	\$42.84
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$1.50	7	\$10.20
Individual Income Tax Preparation & Reporting	Per Hour	\$100.00	10	\$1,000.00
QSF Income Tax Reporting (per calendar year)	Per Year	\$1,250.00	1	\$1,250.00
Sub Total:				\$2,908.04

Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	\$135.00	2	\$270.00
Project Management Reconciliation	Per Hour	\$100.00	2	\$200.00
Declarations	Per Hour	\$120.00	1	\$120.00
Sub Total:				\$590.00

TOTAL ESTIMATED ADMINISTRATION COST:	\$6,331.88
TOTAL CAPPED ADMINISTRATION COST:	\$5,000.00

Thank you for your business!



Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. **Services:** Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").
2. **Payment Terms:** As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.
3. **Incurred Expenses:** In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.
4. **Invoicing:** Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.
5. **Case Duration:** The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.
6. **Termination of Services:** Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.
7. **Independent Contractor:** As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.
8. **Apex warrants** that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.
9. **Limitation of Liability:** The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.
10. **Indemnification:** The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. **Confidentiality:** Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this section may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. **Ownership** of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of \$1.50 per storage box for paper documents and \$0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.

14. **COMPLETE AGREEMENT.** These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. **Force Majeure:** In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. **Severability:** This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. **Nonwaiver:** This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.