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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN JOAQUIN

FIDENCIO MARTINEZ, individually, and on
behalf of all others similarly situated,

Plaintiff,

v.

DELICATO VINEYARDS, LLC, a limited
liability company; and DOES 1 through 10,
inclusive,

Defendants.

Case No. STK-CV-UOE-2024-5241

PAGA SETTLEMENT AGREEMENT

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

1. “Action” means the action entitled *Martinez v. Delicato Vineyards, LLC*, No. STK-CV-UOE-2024-0005241 (San Joaquin County Superior Court).

3. “Court” means the Superior Court for the State of California, County of San Joaquin.

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

7. “Plaintiff’s Counsel” means Moon Law Group, PC.

8. “Settled Claims” means all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Action, and the PAGA Notice submitted by Plaintiff to the LWDA, which occurred during the PAGA Period, and expressly excluding all other claims, claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, and California class claims, and Plaintiff’s individual claims that are subject to a separate release, and PAGA claims outside

of the PAGA Period.

9. “PAGA Period” means the period from April 30, 2023 through the date of the approval of the Settlement.

TERMS

10. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendant will pay Five Hundred Forty Thousand Dollars (\$540,000) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendant.

11. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula:

11(a) Defendant will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the PAGA Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the PAGA Period.

11(b) To determine each Aggrieved Employee’s payment from the PAGA Penalties Fund, Defendant will use the following formula: Settlement Payment = 25% of PAGA Penalties Fund × [Pay Periods Worked by Individual Aggrieved Employee During the PAGA Period ÷ Total Pay Periods Worked by All Aggrieved Employees during the PAGA Period].

11(c) Defendant estimates that there are approximately Twenty-Five Thousand, Five Hundred (25,500) Pay Periods during the PAGA Period. If that number is incorrect by more than Ten Percent (10%), then the Gross Settlement Amount

will be increased proportionately. For example, if the number is eleven percent (11%) higher, then the Gross Settlement Amount will be increased by one percent (1%). In the alternative, Defendant may elect to advance the end date of the PAGA Period to correspond to the last date on which the total number of Pay Periods was not in excess of Twenty-Eight Thousand and Fifty (28,050).

12. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than One Hundred Seventy Eight Thousand, Two Hundred Dollars (\$178,200), plus the reimbursement of all out-of-pocket costs and expenses associated with Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Thirty Thousand Dollars (\$30,000), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorney's Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

13. Settlement Administration Costs. The Parties will retain Phoenix Class Action Administration Solutions ("Phoenix") as the third-party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, and Plaintiff's Counsel. The Settlement Administration Costs will be paid from the Gross Settlement Amount. Based on the estimate that there are approximately 921 Aggrieved Employees, Settlement Administration Costs are estimated at eight thousand seven hundred and fifty dollars and zero cents (\$8,750.00).

14. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the Court issue an order and judgment approving and incorporating by reference the terms and conditions of the Settlement Agreement (the "Order and Judgment").

15. List of Aggrieved Employees. Within twenty-one (21) calendar days after entry of the Order and Judgment, Defendant will provide the Settlement Administrator a complete list of all Aggrieved Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in Microsoft Office Excel and will include each Aggrieved Employee's full name; most recent mailing

address; Social Security number; the respective number of pay periods during which each Aggrieved Employee worked during the PAGA Period; and any other relevant information needed to calculate settlement payments.

16. Funding of the Settlement. Within thirty (30) calendar days after entry of the Order and Judgment, Defendant will deposit the Gross Settlement Amount into the QSF to be established by the Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiff's Counsel; and (d) itself. The Settlement Administrator, and not Defendant, will issue the appropriate tax forms for all payments issued under this Settlement.

17. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an explanatory letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address or Social Security number of the Aggrieved Employee involved, and will then perform a single re-mailing. Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be tendered to the California Department of Industrial Relations Unpaid Wage Fund in the name of the Aggrieved Employees who did not cash their checks. All settlement payments to Aggrieved Employees will be treated as miscellaneous income for which a 1099 will be issued.

18. Procedures for Disputing Pay Periods. The Settlement Administrator shall provide notice to PAGA Members of the Settlement and their respective estimated Individual Settlement Shares pursuant to the approval order issued by the Court. If PAGA Members dispute the number of pay periods they worked during the PAGA Period, PAGA Members will have thirty (30) calendar days from the date on which the PAGA Notice is mailed ("Response Deadline") to submit a written letter disputing

1 the number of pay periods credited to them to Settlement Administrator, postmarked on or before the
2 Response Deadline.

3 19. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved
4 Employees will be forever barred from pursuing against Defendant any and all Settled Claims during the
5 PAGA Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have released any
6 individual wage and hour claims by virtue of this Settlement.

7 20. No Right to Exclusion or Objections by Representative Action Members. Because this
8 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
9 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no
10 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved
11 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,
12 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties
13 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

14 21. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein
15 will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved
16 Employee may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans,
17 stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it
18 is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or
19 amounts to which any Aggrieved Employee may be entitled under any benefit plans.

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

24 23. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve
25 the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then
26 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void,
27 and the Parties will be returned to their original respective positions.

1 24. Court Retains Jurisdiction. The Parties agree that pursuant to Code of Civil Procedure
2 section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action over all
3 Parties to interpret, enforce, and effectuate the terms, conditions, intents, and obligations of this
4 Agreement.

5 25. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
6 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
7 on the Parties.

8 26. Amendment or Modification. This Settlement Agreement may be amended or modified
9 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
10 Parties, and approved by the Court.

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

21 28. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
22 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

23 29. California Law Governs. All terms of this Settlement Agreement will be governed by and
24 interpreted according to the laws of the State of California.

25 30. Execution and Counterparts. This Settlement Agreement is subject only to the execution
26 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
27 executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and
28 scanned copies of the signature pages, will be deemed to be one and the same instrument.

1 31. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
2 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
3 this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge
4 that they are each represented by competent counsel and that they have had an opportunity to consult
5 with their counsel regarding the fairness and reasonableness of this Settlement.

6 32. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
7 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from
8 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

9 33. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement
10 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
11 consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid
12 and enforceable.

13 34. Captions. The captions and section numbers in this Settlement Agreement are inserted for
14 the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
15 provisions of this Settlement Agreement.

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

19 36. Enforcement Action. In the event that one or more of the Parties institutes any legal
20 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
21 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
22 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
23 expert witness fees incurred in connection with any enforcement actions.

24 37. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
25 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
26 more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for
27 one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties,
28 all Parties have contributed to the preparation of this Settlement Agreement.

1 38. Representation By Counsel. The Parties acknowledge that they have been represented by
2 counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that
3 this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in
4 full.

5 39. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
6 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
7 Settlement Agreement.

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

13 41. Denial of Liability. The Parties expressly recognize that the making of this agreement
14 does not in any way constitute an admission or concession of wrongdoing on the part of Defendant.
15 Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements,
16 discussions or communications, nor any materials prepared, exchanged, issued or used during the
17 pendency of the Actions, is intended by the Parties to, nor will any of the foregoing constitute, be
18 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
19 investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local
20 law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
21 Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
22 purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
23 of the Court entered into in connection therewith.

Dated : _____

Fidencio Martinez

Dated : 4/3/2025

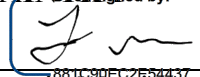
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 0998C675C85F4F2
 Authorized Signatory SVP General Counsel
Delicato Vineyards, LLC

READ CAREFULLY BEFORE SIGNING

Dated : 4/16/2025 _____

PLAINTIFF
Notarized by:


Fidencio Martinez

Dated : _____

DEFENDANT

Authorized Signatory
Delicato Vineyards, LLC

APPROVED AS TO FORM

Dated: _____

MOON LAW GROUP, PC

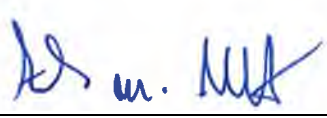
By: _____

Michael Citrin
Attorneys for Plaintiff Fidencio Martinez

Dated: April 16, 2025

SEYFARTH SHAW LLP

By: _____


Andrew M. McNaught
Attorneys for Defendant Delicato Vineyards, LLC

APPROVED AS TO FORM

Dated: 04/17/2025

MOON LAW GROUP, PC

By: 

Michael Citrin
Attorneys for Plaintiff Fidencio Martinez

Dated: _____

SEYFARTH SHAW LLP

By: _____

Andrew M. McNaught
Attorneys for Defendant Delicato Vineyards, LLC