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individually and on behalf of similarly situated employees
9

10 **SUPERIOR COURT OF CALIFORNIA**
11 **FOR THE COUNTY OF SANTA CLARA**
12

13 JOSE DE JESUS LOPEZ VALDEZ,
14 individually and on behalf of all other
similarly situated employees,

15 Plaintiff,

16 vs.
17

18 HSSG INC., a California Corporation;
HATCHERI LLC, a California Limited
19 Liability Company; HATCHERI FOODS
INC., a California Corporation; HATCHERI
20 FOOD PLATFORM, a Delaware Special
Purpose Vehicle, Limited Partnership; and
21 DOES 1 to 100, inclusive,

22 Defendants.
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25
26
27
28

Case No. Case No. 24CV435535

*Assigned for All Purposes to
Hon. Theodore C. Zayner
Department 19*

CLASS ACTION

**PLAINTIFF'S NOTICE OF MOTION AND
MOTION FOR FINAL APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: February 18, 2026

Time: 1:30 p.m.

Dept.: 19

Judge: Hon. Theodore C. Zayner

Filed: April 18, 2024

FAC Filed: June 13, 2024

Trial Date: None Set

1 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

2 PLEASE TAKE NOTICE that on February 18, 2026, at 1:30 p.m., or as soon thereafter as the
3 matter may be heard in Department 19 of the above-entitled Court, Plaintiff Jose De Jesus Lopez
4 Valdez, individually and on behalf of all other similarly situated individuals, hereby moves for entry of
5 an Order for the following:

- 6 1. Certifying the proposed class herein for purposes of settlement;
- 7 2. Appointing Plaintiff Jose De Jesus Lopez Valdez as Class Representative for purposes of
8 settlement;
- 9 3. Appointing Shimoda & Rodriguez Law, PC, as Class Counsel for purposes of settlement;
- 10 4. Approving the proposed class action and Private Attorneys General Act settlement, in the
11 amount of \$225,000.00, which is incorporated herein by reference;
- 12 5. Approving the appointment of ILYM Group, Inc. as the Settlement Administrator and for
13 payment to ILYM Group, Inc. for administering said class action settlement in the amount of
14 \$7,000.00;
- 15 6. Approving the settlement of claims under the Private Attorneys General Act for the total
16 amount of \$10,000.00, 75% of which will be paid to the Labor and Workforce Development
17 Agency and 25% of which will be paid to Aggrieved Employees;
- 18 7. Determining that the class notification procedure and process complied with Class Members'
19 due process rights directing that any funds from settlement checks that were not cashed by
20 the check cashing deadline be donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc., and the
21 Center for Workers Rights under the doctrine of *cy pres*; and
- 22 8. Approving and adopting the Proposed Order and its implementation schedule, which is filed
23 herewith and incorporated by reference.

24 This Motion is being made pursuant to Code of Civil Procedure section 382, Labor Code section
25 2699(1)¹, and California Rules of Court 3.769 and 3.764, on the grounds that the proposed class action
26 and Private Attorneys General Act settlement is fair, reasonable, and adequate as to all Class Members

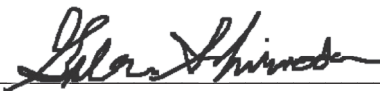
27 _____
28 ¹ Although the PAGA was recently amended, the amendments specifically state they are applicable to cases filed after June 19, 2024. *See* Cal. Lab. Code § 2699(v)(1). Because the Action predates this, all references to the PAGA in this Motion will be based on the statutory numbering applicable prior to the July 1, 2024, amendment.

1 and should be approved by the Court. This motion will be based on the notice of motion, memorandum
2 of points and authorities, the Declaration of Galen T. Shimoda, the Declaration of Jose De Jesus Lopez
3 Valdez, the Declaration of Nathalie Hernandez, exhibits, the record and files of this case, and any further
4 oral or documentary evidence introduced at the hearing of this motion.

5 **Pursuant to Santa Clara County Court Rules, Civil Rule 7(E), the court will make a tentative**
6 **ruling on the merits of this matter by 2:00 p.m., and no later than 3:00 p.m., on the court day**
7 **preceding the scheduled hearing. If the Court has not directed oral argument, a party contesting**
8 **a tentative ruling must give notice of its intention to appear to the other side and the Court no**
9 **later than 4:00 P.M. on the court day preceding the scheduled hearing. The tentative ruling will**
10 **automatically become the order of the Court on the scheduled hearing date if the Court has not**
11 **directed oral argument and if the contesting party fails to timely notice an objection to the other**
12 **side and the Court. Tentative rulings will be posted on the Court's website, www.scscourt.org,**
13 **where further information may be found. If a party does not have access to the internet, the**
14 **tentative ruling may be accessed by calling Court Services at (408) 882-2515. Questions about**
15 **these procedures may be addressed to the specific department where the matter is to be heard.**

16 Dated: January 15, 2026

Shimoda & Rodriguez Law, PC

17 By: 
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19 Justin P. Rodriguez
20 Renald Konini
21 Austin Sork
22 Attorneys for Plaintiff
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Attorneys for Plaintiff JOSE DE JESUS LOPEZ VALDEZ
individually and on behalf of similarly situated employees

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

JOSE DE JESUS LOPEZ VALDEZ,
individually and on behalf of all other
similarly situated employees,

Plaintiff,

vs.

HSSG INC., a California Corporation;
HATCHERI LLC, a California Limited
Liability Company; HATCHERI FOODS
INC., a California Corporation; HATCHERI
FOOD PLATFORM, a Delaware Special
Purpose Vehicle, Limited Partnership; and
DOES 1 to 100, inclusive,

Defendants.

Case No. Case No. 24CV435535

*Assigned for All Purposes to
Hon. Theodore C. Zayner
Department 19*

CLASS ACTION

**MEMORANDUM OF POINTS &
AUTHORITIES IN SUPPORT OF PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

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I. INTRODUCTION AND OPENING SUMMARY OF ARGUMENT

Plaintiff Jose De Jesus Lopez Valdez (“Plaintiff”) seeks Final approval of a non-reversionary wage and hour class action and Private Attorneys General Act (“PAGA”) settlement in the gross amount of \$225,000.00. *See generally* Exhibit A (Joint Stipulation Regarding Class Action and PAGA Settlement and Release [“Agreement”]). Plaintiff brought this class action individually and on behalf of similarly situated employees who worked for Defendants HSSG Inc., Hatcheri LLC, Hatcheri Foods Inc., and Hatcheri Food Platform SPV, LP (collectively, “Defendants”) (Plaintiff and Defendants sometimes collectively referred to as the “Parties”). *See generally* Exhibit B (Plaintiff’s Operative Complaint); Declaration of Jose De Jesus Lopez Valdez. There are approximately 185 Class Members.

Plaintiff has alleged that Defendants: 1) Failed to Pay Overtime Wages; 2) Failed to Pay Minimum Wages; 3) Failed to Pay All Hours Worked; and engaged in 4) Meal Period Violations; 5) Rest Period Violations; 6) Wage Statement Violations; 7) Failed to Reimburse Expenses; 8) Failed to Pay Final Wages; and took part in 9) Unfair Competition. *See generally* Exhibit B; *see also* Declaration of Galen T. Shimoda (“Decl. Shimoda”), ¶ 2. Plaintiff has also alleged Defendants are liable for civil penalties under the PAGA based on these violations. *See id.*; Exhibit C (Plaintiff’s Ltr. to the Labor and Workforce Development Agency [“LWDA”] Regarding PAGA Claims). Defendants have denied all of Plaintiff’s allegations in their entirety and any liability or wrongdoing of any kind. *See* Decl. Shimoda, ¶ 5. Defendants have also denied that this case is appropriate for class certification other than for purposes of settlement. *See id.* However, subject to Court approval, the Parties have been able to compromise and settle all asserted claims as a result of extensive investigations, document and data exchanges, and extended negotiations. *See* Exhibit A. Plaintiff and Plaintiff’s counsel believe the proposed Agreement is fair, reasonable, and adequate based on the investigations, discovery, employee data exchanges, negotiations, and a detailed knowledge of the issues in this case. *See* Decl. Shimoda, ¶¶ 10-11; Declaration of Jose De Jesus Lopez Valdez (“Decl. Lopez”), ¶ 7. The Agreement was entered into in good faith by the Parties to resolve heavily contested claims and guarantees a reasonable recovery for Class Members.

Defendant has denied all of Plaintiff’s allegations in their entirety and any liability or wrongdoing of any kind. *See* Decl. Shimoda ¶ 5. Defendants have denied that this case is appropriate

1 for class certification other than for purposes of settlement and that Plaintiff would have difficulty
2 proving class certification is proper here. *See id.* However, subject to approval by the Court, the
3 parties have been able to compromise and settle all asserted claims for monetary compensation as a
4 result of extensive investigations, informal document and data exchanges, and extended negotiations
5 relating to all aspects of the asserted claims. *See Exhibit A.* Plaintiff's counsel believes that the
6 proposed settlement is in the best interest of the putative class based on the discovery, investigations,
7 negotiations, and a detailed knowledge of the issues in this case. *See Decl. Shimoda*, ¶¶ 3, 6-11. The
8 prospect of potential class certification issues and the uncertainty of class certification, Defendants'
9 factual and legal contentions, difficulties of complex litigation, the lengthy process of establishing
10 specific damages and various possible delays and appeals were carefully considered by Plaintiff and
11 Plaintiff's counsel in agreeing to the proposed settlement. *See id.*

12 The reaction of Class Members to the preliminarily approved Agreement has been
13 overwhelmingly positive and gives substantial support to the Agreement and all terms and allocations
14 therein being fair, reasonable, and adequate. **Zero Class Members opted out of the settlement and**
15 **there have been zero objections to the Agreement.** *See Declaration of Nathalie Hernandez* ("Decl.
16 Hernandez"), ¶¶ 12-14. It is well within the discretion of this Court to grant final approval of the
17 proposed settlement, which satisfies all of the criteria for final settlement approval under California
18 law. Accordingly, Plaintiff requests that the Court: (1) certify the settlement class; (2) grant final
19 approval of the Agreement; (3) find that the procedures used to notify Class Members complied with
20 due process; (4) grant Plaintiff's request for attorney's fees and costs, the Enhancement Payment to the
21 Class Representative, and Claims Administrator Costs; and (5) approve and adopt the proposed order
22 granting final approval, which is filed concurrently herewith.

23 II. PROCEDURAL AND LITIGATION HISTORY

24 Plaintiff filed a class action complaint on approximately April 18, 2024, in Santa Clara County
25 Superior Court against Defendants. Plaintiff exhausted administrative remedies under the PAGA by
26 providing notice of the claims and violations to the LWDA. *See Exhibit C*; Cal. Lab. Code § 2699.3(a),
27
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(c)¹; Decl. Shimoda, ¶ 3. Then, Plaintiff filed a First Amended Class Action Complaint on approximately June 13, 2024, to include a PAGA claim. *See id.*; Exhibit B. There is no date set for a motion for certification or trial in this matter. *See* Decl. Shimoda, ¶ 4.

III. INVESTIGATION AND DISCOVERY CONDUCTED

Plaintiff thoroughly investigated issues affecting certification, the merits of the class and PAGA claims, and potential damages for such claims. *See* Decl. Shimoda, ¶¶ 3, 6-10; Decl. Lopez, ¶ 6. Plaintiff worked during the time all of Defendants' policies and practices at issue in the Complaint were in effect and provided information regarding these policies and practices, enabling pre-filing investigations to take place. *See* Decl. Lopez, ¶ 5. The Parties engaged in informal discovery and exchange of documents, including a representative sampling of employee data, such as timecards, paystubs, payroll data, and relevant policies for the entirety of the statute of limitations applicable to the asserted claims. Plaintiff also reviewed documents relating to Defendants' financial condition to determine their ability to continue litigation and pay any settlement and/or judgment higher than what has been agreed to in the Settlement now before the Court. *See* Decl. Shimoda, ¶ 7. The discovery covered all aspects of the asserted claims, including certification issues, merits issues, damages, the scope and configuration of Class Members, the content and implementation of the wage and hour policies at issue, and issues relating to manageability concerns at trial, among other relevant areas. *See* Decl. Shimoda, ¶ 6. The information allowed Plaintiff to create a credible damages model to assess the reasonableness of any settlement. *See id.*

IV. NEGOTIATION AND PROPOSED SETTLEMENT

a. Plaintiff and Defendants Engaged in Extensive Arm's Length Negotiations

The final settlement occurred only after extended, arm's length negotiations. Over the course of approximately seventeen months, Plaintiff has been investigating the claims and discussing with Defendants' counsel the merits of the claims and issues present in this case. *See id.* at ¶¶ 3-7. The Parties exchanged substantial amounts of information and legal analysis in connection with these

¹ Although the PAGA was recently amended, the amendments specifically state they are applicable to cases filed after June 19, 2024. *See* Cal. Lab. Code § 2699(v)(1). Because the Action here, including the PAGA claim, predates June 19, 2024, all references to the PAGA in this Motion will be based on the statutory numbering applicable prior to the July 1, 2024, amendment.

1 discussions. *See id.* It was only after these extended discussions, which included a full day mediation
2 with Russ J. Wunderli and a mediator's proposal, that the Parties were able resolve all claims and enter
3 into the Agreement. *See id.* at ¶ 9.

4 **b. The Terms of the Agreement**

5 1. The following groups of individuals are covered by the Agreement: (a) Class Members,
6 which include all non-exempt employees who worked for Defendants in California at any time between
7 April 18, 2020 and September 2, 2025; and (b) Aggrieved Employees, which include all non-exempt
8 employees who worked for Defendants in California at any time between June 13, 2023 and September
9 2, 2025. *See* Exhibit A, ¶¶ 1.2, 1.5. There are approximately 267 Class Members and 182 Aggrieved
10 Employees. *See id.*

11 2. Defendants will pay the Gross Settlement Amount of \$225,000.00, which is exclusive of
12 the employer's share of payroll taxes as set forth in the Agreement. *See id.* at ¶ 5.1. No portion of the
13 Gross Settlement Amount will revert to Defendants. *See id.* at ¶ 5.6. Aggrieved Employees will still be
14 paid their share of the PAGA Payment regardless of whether they opt out of being Class Members. *See*
15 *id.* at ¶¶ 7.5.1, 7.8.3.

16 3. Up to \$10,000.00 will be paid to Plaintiff as an Enhancement Payment. This amount
17 will be in addition to any amount Plaintiff may be entitled to under the terms of the Agreement. *See id.*
18 at ¶ 5.4.

19 4. Subject to Court approval, the Parties have selected ILYM Group, Inc. to act as the
20 Settlement Administrator, whose final costs are \$7,000. *See* Decl. Hernandez, ¶ 17. The difference
21 between the actual administration costs and the originally allocated costs under the Agreement, will be
22 added to the Net Settlement Amount and paid to Class Members on a pro rata basis. *See* Exhibit A, ¶
23 5.3.

24 5. The Parties agree that \$10,000.00 of the Gross Settlement Amount shall be allocated to
25 resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment will be paid to
26 the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees. *See* Exhibit A, ¶
27 5.5. Given the risk to proving the claims on the merits, the derivative nature of the penalties, the efforts
28 by Defendants to maintain compliant policies and take corrective action, the presence of what may

likely be deemed good faith disputes, and the Court's discretion to reduce any penalty award, the \$10,000.00 PAGA Payment allocation represents a meaningful settlement aimed at deterring non-compliance given the facts of this case. *See* Decl. Shimoda, ¶¶ 5-11; *see also Nordstrom Com. Cases*, 186 Cal.App.4th 576, 589 (2010) (approving \$0 allocation to the resolution of PAGA claims based on their being disputed and being part of a class settlement which was evaluated based on the terms of the agreement overall); *Junkersfeld v. Med. Staffing Sols., Inc.*, 2022 WL 2318173, *8 n.2 (E.D. Cal. 2022) (collecting cases with PAGA settlement values ranging from .037%-1%); *Jennings v. Open Door Marketing, LLC*, 2018 WL 4773057, *9 (N.D. Cal. 2018) (approving settlement of PAGA claims at 0.6% of total estimated value due to risk of no recovery); *Ruch v. AM Retail Grp., Inc.*, 2016 WL 5462451, *7 (N.D. Cal. 2016) (approving \$10,000 PAGA settlement allocation where total PAGA penalty exposure was approximately \$5.2 million, or 0.2% of total estimated value); *Davis v. Cox Commc'ns California, LLC*, 2017 WL 1496407, *1 (S.D. Cal. 2017) (preliminarily approving \$4,000 PAGA allocation in \$275,000 settlement); *Moore v. Fitness Int'l, LLC*, 2014 WL 12571448, *5 (S.D. Cal. 2014) (approving \$2,500 PAGA allocation when attorneys' fees award alone amounted to \$200,000); *Jack v. Hartford Fire Ins. Co.*, 2011 WL 4899942, *6 (S.D. Cal. 2011) (approving \$3,000 PAGA allocation in \$1,200,000 settlement); *Singer v. Becton Dickinson & Co.*, 2010 WL 2196104, *2 (S.D. Cal. 2010); *Hopson v. Hanesbrands Inc.*, 2009 WL 928133, *1, *9 (N.D. Cal. 2009) (approving \$1,500 PAGA allocation in \$1,026,000 settlement); *Syed v. M-I, L.L.C.*, 2017 WL 714367, *13 (E.D. Cal. 2017) (approving \$100,000 PAGA allocation in \$3,950,000 gross settlement amount allocated to California class even though PAGA exposure was calculated at \$53,600,000, or 0.2% of total estimated potential value); *Garcia v. Gordon Trucking, Inc.*, 2012 WL 5364575, *6-*7 (E.D. Cal. 2012) (approving \$10,000 PAGA allocation in a \$3,700,000 settlement); *Franco v. Ruiz Food Prod., Inc.*, 2012 WL 5941801, *14 (E.D. Cal. 2012) (\$10,000 PAGA allocation from \$2,500,000 settlement fund); *Chu v. Wells Fargo Investments, LLC*, 2011 WL 672645, *1 (N.D. Cal. 2011) (\$10,000 PAGA allocation from \$6,900,000 settlement fund).

6. The Parties agree that up to thirty three percent (33%) of the Gross Settlement Amount (\$74,250.00) will be paid for Plaintiff's attorneys' fees incurred in the litigation of this case. Defendants will not oppose any application for attorneys' fees so long as it is within this threshold. *See*

1 *id.* at ¶ 5.2. Additionally, the Parties agree that Plaintiff will also be entitled to the actual litigation
2 costs as approved by the Court in an amount of \$10,099.98. *See* Exhibit D (Plaintiff's Counsel's
3 Itemized Costs). The difference between the actual costs and the originally allocated \$12,000 will be
4 redistributed to Class Members on a pro rata basis. *See* Exhibit A, ¶ 5.2.

5 7. Any Claims Administrator Costs, any amounts paid for attorneys' fees and costs, the
6 Class Representative Enhancement Payment, employer taxes, and the PAGA Payment will be paid out
7 from the Gross Settlement Amount, not in addition to the Gross Settlement Amount. *See* Exhibit A, ¶¶
8 5.1-5.5.

9 8. Class Members who fail to timely opt-out of this settlement will waive all Released
10 Class Claims as set forth in the Agreement. *See* Exhibit A, ¶¶ 1.14, 1.26, 1.30, 1.32, 6.1. Aggrieved
11 Employees will waive all Released PAGA Claims as set forth in the Agreement regardless of whether
12 they opt out of being a Class Member. *See id.* at ¶¶ 1.2, 1.14, 1.31-1.32, 6.2, 7.5.1.

13 9. For any portion of the Net Settlement Amount or PAGA Payment allocated to
14 Participating Class Members and/or Aggrieved Employees that is not claimed by them by cashing their
15 respective settlement checks within 180 calendar days of issuance, that remaining amount shall be
16 donated equally, *i.e.*, 50/50 to Capital Pro Bono, Inc., and the Center for Workers' Rights under the
17 doctrine of *cy pres*. *See* Exhibit A, ¶ 5.6. Because the Agreement provides for the distribution of all
18 funds such that there is no residue, the provisions of California Civil Procedure Code section 384 are
19 inapplicable. *See In re Microsoft I-V Cases*, 135 Cal.App.4th 706, 718, 720 (2006). The designated
20 beneficiaries clearly promote the law consistent with the objectives and purposes underlying the lawsuit
21 as they are non-profits aimed at assisting employees with wage and hour claims who cannot afford
22 legal representation, including providing representation for employees in wage claims before the
23 California Labor Commissioner. *See id.* at 722-724; *see also* Decl. Shimoda, ¶¶ 27-32.

24 **c. Allocation of Settlement Funds**

25 Payment to Participating Class Members and Aggrieved Employees will not require the
26 submission of a claim form. A Net Settlement Amount will be determined by subtracting from the
27 Gross Settlement Amount any attorneys' fees and costs, any Enhancement Payment, Settlement
28 Administrator Costs, and/or PAGA Payment that are approved and/or awarded by the Court. Each

1 Class Member's share will be determined by dividing their total weeks worked within the Class Period
2 by the total weeks worked by all Class Members within the Class Period. That fraction will then be
3 multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net
4 Settlement Amount. Fifteen percent (15%) of the payment to Participating Class Members will be
5 characterized as W-2 wages and eighty-five percent (85%) will be characterized as 1099 income for tax
6 reporting purposes. *See id.* ¶¶ 5.9.1-5.9.2.

7 Each Aggrieved Employee's share of the PAGA Payment will be determined by dividing their
8 total weeks worked within the PAGA Claim Period by the total weeks worked by all Aggrieved
9 Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of
10 the PAGA Payment to arrive at the Aggrieved Employee's individual share. *See Exhibit A, ¶¶ 1.17,*
11 *5.5, 5.8.* The payment to Aggrieved Employee's will be characterized as 1099 income for tax reporting
12 purposes. *See id.* at ¶ 5.9.3.

13 **V. PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT AND THE**
14 **SUBSEQUENT CLASS ACTION ADMINISTRATION**

15 Plaintiff's motion for preliminary approval of the class action settlement was approved by the
16 Court, in its entirety, on September 2, 2025. To comply with the class members' due process rights, the
17 parties enlisted an exhaustive method to ensure the best practical means possible was used to provide
18 notice to the class. The parties provided the class action administrator the names, last known address,
19 and social security numbers for the class. The class action administrator then updated this information
20 by doing an address trace for each individual using this information. *See Decl. Hernandez, ¶¶ 7-9.* If
21 the Notice Packets were returned as undeliverable, further investigation was performed and they were
22 re-mailed using updated information. *See id.* Of the 267 Notice Packets mailed, only 9 were
23 undeliverable after use of these methods. *See id.* at ¶ 11. The Notice Packets included information
24 regarding the requested attorneys' fees, costs, payment to the LWDA, administration costs, and tax
25 allocations. *See Decl. Hernandez, Exh. A.* The average distribution to participating class members is
26 approximately \$418.54, the maximum distribution is approximately \$2,463.14. *See id.* at ¶ 15. No
27 objections to the preliminarily approved settlement have been made and no Class Members opted out.
28 *See Decl. Hernandez, ¶¶ 12-14.*

1 It is not required that Class Members be given actual notice of a class settlement; instead, the
2 best practicable notice under the circumstances is all that is required. *See Silber v. Mabon*, 18 F.3d
3 1449, 1453 (9th Cir. 1994); *Briseno v. ConAgra Foods, Inc.*, 844 F.3d 1121, 1129 (9th Cir. 2017);
4 *Walsh v. CorePower Yoga LLC*, 2017 U.S. Dist. LEXIS 163991, at *12-14 (N.D. Cal. 2017); *Wright v.*
5 *Linkus Enters.*, 259 F.R.D. 468, 474-75 (E.D. Cal. 2009). In *Silber v. Mabon*, 18 F.3d 1449 (9th Cir.
6 1994), the Court rejected a class member's argument that he had not received due process because he
7 did not receive notice until after the opt out period, finding that, so long as the notice process utilized is
8 the best practicable under the circumstances, due process is satisfied even if there is no actual receipt of
9 the notice. *See Silber*, 18 F.3d at 1453-1454. A similar finding was made in *Briseno v. Conagra*
10 *Foods, Inc.*, 844 F.3d 1121 (9th Cir. 2017). With regard to any undeliverable Notice in this case, the
11 Court in *Rannis v. Recchia*, 380 F. App'x 646 (9th Cir. 2010) found that class members who did not
12 receive actual notice due to their mailings being deemed undeliverable were still properly held to be
13 part of the class settlement because they received the best notice practicable under the circumstances.
14 *See Rannis v. Recchia*, 380 F. App'x at 650-651. In *Noel v. Thrifty Payless, Inc.*, 7 Cal.5th 955, 980-
15 984 (2019), the California Supreme Court noted that California has adopted a similar approach
16 regarding providing notice to class members.

17 The notice method in *Rannis* is similar to that used in the present case. For example, the Notice
18 contains all information necessary for a Class Member to assess the litigation, the settlement, and
19 whether they wanted to participate, object, or opt-out. *See Decl. Hernandez*, Exh. A. The Claims
20 Administrator utilized a national change of address database, forwarding notices, and skip tracing in an
21 effort to ensure that all reasonable means were exhausted in attempting to provide Class Members
22 notice of this settlement. *See Decl. Hernandez*, ¶¶ 8-11. The content of the notice provided and the
23 manner in which it was provided to Class Members was the best practicable notice to satisfy due
24 process.

25 **VI. THE AGREEMENT WARRANTS FINAL APPROVAL AS IT IS FAIR, REASONABLE,**
26 **AND ADEQUATE AS TO ALL CLASS MEMBERS BASED ON THE FACTS OF THIS**
27 **CASE**

28 A class action may not be dismissed, compromised, or settled without Court approval and the
decision to approve or reject a settlement is committed to the Court's sound discretion. *See Cal. Rules*

1 of Court, Rule 3.769; Fed. R. Civ. Proc., Rule 23(e)²; *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th
2 224, 234-35 (2001); *see also* Cal. Lab. Code § 2699(l)(2). However, “[d]ue regard should be given to
3 what is otherwise a private consensual agreement between the parties. The inquiry ‘must be limited to
4 the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or
5 overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole,
6 is fair, reasonable and adequate to all concerned.’” *See Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794,
7 1801 (1996); *see also Cellphone Termination Fee Cases*, 180 Cal.App.4th 1110, 1118 (2009); *In re*
8 *Microsoft I-V Cases*, 135 Cal.App.4th at 723; *Nordstrom Com. Cases*, 186 Cal.App.4th at 581. The law
9 favors settlement of lawsuits, particularly class actions and other complex cases where substantial
10 resources can be conserved by avoiding the time, expense, and rigors of formal litigation. *See*
11 *Cellphone Termination Fee Cases*, 180 Cal.App.4th at 1117-1118; *In re Microsoft I-V Cases*, 135
12 Cal.App.4th at 723, n.14; *Nordstrom Com. Cases*, 186 Cal.App.4th at 581; *see also Neary v. Regents of*
13 *Univ. of Cal.*, 3 Cal.4th 273, 277-81 (1992).

14 **a. The Terms of The Settlement Are Fair and Within the Range of Reasonableness**

15 The purpose of the Court’s Final evaluation of a proposed class action settlement is to determine
16 only whether it is within the range of possible approval such that notice to the class of its terms and
17 conditions and the scheduling of a formal fairness hearing is warranted. *See Wershba*, 91 Cal.App.4th at
18 234-35. If the Court finds a proposed settlement falls within “the range of reasonableness,” it should
19 grant Final approval of the class action settlement. *See, e.g., North County Contr.’s Assn., Inc. v.*
20 *Touchstone Ins. Svcs.*, 27 Cal.App.4th 1085, 1089-90 (1994); *Kullar v. Foot Locker Retail, Inc.*, 168
21 Cal.App.4th 116, 133 (2008). Factors to consider in determining whether the settlement is fair,
22 reasonable, and adequate include the strength of the Plaintiff’s case, the risk, expense, complexity and
23 likely duration of further litigation, the risk of maintaining class action status through trial, the amount
24 offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience
25 and views of counsel, the presence of a governmental participant, and the reaction of the class members
26 to the proposed settlement. *See Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996). However,
27

28 ²The California Supreme Court has authorized California’s trial courts to rely on these federal resources to decide class certification issues. *See Green v. Obledo*, 29 Cal.3d 126, 145-46 (1981).

1 this Court should begin its analysis with a presumption that the proposed settlement is fair. “A
2 presumption of fairness exists where: (1) the settlement is reached through arm’s length bargaining; (2)
3 investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel
4 is experienced in similar litigation; and (4) the percentage of objectors is small.” *Id.* at 1802.

5 **i. The Agreement is a Result of Extensive, Non-Collusive Arm’s Length**
6 **Negotiations Between the Parties**

7 Settlement of this case was reached only after substantial litigation and extensive arm’s length
8 negotiations lasting approximately eight months, which included a full day of mediation and resolution
9 through a subsequent mediator’s proposal. *See* Decl. Shimoda, ¶ 9. At all times, the negotiations were
10 adversarial, although still professional in nature. *See id.*

11 **ii. The Extent of Investigation and Discovery Completed Provided Ample**
12 **Information to Enter Into an Informed and Reasonable Settlement**

13 The Parties were in possession of all necessary information during the negotiations. The Parties
14 engaged in substantial informal discovery, which included all necessary components for evaluating the
15 class claims and creating an accurate damages model. *See id.* at ¶¶ 8, 10. Plaintiff was in possession of
16 this information prior to calculating any damages in this case. *See id.* As a result, Plaintiff was able to
17 make a reasonable estimation of Defendants' potential liability. *See id.* For these reasons, the
18 settlement now before the Court was reached at a stage where “the parties certainly have a clear view of
19 the strengths and weaknesses of their cases” sufficient to support the settlement. *See Kang v. Credit*
20 *Bureau Connection, Inc.*, 2023 WL 6811994, *5 (E.D. Cal. 2023); *Monterrubio v. Best Buy Stores,*
21 *L.P.*, 291 F.R.D. 443, 454 (E.D. Cal. 2013).

22 **iii. Plaintiff’s Counsel are Experienced in Similar Litigation**

23 Plaintiff’s counsel have considerable experience in complex litigation such as class and PAGA
24 actions. *See* Decl. Shimoda, ¶¶ 13-21. Thus, Plaintiff’s counsel are qualified to evaluate the class
25 claims, the value of settlement versus moving forward with litigation, and viability of possible
26 affirmative defenses. Plaintiff’s counsel believe that the Agreement is fair, reasonable, and adequate in
27 light of the risks associated with the claims, the uncertainties of complex litigation, and the secured
28 benefit to Class Members. *See id.*

1 **iv. No Class Members Objected or Opted Out**

2 The reaction by Class Members to the Agreement and all the terms and allocations stated
3 therein is overwhelmingly positive. Zero Class Members have objected to any aspect of the Agreement
4 and zero have opted out. *See* Decl. Quiroz, ¶¶ 10-11. This provides strong evidence that the settlement
5 is fair, reasonable, and adequate. *In re Heritage Bond Litig.*, 2005 WL 1594403, at *10 (“It is
6 established that the absence of a large number of objectors to a proposed class action settlement raises a
7 strong presumption that the terms of a proposed class settlement action are favorable to the class
8 members”); *Nat’l Rural Telecommunications Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 529 (C.D. Cal.
9 2004) (“That unanimous, positive reaction to the Proposed Settlement is compelling evidence that the
10 Proposed Settlement is fair, just, reasonable, and adequate”).

11 **v. The Settlement is Fair, Reasonable, and Adequate Based on the Strength of**
12 **Plaintiff’s Case and the Risks and Costs of Further Litigation**

13 Plaintiff’s claims and the ability to obtain and maintain certification all the way through trial
14 were heavily disputed by Defendants. *See* Decl. Shimoda, ¶¶ 5-6. Based on the records and facts of
15 this case, Plaintiff has secured a gross recovery of approximately 5.8% of the maximum value of all
16 claims in this matter (\$3,822,837.66) and between 16% and 52% of the more realistic range of recovery
17 (\$432,692.31 to \$1,406,250.00). *See* Decl. Shimoda, ¶¶ 10-11. The net recovery represents
18 approximately 3% of the maximum value of the claims in this matter and between 8% and 26% of the
19 more realistic range of recovery. The average net award is approximately \$418.54, and the highest
20 recovery is approximately \$2,463.25. *See* Decl. Hernandez, ¶ 15.

21 This settlement is a reasonable compromise of the class and PAGA claims, and is within the
22 percentile ranges of the total available damages that have been approved in other class settlements. *See*
23 *Wershba*, 91 Cal.App.4th at 246, 250; *Rebney v. Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139
24 (1990); *Officers for Justice v. Civil Serv. Comm’n*, 688 F.2d 615, 628 (9th Cir. 1982); *see also In re*
25 *Omnivision Technologies, Inc.*, 559 F.Supp.2d 1036, 1042 (2007) (noting that certainty of recovery in
26 settlement of 6% of maximum potential recovery after reduction for attorney’s fees was higher than
27 median percentage for recoveries in shareholder class action settlements, averaging 2.2%-3% from
28 2000 through 2002); *Bravo v. Gale Triangle, Inc.*, 2017 WL 708766, *2, *10 (C.D. Cal. 2017)

(approving a settlement where the net recovery to class members was approximately 7.5% of the projected maximum recovery amount [\$210,500/\$2,750,000]); *Avila v. Cold Spring Granite Co.*, 2018 WL 400315, *2, *6 (E.D. Cal. 2018) (approving a settlement with a gross recovery of 11% of the projected maximum damages available [\$500,000/\$4,441,633.60]) and a net recovery of approximately 6.7% of the projected maximum recovery [\$297,332.98/\$4,441,633.60]); *Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 256 (N.D. Cal. 2015) (approving a settlement where the gross recovery was approximately 8.5% of the projected maximum recovery [\$1,000,000/\$11,565,677]); *Schiller v. David's Bridal, Inc.*, 2012 WL 2117001, *13 (E.D. Cal. 2012) (“Class Members will receive an average of approximately \$198.70, with the highest payment to a Class Member being \$695.78 . . . Overall, the Court finds that the results achieved are good, which is highlighted by the fact that there was no objection to the settlement amount or the attorneys’ fees requested”), *report and recommendation adopted*, 2012 WL 13040405 (E.D. Cal. 2012); *Gardner v. GC Servs., LP*, 2012 WL 1119534, *7 (S.D. Cal. 2012) (“the results achieved in this case were very favorable. Class members are provided with immediate monetary relief, with an average award of around several hundred dollars and a minimum award of \$50”).

vi. The Proposed Settlement is a Reasonable Compromise of Claims

In *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116 (2008), the Court required additional information be presented in class action settlements “to ensure that the recovery represents a reasonable compromise, given the magnitude and apparent merit of the claims being released, discounted by the risks and expenses of attempting to establish and collect on those claims by pursuing the litigation” *Id.* at 129. *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal.App.4th 399 (2010), clarified that *Kullar* does not require an illusory prediction of the outer reaches of exposure without taking into account the actual risks of litigation such as dispositive motions and trial. *Kullar* also does not require an explicit statement of the maximum amount to be recovered if a plaintiff prevailed on all the claims, provided there is a record that allows “an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation.” *Id.* at 409.

Plaintiff has thoroughly set forth the realistic range of outcomes in this litigation as well as the data points relied upon in reaching these ranges. *See* Decl. Shimoda ¶¶ 10-11. The record

1 demonstrates that the compromises made by Plaintiff was reasonable and have resulted in a settlement
2 with recovery percentage well within the range of what has been found to be sufficient in several other
3 cases. *See, supra*, Section VI.a.iv; *see also Linney v. Cellular Alaska P'ship*, 151 F.3d 1234, 1242 (9th
4 Cir. 1998) (“The fact that a proposed settlement may only amount to a fraction of the potential recovery
5 does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be
6 disapproved”); *City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 455 (2d Cir. 1974) (“In fact there is no
7 reason, at least in theory, why a satisfactory settlement could not amount to a hundredth or even a
8 thousandth part of a single percent of the potential recovery”).

9 **b. Certification of the Class is Appropriate**

10 Class certification is appropriate when (1) the class is ascertainable and (2) there is “a well-
11 defined community of interest in the questions of law and fact involved affecting the parties to be
12 represented.” *Dunk*, 48 Cal.App.4th at 1806. The “community of interest” element “embodies three
13 factors: (1) common questions of law or fact predominate; (2) class representatives with claims or
14 defenses typical of the class; and (3) class representatives who can adequately represent the class.” *Id.*
15 Here, the Court conditionally certified the settlement class on September 2, 2025, and nothing has
16 happened in the interim that would warrant changing that decision. *See Garcia v. City of King City*,
17 2017 WL 363257, *4 (N.D. Cal. 2017); *Messineo v. Ocwen Loan Servicing, LLC*, 2017 WL 733219, *4
18 (N.D. Cal. 2017). Here, the parties agree that, for the purposes of settlement, these prerequisites are
19 met. *See Exhibit A.*

20 **i. The Proposed Settlement Class is Ascertainable and Sufficiently Numerous**

21 The proposed settlement class is ascertainable because all putative Class Members can be
22 readily identified through employee personnel and payroll files. *See Noel*, 7 Cal.5th at 980; *Rose v.*
23 *City of Hayward*, 126 Cal.App.3d 926, 932 (1981); *Lee v. Dynamex, Inc.*, 166 Cal.App.4th 1325, 1334
24 (2008). The numerosity requirement is met because there are 267 individuals who fall within the
25 definition of Class Member, which makes joinder of all members impracticable. *See Gay v. Waiters' &*
26 *Dairy Lunchmen's Union*, 489 F.Supp. 282 (N.D. Cal. 1980), *aff'd* 694 F.2d 531 (9th Cir. 1982);
27 *Hebbard v. Calgrove*, 28 Cal.App.3d 1017, 1030 (1972) (noting no set minimum to meet the
28

1 numerosity prerequisite, but a class as few as twenty-eight (28) members is acceptable). Thus, these
2 requirements are satisfied.

3 **ii. The Commonality, Predominance, and Typicality Requirements are Met**

4 The commonality requirement is met when there are questions of law or fact regarding the class
5 as a whole. *See Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1019 (9th Cir. 1998). Commonality requires
6 only that some common legal or factual questions exist; Plaintiff need not show that all issues in the
7 litigation are identical. *See Richmond v. Dart Ind., Inc.*, 29 Cal.3d 462, 473 (1981); *City of San Jose v.*
8 *Superior Court*, 12 Cal.3d 447, 460 (1974). Common questions of law or fact must also predominate
9 over individual questions and class-wide treatment of a dispute must be superior to individual
10 litigation.³ *See Richmond*, 29 Cal.3d at 469. Predominance requires a putative class be sufficiently
11 cohesive to warrant adjudication by representation. *See Hanlon*, 150 F.3d at 1022. The typicality
12 requirement is met when claims of the named representative are typical of those of the class, though
13 “they need not be substantially identical.” *Id.* at 1020; *Classen v. Weller*, 145 Cal.App.3d 27, 46-47
14 (1983).

15 The common questions of law and fact in this case stem from Plaintiff's contention that
16 Defendants 1) failed to pay employees for overtime hours on days employees worked in excess of eight
17 (8) hours per day and or forty (40) hours per week; 2) Defendants did not authorize and permit Plaintiff
18 and similarly situated employees to take all meal and rest periods owed to them; 3) Plaintiff and
19 similarly situated employees were employed for periods of more than five hours without receiving an
20 uninterrupted thirty (30) minute meal period; 4) Plaintiff and similarly situated employees did not
21 receive an uninterrupted ten (10) minute rest period every four hours or major fraction thereof they
22 worked; 5) Defendants failed to accurately itemize the hours and wages earned on paystubs issued to
23 class members and failed to provided wage statements that included the actual dates and hours worked
24 by employees; and 6) Defendants required Plaintiff and similarly situated employees to incur expenses
25 for work without paying reimbursement for such expenses which included not paying reimbursement
26 for mandatory use of their personal cell phones, payments for store memberships, and travel. *See*

27
28 ³When assessing predominance and superiority, a court may consider that the class will be certified for settlement purposes only and that manageability of trial is therefore irrelevant. *See Amchem Products v. Windsor*, 521 U.S. 591 (1997).

1 Exhibit B. The waiting time penalties, unfair competition, and PAGA claims are derivative of these
2 violations. *See id.* Plaintiff and the Class Members seek the same remedies under state law. Under
3 these specific circumstances, the commonality and predominance requirements are satisfied. Regarding
4 the typicality requirement, Plaintiff contends he suffered from the same unlawful policies, treatment,
5 and circumstances as Class Members did, will request the same remedies, and will rely on the same
6 methods of proof to establish liability and damages. *See id.* Thus, the typicality requirement is also
7 satisfied for settlement purposes.

8 **iii. The Adequacy Requirement is Met**

9 The adequacy of representation requirement is met if the named representative and counsel have
10 no interests adverse to those of the putative class members and are committed to vigorously prosecuting
11 the case on behalf of the class. *See Hanlon*, 150 F.3d at 1020; *McGhee v. Bank of America*, 60
12 Cal.App.3d 442, 450-51 (1976). Those standards are met here. Under the proposed Agreement,
13 Plaintiff and the putative Class Members will receive a pro rata share of the settlement based on the
14 number of workweeks they worked for Defendants. *See Exhibit A.* Finally, any settlement class
15 member who wished to opt-out of the settlement was able to do so, and he or she was also able to
16 dispute the number of workweeks stated in the Notice of Settlement.

17 There is no conflict of interest between Plaintiff and Class Members. Plaintiff and Plaintiff's
18 counsel have pursued the claims made in the operative Complaint vigorously on behalf of the class.
19 Plaintiff's counsel, with Plaintiff's assistance, thoroughly investigated the claims made in this case by
20 speaking with Plaintiff and reviewing substantial amounts of documents. Plaintiff's counsel thereafter
21 engaged Defendants' counsel in settlement discussions over the course of approximately eight months.
22 Moreover, Plaintiff's counsel has experience defending and bringing wage and hour claims. Because
23 Plaintiff's counsel has vigorously pursued Plaintiff's and the Class Members' claims, the adequacy
24 requirement is met. *See generally* Decl. Shimoda.

25 **VII. THE AMOUNTS REQUESTED FOR ATTORNEY'S FEES AND COSTS, AN**
26 **ENHANCEMENT PAYMENT TO THE CLASS REPRESENTATIVE, AND CLAIMS**
27 **ADMINISTRATOR COSTS ARE REASONABLE AND SHOULD BE APPROVED**

28 The Notice of Settlement sent to Class Members specifically identified the allocations for
attorney's fees and costs, the Class Representative Enhancement Payment, and Claims Administrator

Costs. *See* Decl. Hernandez, Exh. A. The reaction of Class Members to these requested amounts provides useful evidence of whether they are reasonable. *See In re Heritage Bond Litig.*, 2005 WL 1594403, *21 (“The absence of objections or disapproval by class members to Class Counsel's fee request further supports finding the fee request reasonable”). As noted above, there were no objections raised to the Agreement or any term or allocation therein whatsoever. *See* Decl. Hernandez, ¶¶ 12-14. In addition to Class Members’ reactions supporting the requested amount, the facts and applicable case law also support awarding these amounts in full.

An award of attorney’s fees should include compensation for all hours reasonably spent. *See Ketchum v. Moses*, 24 Cal.4th 1122, 1133 (2001); *see also Hensley v. Eckerhart*, 461 U.S. 424, 431 (1983) (finding hours are reasonably spent if they are the kind normally billed to a fee-paying client). California has not adopted any “benchmark” percentage utilized by several federal courts. *See Emmons v. Quest Diagnostics Clinical Lab'ys, Inc.*, 2017 WL 749018, at *7 (E.D. Cal. 2017) (“Notably, while the California Supreme Court recognized the Ninth Circuit's 25 percent benchmark for percentage awards in common fund cases, it did not adopt such a benchmark for California cases”). Instead, “[t]he benchmark in determining attorney fees is reasonableness.” *Karton v. Ari Design & Constr., Inc.*, 61 Cal.App.5th 734, 744 (2021).

a. A Fee of Thirty-Three Percent of the Common Fund Is Reasonable Because It Is Within the Ranges Historically Approved by Courts in Class Settlements and a Lodestar Cross Check Validates the Proposed Fee

An award of attorney’s fees under the common fund doctrine is appropriate in this case as there is a sufficiently identifiable class of beneficiaries (*e.g.* the settlement class), the benefits received can be accurately traced to the settlement Plaintiff and Class Counsel were able to negotiate on behalf of Class Members, and the fee can be shifted with exactitude to those benefiting as the fee request is a specific, lump-sum percentage of the fund. *See Laffitte v. Robert Half Internat., Inc.*, 1 Cal.5th 480, 506 (2016); *Paul, Johnson, Alston & Hunt v. Graulity*, 886 F.2d 268, 271 (9th Cir. 1989); *Boeing Co. v. Van Gemert*, 444 U.S. 472, 477-478 (1980) (“A lawyer who recovers a common fund for the benefit of persons other than . . . her client is entitled to a reasonable attorney’s fee from the fund as a whole.”). The requested fee, 33% of the common fund, is within ranges awarded in other cases. *See Martin v. Ameripride Servs.*, 2011 U.S. Dist. LEXIS 61796, *22-23 (S.D. Cal. 2011) (collecting cases); *Birch v.*

1 *Office Depot, Inc.*, USDC Southern District, Case No. 06cv1690 DMS (WMC) (awarding 40% fee on a
2 \$16 million wage and hour class action settlement); *Rippee v. Boston Mkt. Corp.*, USDC Southern
3 District, Case No. 05cv1359 BTM (JMA) (awarding a 40% fee on a \$3.75 million wage and hour class
4 action settlement).

5 To the extent there may be some Courts that have granted fees at a percentage less than 33%,
6 that does not justify an arbitrary cap on Class Counsel's fees in this case. First, in many instances, the
7 treatises or cases discussing these percentages are relying on federal decisions guided by a
8 "benchmark" percentage of 25% that has not been adopted by the California Supreme Court. *See*
9 *Emmons*, 2017 WL 749018, at *7. This artificially lowers the average percentage of fees awarded.
10 Second, many of the same decisions and treatises refer to cases that have a substantial gross settlement
11 fund to begin with, which will generally correspond to a lower percentage of fees being deemed
12 reasonable. *See Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1052 (9th Cir. 2002) (compiling an
13 appendix of class settlements with gross settlement funds of \$53 million to \$193 million and a range of
14 2.8% to 40% in awarded attorney's fees, averaging approximately 22%). Rather than acting as a cap on
15 any fee, the percentages applied in cases are a tool to cross check the reasonableness of the fee just as
16 the lodestar method is a tool to cross check the reasonableness of the requested percentage. *See Karton*,
17 61 Cal.App.5th at 744; *Vizcaino*, 290 F.3d at 1048 ("courts cannot rationally apply any particular
18 percentage—whether 13.6 percent, 25 percent or any other number—in the abstract, without reference
19 to all the circumstances of the case").

20 To the extent the Court wishes to exercise its discretion to conduct a lodestar cross check, the
21 cross check only validates the fee request. *See Laffitte*, 1 Cal.5th at 503-506. Again, an award of
22 attorney's fees should include compensation for all hours reasonably spent. *See Ketchum*, 24 Cal.4th at
23 1133; *see also Hensley*, 461 U.S. at 431 (finding hours are reasonably spent if they are the kind
24 normally billed to a fee-paying client). To date, Class Counsel has spent approximately 217.8 hours
25 performing tasks that would normally be billed to any fee paying client in complex litigation and
26 estimate that this number will increase to approximately 227.8 after monitoring the disbursement of all
27 funds and compliance hearing(s). *See Decl. Shimoda*, ¶ 23; Exhibit F; *Syers Props. III, Inc. v. Rankin*,
28

1 226 Cal.App.4th 691, 699 (2014) (“Because time records are not required under California law ... ,
2 there is no required level of detail that counsel must achieve.”) (internal quotations omitted).

3 At the prevailing market rates for Class Counsel’s level of experience and this type of complex
4 litigation, this equates to a lodestar of approximately \$135,590.00. *See* Decl. Shimoda, ¶¶ 23-24.

5 The reasonableness of Class Counsel’s fee request is also demonstrated by the fact that the
6 amount requested would not require any multiplier of the lodestar. Multipliers are typically awarded in
7 contingent fee litigation to compensate counsel for the risk of non-payment:

8 It is an established practice in the private legal market to reward attorneys
9 for taking the risk of non-payment by paying them a premium over their
10 normal hourly rates for winning contingency cases. *See Richard Posner,*
11 *Economic Analysis of Law* § 21.9, at 534-35 (3d ed. 1986). Contingent
12 fees that may far exceed the market value of the services if rendered on a
non-contingent basis are accepted in the legal profession as a legitimate
way of assuring competent representation for Plaintiff who could not
afford to pay on an hourly basis regardless whether they win or lose.

13 *Chem. Bank v. City of Seattle (In re Wash. Pub. Power Supply Sys. Sec. Litig.)*, 19 F.3d 1291, 1299 (9th
14 Cir. 1994). Moreover, “in the common fund context, attorneys whose compensation depends on their
15 winning the case, must make up in compensation in the cases they win for the lack of compensation in
16 the cases they lose.” *Id.* at 1300-01; *see also Ketchum*, 24 Cal.4th at 1138 (“The adjustment to the
17 lodestar figure, *e.g.*, to provide a fee enhancement reflecting the risk that the attorney will not receive
18 payment if the suit does not succeed, constitutes earned compensation; unlike a windfall, it is neither
19 unexpected nor fortuitous”); *Wershba*, 91 Cal.App.4th at 255 (“Multipliers can range from 2 to 4 or
20 even higher”). Yet, Class Counsel’s requested fee of \$74,250.00 would actually result in a negative
21 multiplier. As a result, a lodestar cross check validates the common fund percentage requested and the
22 Court should grant Plaintiffs’ Counsel’s fee request. *See* Decl. Shimoda, ¶¶ 22-24.

23 **b. Class Counsel’s Expenses and Costs Were Necessarily Incurred to Achieve the Benefit
24 Obtained**

25 The appropriate analysis in determining whether particular costs are compensable is whether
26 they are of the type typically billed by attorneys to paying clients in the marketplace. *See Harris v.*
27 *Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) (“Harris may recover as part of the award of attorney’s fees
28 those out-of pocket expenses that ‘would normally be charged to a fee paying client’”); *Abrams v.*
Lightolier, Inc., 50 F.3d 1204, 1225 (3d Cir. 1995); *Bratcher v. Bray-Doyle Indep. Sch. Dist. No. 42*, 8

1 F.3d 722, 725-26 (10th Cir. 1993). The categories of expenses for which Class Counsel seek
2 reimbursement here are categories normally charged to hourly clients and, therefore, should be
3 reimbursed out of the common fund. *See* Decl. Shimoda, ¶ 25; Exhibit D.

4 **c. Class Counsel's Request for A Class Representative Enhancement Payment Is**
5 **Justified In Light of The Results Achieved for the Class**

6 A service payment to a named plaintiff is intended to recognize their time and effort on behalf
7 of the class. Indeed, courts routinely approve incentive awards to compensate named plaintiffs for the
8 services they provide and the risks they incurred during the course of the class action litigation. *See*
9 *Ingram v. The Coca Cola Co.*, 200 F.R.D. 685, 694 (N.D. Ga. 2001). In *Ingram*, the Court approved
10 incentive awards of \$300,000.00 to each named Plaintiff in recognition of the services they provided to
11 the class by responding to discovery, participating in the mediation process, and taking the risk of
12 stepping forward on behalf of the class. *See id.* at 694; *see also Van Vranken v. Atlantic Richfield Co.*,
13 901 F.Supp. 294 (N.D. Cal. 1995) (approving a \$50,000.00 participation award); *Cellphone*
14 *Termination Fee Cases*, 186 Cal.App.4th 1380, 1393 (2010) (approving \$10,000 awards to each of the
15 four (4) named plaintiffs).

16 In this case Plaintiff provided substantial support in helping to secure payment to Class
17 Members. Plaintiff provided and explained a substantial number of documents critical to helping
18 establish important facts central to this case and participated in substantial amount of informal
19 discovery. *See* Decl. Lopez Valdez, ¶¶ 5-7. Plaintiff is also subject to a much broader release of claims
20 than Class Members, including a Civil Code section 1542 release. *See* Decl. Lopez Valdez, ¶ 8.
21 Payment of \$10,000.00 to Plaintiff is appropriate given the risk, assistance, time required, and burden
22 experienced in bringing and resolving this case, especially since this amount was identified in the
23 Notice of Settlement and no objections to it have been received. *See West v. Circle K Stores, Inc.*, 2006
24 U.S. Dist. LEXIS 76558, at *7-*8, *12, *27 (E.D. Cal. 2006) (awarding a \$15,000 representative
25 enhancement where 10,000 class members were to receive a gross award of approximately \$500 each
26 from the \$5,000,000 settlement); *Dent v. ITC Serv. Croup*, 2013 U.S. Dist. LEXIS 139359, at *9-*10,
27 *15-*16 (D. Nev. 2013) (awarding a \$15,000 representative enhancement out of a \$150,000 settlement
28 for approximately 530 class members).

Since being preliminarily approved as the Claims Administrator, ILYM Group, Inc., has carried out its duties as set forth in the Court's order and the Agreement. *See generally* Decl. Hernandez. Under the Agreement, a maximum of \$10,000 was set aside for potential Claims Administrator Costs. ILYM Group, Inc.'s final costs are \$7,000, well under the potential maximum Class Members were given notice of. Plaintiff requests that the Court approve payment to the Claims Administrator in the amount of \$7,000.00 to compensate it for the costs of administration as part of the final order approving the Settlement.

For all of the foregoing reasons, Plaintiff respectfully requests that this Court certify the class for settlement purposes; grant final approval of the proposed settlement, including the Plaintiff's Class Representative Enhancement Payment, the payment to the LWDA under PAGA, and Class Counsel's application for reasonable attorneys' fees and costs; find that the Notice of Settlement and administration process satisfied Class Members' due process rights; and approve proposed order submitted concurrently herewith.

Dated: July 14, 2025

By:

Julia Shinde

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Justin P. Rodriguez
Renald Konini
Austin Sork
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individually and on behalf of similarly situated employees
9
10

11 **SUPERIOR COURT OF CALIFORNIA**
12 **FOR THE COUNTY OF SANTA CLARA**
13

14 JOSE DE JESUS LOPEZ VALDEZ,
individually and on behalf of all other
15 similarly situated employees,

16 Plaintiff,

17 vs.

18 HSSG INC., a California Corporation;
19 HATCHERI LLC, a California Limited
Liability Company; HATCHERI FOODS
20 INC., a California Corporation; HATCHERI
FOOD PLATFORM, a Delaware Special
21 Purpose Vehicle, Limited Partnership; and
DOES 1 to 100, inclusive,
22

23 Defendants.
24
25
26
27
28

Case No. Case No. 24CV435535

*Assigned for All Purposes to
Hon. Theodore C. Zayner
Department 19*

CLASS ACTION

**EXHIBIT LIST AND EXHIBITS IN SUPPORT
OF PLAINTIFF'S MOTION FOR FINAL
APPROVAL OF CLASS ACTION AND PAGA
SETTLEMENT**

Date: February 18, 2026

Time: 1:30 p.m.

Dept.: 19

Judge: Hon. Theodore C. Zayner

Filed: April 18, 2024

FAC Filed: June 13, 2024

Trial Date: None Set

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
A	Joint Stipulation Regarding Class Action and PAGA Settlement and Release
B	Plaintiff's Operative Complaint
C	Plaintiff's Letter to the LWDA Regarding PAGA Claims
D	Plaintiff's Itemized Costs
E	Proof of Submission to LWDA
F	Summary of Plaintiff's Counsel's Hours

Dated: January 21, 2026

Shimoda & Rodriguez Law, PC

By: 
 Galen T. Shimoda
 Justin P. Rodriguez
 Renald Konini
 Austin Sork
 Attorneys for Plaintiff

EXHIBIT A

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Attorneys for Defendants HSSG INC.; HATCHERI LLC; HATCHERI FOODS INC.; HATCHERI FOOD PLATFORM SPV, LP (erroneously sued as HATCHERI FOOD PLATFORM)

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

JOSE DE JESUS LOPEZ VALDEZ,
individually and on behalf of all other similarly
situated employees,

Plaintiff,

vs.

HSSG INC., a California Corporation;
HATCHERI LLC, a California Limited
Liability Company; HATCHERI FOODS INC.,
a California Corporation; HATCHERI FOOD
PLATFORM, a Delaware Special Purpose
Vehicle, Limited Partnership; and DOES 1 to
100, inclusive,

Defendants.

CASE NO.: 24CV435535

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

Filed: 04/18/24
FAC Filed: 06/13/24
Trial Date: None Set

1 This Joint Stipulation Regarding Class Action and PAGA Settlement and Release is made and
2 entered into between the Plaintiff Jose De Jesus Lopez Valdez (“Plaintiff”), on behalf of himself, the Labor
3 and Workforce Development Agency, Class Members, and Aggrieved Employees, and Defendants HSSG
4 Inc. (“HSSG”); Hatcheri LLC; Hatcheri Foods Inc.; and Hatcheri Food Platform SPV, LP (collectively,
5 “Defendants”). This Agreement is subject to the terms and conditions set forth below and the approval of
6 the Court.

7 **1. DEFINITIONS**

8 The following terms, when used in this Agreement, have the following meanings:

9 1.1 “Action” means the above stated lawsuit, *Jose de Jesus Lopez Valdez v. HSSG Inc., et al.*,
10 Santa Clara County Superior Court, Case No. 24CV435535, initially filed on April 18, 2024 as a class
11 action and later amended on June 13, 2024 to add a PAGA cause of action.

12 1.2 “Aggrieved Employee(s)” means, and shall include, any and all non-exempt employees who
13 worked or continue to work for HSSG in California at any time between June 13, 2023 up to the Preliminary
14 Approval Date. The estimated number of Aggrieved Employees is 118.

15 1.3 “Agreement” or “Settlement” or “Settlement Agreement” means this Joint Stipulation
16 Regarding Class Action and PAGA Settlement and Release.

17 1.4 “Class Counsel” means Galen T. Shimoda, Justin P. Rodriguez, Renald Konini, and Austin
18 Sork of Shimoda & Rodriguez Law, PC.

19 1.5 “Class Member(s)” means, and shall include, any and all non-exempt employees who
20 worked or continue to work for HSSG in California at any time between April 18, 2020 up to the
21 Preliminary Approval Date. The estimated number of Class Members is 185.

22 1.6 “Class Period” means April 18, 2020 through the Preliminary Approval Date.

23 1.7 “Class Representative” means Plaintiff Jose De Jesus Lopez Valdez.

24 1.8 “Class Representative’s Released Claims” means all claims arising from, could have been
25 asserted, or related in any way to the Class Representative’s employment with Defendants, under federal,
26 state, or local laws, and/or ordinances, or tort or contract theories, whether known or unknown, and whether
27 anticipated or unanticipated, including without limitation statutory, constitutional, contractual or common
28 law claims for lost wages, unpaid wages, emotional distress, punitive damages, special damages, damages,

unpaid costs, penalties, liquidated damages, interest, attorneys’ fees, litigation costs, restitution, equitable relief or other similar relief or claims. The Class Representative’s Released Claims exclude claims for workers’ compensation, unemployment insurance benefits, or other claims that cannot be released as a matter of law.

1.9 “Complaint” means the operative Complaint on file in the Action with the Court.

1.10 “Court” means the Santa Clara County Superior Court.

1.11 “Defendants” means HSSG Inc.; Hatcheri LLC; Hatcheri Foods Inc.; and Hatcheri Food Platform SPV, LP.

1.12 “Defendants’ Counsel” means Collin D. Cook and Amaris M. Stich of Fisher & Phillips LLP.

1.13 “Enhancement Payment” means the amount approved by the Court to be paid to the Class Representative in recognition of the time and effort expended on behalf of Class Members for the benefit of Class Members, which is in addition to any Individual Settlement Amount paid to the Class Representative as a Participating Class Member.

1.14 “Effective Date” means the Final Approval Date unless there is a timely objection lodged that has not later been withdrawn, in which case the Effective Date will be either (a) the 60th calendar day after a signed order approving this settlement has been filed provided no appellate proceeding having been filed; or (b) the seventh (7th) calendar day after any appellate proceeding opposing the settlement has been finally dismissed with no material change to the terms of this settlement and there is no right to pursue further remedies or relief, whichever is later.

1.15 “Final Approval Date” means the date a signed order granting final approval of this Agreement is filed with the Court.

1.16 “Gross Settlement Amount” is the sum of Two Hundred and Twenty-Five Thousand Dollars and Zero Cents (\$225,000.00).

1.17 “Individual Settlement Amount” means an individual Class Member’s and Aggrieved Employee’s allocation of the Net Settlement Amount and PAGA Payment respectively, as defined in Sections 1.19, 1.23, 5.5, and 5.8.

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

1 1.19 “Net Settlement Amount” is the portion of the Gross Settlement Amount available for
2 distribution to Class Members, as described in this Agreement, after deduction of Class Counsel’s
3 attorneys’ fees and litigation costs, Settlement Administrator Costs, the PAGA Payment, and Enhancement
4 Payment to the Class Representative.

5 1.20 “Notice of Settlement” means the document substantially in the form attached hereto as
6 Exhibit 1.

7 1.21 “Notice Period” means sixty (60) calendar days from the initial mailing of the Notice of
8 Settlement to Class Members and Aggrieved Employees.

9 1.22 “PAGA” means the Private Attorneys General Act of 2004.

10 1.23 “PAGA Payment” means the amount allocated from the Gross Settlement Amount towards
11 resolving claims under the PAGA, California Labor Code §§ 2698, *et seq.*

12 1.24 “PAGA Claim Period” means June 13, 2023, up to the Preliminary Approval Date.

13 1.25 “Parties” mean Defendants and Plaintiff.

14 1.26 “Participating Class Member” means all Class Members who have not made any timely
15 request to opt-out of the Agreement.

16 1.27 “Preliminary Approval Date” means the date a signed order granting preliminary approval
17 of this Agreement is filed with the Court.

18 1.28 “QSF” means a Qualified Settlement Fund set up by the Settlement Administrator for the
19 benefit of the Participating Class Members and/or Aggrieved Employees and from which the payments
20 under this Agreement shall be made. Any amounts Defendants have agreed to pay under this Agreement
21 shall remain the property of Defendants until the payments required under the Agreement are made.

22 1.29 “Qualifying Workweeks” are weeks worked by Class Members and/or Aggrieved
23 Employees during the Class Period and/or PAGA Claim Period, respectively, in California. For Class
24 Members, workweeks shall be defined as the actual weeks worked by the Class Members in California
25 during the Class Period (weeks shall be defined as each Monday starting at 12 a.m. through the following
26 Sunday at 11:59 p.m., and any time worked within that week shall trigger an actual week worked). For
27 Aggrieved Employees workweeks shall be defined as the actual weeks worked by the Aggrieved
28 Employees during the PAGA Claim Period (weeks shall be defined as each Monday starting at 12 a.m.

1 through the following Sunday at 11:59 p.m., and any time worked within that week shall trigger an actual
2 week worked). The calculation of a Class Member's and/or Aggrieved Employee's qualifying workweeks
3 and a determination as to whether a Class Member and/or Aggrieved Employee was actively employed in
4 California in a particular qualifying workweek shall be construed from Defendants' records.

5 1.30 "Released Class Claims" means all class claims that are alleged in the operative Complaint,
6 and any additional wage and hour claims that could have been brought based on the facts alleged in the
7 Complaint, through the Class Period. This release excludes the release of claims not permitted by law.
8 The Released Class Claims exclude claims for workers' compensation or unemployment insurance
9 benefits. This release will cover all Class Members who do not opt out.

10 1.31 "Released PAGA Claims" means any and all claims that were brought under the PAGA,
11 Labor Code §§ 2698, *et seq.* in the operative Complaint, contained in Plaintiff's notice letter to the LWDA,
12 and any additional wage and hour PAGA claims that could have been brought based on the facts alleged
13 in Plaintiff's notice letter to the LWDA and the operative Complaint during the PAGA Claim Period.
14 Aggrieved Employees cannot opt out of this waiver of claims.

15 1.32 "Released Parties" means Defendants, as well as Defendants and all their subsidiaries,
16 parents, predecessors, successors, investors, affiliates, professional employer organizations, staffing
17 agencies, and current and former officers, shareholders, directors, members, agents, employees,
18 independent contractors, consultants, representatives, attorneys, insurers, and reinsurers.

19 1.33 "Settlement Administrator" means and refers to ILYM Group, Inc. the third-party entity that
20 will administer the Agreement as outlined in Sections 4 and 7, or any other third-party administrator agreed
21 to by the Parties and approved by the Court for the purposes of administering this Agreement. The Parties
22 each represent that they do not have any financial interest in the Settlement Administrator.

23 1.34 "Settlement Administrator Costs" means the fees and expenses reasonably incurred by the
24 Settlement Administrator as a result of the procedures and processes expressly required by this Agreement,
25 and shall include all costs of administering the Agreement, including, but not limited to, all tax document
26 preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees
27 associated with preparing, issuing and mailing any and all notices and other correspondence to Class
28 Members and/or Aggrieved Employees; all costs and fees associated with communicating with Class

Members and/or Aggrieved Employees, Class Counsel, and Defendants' Counsel; all costs and fees associated with computing, processing, reviewing, and paying the Individual Settlement Amounts, and resolving disputes; all costs and fees associated with calculating tax withholdings and payroll taxes, if any, making related payment to federal and state tax authorities, if any, and issuing tax forms relating to payments made under the Agreement; all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared in the course of administering Individual Settlement Amounts; and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement.

2. DESCRIPTION OF THE LITIGATION

2.1 On or about April 8, 2024, Plaintiff sent notice to the LWDA to exhaust administrative remedies under the PAGA for failure to pay overtime wages, failure to pay minimum wages, failure to provide meal periods or pay premiums in lieu thereof, failure to provide rest periods or pay premiums in lieu thereof, failure to provide accurate wage statements, failure to pay final and all wages, failure to pay reimbursements for expenses, provisions regulating hours and days of work in any industrial welfare commission order, and failure to maintain accurate records. The LWDA did not respond to the notice within the statutorily required time frame and, as such, Plaintiff became authorized to act as a Private Attorney General on all PAGA claims alleged in his notice.

2.2 On April 18, 2024, Plaintiff filed a class action Complaint in Santa Clara County Superior Court on behalf of himself and Class Members alleging claims for failure to pay overtime wages, failure to pay minimum wages, failure to pay all hours worked, meal period violations, rest period violations, wage statement violations, failure to reimburse expenses, failure to pay final wages, and unfair competition. Plaintiff filed a First Amended Complaint on June 13, 2024, to add a PAGA cause of action based on the violations alleged in the April 8, 2024 notice to the LWDA on behalf of himself and Aggrieved Employees.

2.3 Through informal discovery, Defendants and Defendants' Counsel provided Class Counsel with copies of all applicable versions of its policies and procedures, employee handbooks, information on Class Members including, but not limited to, Class Members' workweeks, dates of

1 employment, total number of Class Members, their rates of pay, and pay periods as well as timecard data
2 and payroll reports for a randomly selected sample of Class Members.

3 2.4 After Class Counsel received the data, on December 6, 2024, the Parties participated in a
4 lengthy mediation with private mediator Russ J. Wunderli, Esq. At the conclusion of the mediation, the
5 Parties were able to come to a resolution through a mediator's proposal. At all times, the Parties' settlement
6 negotiations have been non-collusive, adversarial, and at arm's length.

7 2.5 Discussions between Plaintiff and Class Counsel, between counsel for the Parties, document
8 productions, extensive legal analysis, the provision of information by Defendants to Plaintiff and the
9 detailed analysis of the records, including expert analysis, have permitted each side to assess the relative
10 merits of the claims and the defenses to those claims.

11 2.6 In the Action, Plaintiff contends that Defendants violated California law by 1) failing to pay
12 Class Members and Aggrieved Employees for overtime hours on days employees worked in excess of eight
13 hours per day and/or forty hours per week; 2) failing to pay Class Members and Aggrieved Employees for
14 all hours worked, including but not limited to time spent traveling to their assignments; 3) failing to
15 authorize and permit Class Members and Aggrieved Employees to take all uninterrupted and complete
16 meal and rest periods owed to them; 4) failing to accurately itemize the hours and wages earned on paystubs
17 issued to class members; 5) failing to provide wage statements that included the actual dates and hours
18 worked by employees; and 6) requiring Class Members and Aggrieved Employees to incur expenses for
19 work without paying reimbursement for such mandatory expenses. Plaintiff also alleges that these policies
20 and practices resulted in 7) waiting time penalties; 8) unfair competition; and 9) derivative PAGA penalties.
21 Defendants have denied each of Plaintiff's claims and Defendants have denied that this Action is
22 appropriate for class certification for anything other than settlement purposes. The agreed upon Gross
23 Settlement Amount was reached after evaluating the Parties' theories of potential exposure for the
24 underlying claims and the class data supporting these claims. The Parties, with the assistance of the
25 mediator, also assessed appropriate discounts to the potential liability based on Defendants' factual and
26 legal contentions and defenses.

27 2.7 The Parties agree that the above-described investigation and evaluation, as well as discovery
28 and the information exchanged to date, are more than sufficient to assess the merits of the respective

Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff, Class Counsel, Defendants, and Defendants' Counsel have concluded that it is desirable that the Action be settled in a manner and upon such terms and conditions set forth herein in order to avoid further expense, inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the Parties potentially face in the Action. Therefore, the Parties desire to resolve the claims in the Action. Plaintiff, Class Counsel, Defendants, and Defendants' Counsel are of the opinion that the Agreement for the consideration and terms set forth herein is fair, reasonable, and adequate in light of all known facts and circumstances.

3. THE CONDITIONAL NATURE OF THIS AGREEMENT

3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose of settling the Action. This Agreement and the settlement it evidences are made in compromise of disputed claims. Because the Action was pled as a class action, this Agreement must receive preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a conditional basis. If the Effective Date does not occur, or if the Court's approval of the settlement is reversed or materially modified on appellate review, this Agreement shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and the negotiation, terms and entry of the Agreement shall remain subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable.

3.2 Defendants have denied all claims as to liability, damages, liquidated damages, penalties, interest, fees, restitution, injunctive relief and all other forms of relief asserted in the Action. Defendants have agreed to resolve the Action via this Agreement, but to the extent this Agreement is deemed void or the Effective Date does not occur, Defendants do not waive, but rather expressly reserve, all rights to challenge all such claims and allegations in the Action upon all procedural and factual grounds, including, without limitation, the ability to challenge class or collective treatment on any grounds, as well as to assert any and all other potential defenses or privileges.

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1 **4. SCOPE OF THE CLASS**

2 4.1 The scope of the class of individuals encompassed under the Agreement and subject to all
3 obligations and duties required under the Agreement, shall include all Class Members as defined in Section
4 1.5 and all Aggrieved Employees as defined in Section 1.2. However, it shall not include any Class
5 Members who submit valid and timely requests to opt-out of the Agreement and settlement, as set forth in
6 Section 7.5.1.

7 4.2 Only Participating Class Members and Aggrieved Employees are entitled to recover under
8 this Agreement.

9 4.3 Any person who believes that he or she is a Class Member or Aggrieved Employee and
10 wishes to participate in the Agreement, but did not receive a Notice of Settlement because his or her name
11 did not appear on the class list provided to the Settlement Administrator prior to mailing, may submit a
12 data request to the Settlement Administrator. The data request must contain all of the following
13 information: (a) the full name and, if applicable, Social Security Number of the individual making the
14 request; (b) the name used by such employee as of the time his or her employment with Defendants ended;
15 (c) the individual's dates of employment with Defendants; and (d) a return address to which a response
16 may be sent. Every data request must be postmarked on or before the conclusion of the Notice Period or
17 otherwise submitted to the Settlement Administrator such that it is received before the conclusion of the
18 Notice Period. Upon receipt of any data requests, the Settlement Administrator shall promptly (in no event
19 more than two business days) transmit the data requests to Defendants' Counsel and request that Defendants
20 review their records.

21 4.4 If Defendants agree that the person listed in a data request is a Class Member and/or
22 Aggrieved Employee, the Settlement Administrator shall promptly mail a Notice of Settlement to the
23 person who submitted the data request, at the address designated for that purpose in the data request. All
24 provisions of this Agreement relating to the Notice of Settlement shall apply to Notice of Settlements sent
25 in response to data requests, and any person who submits a data request and is sent a Notice of Settlement
26 in response shall be treated by the Settlement Administrator as a Class Member and/or Aggrieved
27 Employee for all other purposes.
28

4.5 If Defendants do not agree that the person listed in a data request is a Class Member and/or Aggrieved Employee, Defendants' Counsel and Class Counsel shall attempt to resolve any such dispute in good faith within seven (7) calendar days of Class Counsel being advised in writing of the data request dispute. Defendants' records shall control unless the individual submitting the data request provides persuasive evidence to doubt the accuracy of those records. Each data request dispute that Defendants' Counsel and Class Counsel cannot timely resolve shall be resolved by the Settlement Administrator. The Settlement Administrator must accept and weigh all the evidence provided in a good faith attempt to resolve the dispute. The Settlement Administrator must resolve any dispute submitted to it within seven (7) calendar days after Defendants' Counsel and Class Counsel submit the dispute to the Settlement Administrator. The decision by the Settlement Administrator shall be final as between the parties, subject to Court review.

5. TERMS OF THE SETTLEMENT

The Parties agree as follows:

5.1 Gross Settlement Amount: In consideration and exchange for the releases described in Section 6, Defendants shall pay the Gross Settlement Amount (\$225,000.00). Funding of the Gross Settlement Amount shall occur within thirty (30) calendar days after the Effective Date to be held in trust in a QSF by the Settlement Administrator. The Gross Settlement Amount includes payments to Participating Class Members; all attorneys' fees, costs and litigation expenses related to the Action incurred to date, as well as all such fees and costs incurred in documenting the Agreement, , and obtaining final approval of the Agreement (as set forth below); Settlement Administrator Costs (as set forth below); and the Enhancement Payment to the Class Representative and the PAGA Payment. Any monies necessary to satisfy Defendants' tax obligations (*e.g.* employer FICA, FUTA and SDI contributions on wage payments) on any monies distributed to Participating Class Members will be separate from and will not be included in the Gross Settlement Amount.

5.2 Attorneys' Fees and Costs: Class Counsel will apply to the Court for attorney's fees of 33% of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount. Defendants have agreed to not oppose Class Counsel's application for attorneys' fees so long as it does not exceed the 33% threshold. Class Counsel will also be entitled to reimbursement for advanced litigation expenses not to

1 exceed \$12,000.00, which shall be paid from the Gross Settlement Amount. Defendants have agreed to
2 not oppose Class Counsel's request for reimbursement for advanced litigation expenses so long as they do
3 not exceed the \$12,000.00 threshold. The Settlement Administrator will issue Class Counsel an IRS Form
4 1099 for the attorneys' fees and costs paid under this Agreement. In the event that the Court awards less
5 than the requested attorney's fees and/or costs, the portion of the requested amounts not awarded to Class
6 Counsel shall be added to the Net Settlement Amount to be distributed to Participating Class Members on
7 a pro rata basis.

8 5.3 Settlement Administrator Costs: The Settlement Administrator Costs shall be paid from the
9 Gross Settlement Amount and shall not exceed \$10,000.00. The difference between any actual costs and
10 the allocated \$10,000.00 shall be added to the Net Settlement Amount to be distributed to Participating
11 Class Members on a pro rata basis.

12 5.4 Enhancement Payment: Class Counsel, on behalf of Plaintiff, shall apply to the Court for
13 an Enhancement Payment to the Class Representative in an amount not to exceed Ten Thousand Dollars
14 and Zero Cents (\$10,000.00) to compensate for the risks, time, and expense of his involvement in the
15 Action and securing the benefits of this Agreement for Class Members. The Enhancement Payment is in
16 addition to the Individual Settlement Amount Plaintiff would otherwise be due under the Agreement as a
17 Participating Class Member. Defendants have agreed to not oppose Class Counsel's request for an
18 Enhancement Payment to Plaintiff so long as it does not exceed the amount stated herein. The
19 Enhancement Payment will be designated as a non-wage payment and reported on an IRS Form 1099-
20 MISC. In the event that the Court awards less than the Enhancement Payment amount requested, then any
21 portion of the requested amount not awarded to the Class Representative shall be added to the Net
22 Settlement Amount to be distributed to Participating Class Members on a pro rata basis.

23 5.5 PAGA Payment: Ten Thousand Dollars and Zero Cents (\$10,000.00) of the Gross
24 Settlement Amount shall be allocated to resolving claims under the PAGA. Seventy-Five percent (75%)
25 of the PAGA Payment will be paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved
26 Employees on a pro rata basis as described below in Section 5.8. Any amount not approved by the Court
27 for the allocated PAGA Payment shall be added to the Net Settlement Amount to be distributed to
28 Participating Class Members on a pro rata basis.

1 5.6 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount or PAGA
2 Payment allocated to Participating Class Members and/or Aggrieved Employees that were not claimed by
3 cashing their respective settlement checks before the deadline to do so, that remaining amount shall be
4 donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc., and the Center for Workers' Rights under the doctrine
5 of *cy pres*. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

6 5.7 No Additional Benefits Contributions: All Individual Settlement Amounts paid to
7 Participating Class Members and Aggrieved Employees shall be deemed to be income solely in the year in
8 which such amounts were actually received. It is expressly understood and agreed that the receipt of such
9 Individual Settlement Amounts will not entitle any Participating Class Member or Aggrieved Employee to
10 any new or additional compensation or benefits under any company bonus or other compensation or benefit
11 plan or agreement in place during the period covered by the Agreement, nor will it entitle any Participating
12 Class Member or Aggrieved Employee to any increased retirement, 401(k) and/or 403(b) benefits or
13 matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual
14 Settlement Amounts provided for in this Agreement are the sole payments to be made by Defendants to
15 the Participating Class Members and Aggrieved Employees in connection with this Agreement
16 (notwithstanding any contrary language or agreement in any benefit or compensation plan document that
17 might have been in effect during the period covered by this Agreement).

18 5.8 Pro Rata Distribution Formula: Payment to Participating Class Members and Aggrieved
19 Employees of their Individual Settlement Amount will not require the submission of a claim form. A Net
20 Settlement Amount will be determined by subtracting from the Gross Settlement Amount any amounts for
21 approved attorneys' fees and costs, any Enhancement Payment to the Class Representative, the Settlement
22 Administrator Costs, and the PAGA Payment. Each Class Member's share will be initially determined by
23 dividing their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of
24 all Class Members. That fraction will then be multiplied by the Net Settlement Amount to arrive at the
25 Class Member's individual share of the Net Settlement Amount. Any funds allocated to Class Members
26 under this formula who timely opt out of the Settlement will be redistributed to Participating Class
27 Members on a pro rata basis, *i.e.* each Participating Class Member's share will be determined by dividing
28 their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of all

1 Participating Class Members and that fraction will then be multiplied by the Net Settlement Amount to
2 arrive at the Participating Class Member's individual share of the Net Settlement Amount. Each Aggrieved
3 Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their total
4 Qualifying Workweeks within the PAGA Claim Period by the total Qualifying Workweeks by all
5 Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25%
6 portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share.

7 5.9 Tax Allocation: The Parties recognize that the Individual Settlement Amounts to be paid to
8 Participating Class Members and/or Aggrieved Employees reflect a settlement of a dispute over claimed
9 penalties and wages. The Settlement Administrator shall calculate the employer's share of payroll taxes
10 on the amounts paid to Participating Class Members as wages as well as calculating all required
11 withholdings and deductions from said wage payments. The characterization of Individual Settlement
12 Amounts to Participating Class Members and Aggrieved Employees are as follows:

13 5.9.1 Fifteen Percent (15%) of each Participating Class Members' share of the Net
14 Settlement Amount shall be allocated for payment of disputed wages and shall be subject to required
15 employer taxes. Participating Class Members shall receive an IRS Form W-2 for reporting of this portion
16 of their Individual Settlement Amount.

17 5.9.2 Eighty-five Percent (85%) of each Participating Class Members' share of the Net
18 Settlement Amount shall be allocated for disputed statutory penalties and interest, and no amount shall be
19 deducted for any taxes. This portion of the Individual Settlement Amount consists of other income, not
20 wages, for which the Participating Class Members shall receive IRS Forms 1099-MISC and 1099-INT and
21 this payment shall be divided equally among the 1099-MISC and 1099-INT designations.

22 5.9.3 The entirety (100%) of each Aggrieved Employee's share of the 25% portion of the
23 PAGA Payment shall be allocated for payment of disputed civil penalties, and no amount shall be deducted
24 for any taxes. This portion of the Individual Settlement Amount consists of other income, not wages, for
25 which the Aggrieved Employees shall receive an IRS Form 1099-MISC.

26 5.10 Participating Class Members and Aggrieved Employees shall be solely responsible for the
27 reporting and payment of their share of any federal, state and/or municipal income or other taxes on
28 payments made pursuant to this Agreement, and shall hold the Parties, Class Counsel, and Defendants'

Counsel free and harmless from any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes. No party has made any representation to any of the other Parties as to the taxability of any payments pursuant to this Agreement, including the payments to Participating Class Members, the payments to Aggrieved Employees, the payments to Class Counsel, the payments to the Class Representative, the payroll tax liability of Defendants, or the allocation of the Net Settlement Amount or PAGA Payment to wage and non-wage income as provided in this Section, or otherwise as to tax implications of any provision of this Agreement.

5.11 No Additional Contribution by Defendants: Defendants' monetary obligation under this Agreement is limited to the Gross Settlement Amount and any employer side payroll taxes owed on amounts characterized as wages under this Agreement. All other costs and expenses arising out of or in connection with the performance of this Agreement shall be paid from the Gross Settlement Amount, unless expressly provided otherwise herein. However, in the event this agreement is deemed null and void as described in Section 3 because the Court, in its independent determination, finds that the Agreement does not meet the standards for settlement approval, then Defendants and Plaintiff shall be equally responsible for the costs of the Settlement Administrator incurred between the date the Agreement was executed and the date of such event.

5.12 Certification For Settlement Purposes: The Parties agree that, for purposes of settlement only, certification of the class as defined in Section 1.5 and 4.1 is appropriate and the requisites for establishing class certification have been met and are met.

5.13 Adequacy of Class Counsel and Class Representative: The Parties agree that, for purposes of settlement only, Class Counsel and Plaintiff are adequate representatives for Class Members and Aggrieved Employees.

6. RELEASE

6.1 Release of Claims by Participating Class Members: Upon the Effective Date, all Participating Class Members will be deemed to fully, finally and forever release the Released Class Claims as to all Released Parties. In addition, on the Effective Date, all Participating Class Members and their

successors in interest will be permanently enjoined and forever barred from prosecuting any of Released Class Claims against any of the Released Parties.

6.2 Release of Claims by Aggrieved Employees: Upon the Effective Date, all Aggrieved Employees will be deemed to fully, finally and forever release the Released PAGA Claims as to all Released Parties. In addition, on the Effective Date, all Aggrieved Employees and their successors in interest will be permanently enjoined and forever barred from prosecuting any of the Released PAGA Claims against any of the Released Parties.

6.3 Release by Plaintiff: Upon the Effective Date, Plaintiff will be deemed to fully, finally and forever release the Released Class Claims, Released PAGA Claims, and Class Representative's Released Claims as to all Released Parties. In addition, on the Effective Date, Plaintiff and any successors in interest will be permanently enjoined and forever barred from prosecuting any of the Released Class Claims, Released PAGA Claims, and Class Representative's Released Claims against any of the Released Parties.

7. SETTLEMENT ADMINISTRATION

7.1 Duties of Settlement Administrator: The Settlement Administrator shall be responsible for: 1) receiving Class Member and Aggrieved Employee contact information and confirming addresses are valid; 2) calculating estimated Individual Settlement Amounts and any and all taxes associated with the Individual Settlement Amounts, including employer taxes; 3) taking appropriate steps to trace and locate any individual Class Members and Aggrieved Employee whose address or contact information as provided to the Settlement Administrator is inaccurate or outdated and mailing the Notice of Settlement to Class Members; 4) providing notification to the appropriate state and federal officials of this Agreement as required under the law; 5) receiving, independently reviewing, and resolving any challenges (in consultation with Class Counsel and Defendants' Counsel) from Class Members or Aggrieved Employees, including any associated documentation, regarding their Qualified Workweek calculations; 6) receiving and serving on Class Counsel, Defendants' Counsel, and the Court, copies of any written objections, and/or any opt out statements; 7) establishing a toll free telephone line and responding to inquiries and requests for information or assistance from Class Members and/or Aggrieved Employees; 8) maintaining a QSF; 9) determining and paying the final amounts due to be paid under the Agreement after resolution of all challenges, disputes, opt-outs, awarded attorneys' fees and costs, Settlement Administrator Costs, PAGA

1 Payment, taxes, any Enhancement Payments, and for funds that cannot be distributed due to the inability
2 to locate Class Members or Aggrieved Employees; 10) determining the validity of any disputes or late opt-
3 outs by previously unidentified Class Members or Aggrieved Employees; 11) paying any residual funds
4 from uncashed checks; 12) reporting to Class Counsel and Defendants' Counsel regarding the statistics of
5 the administration, including (a) the number of initial Notice of Settlements mailed; (b) the number of
6 forwarded Notice of Settlements; (c) the number of re-mailed Notice of Settlements; (d) the number of
7 total undeliverable Notice of Settlements; (e) the number of address traces performed for undeliverable
8 Notice of Settlements; (f) the number of Notice of Settlements undeliverable from traced addresses; (g) the
9 number of total objections received; (h) the number of opt-out requests received; (i) the number of disputes
10 received; (j) the number of disputes resolved; 13) providing a declaration to the Court regarding the final
11 statistics of the administration and compliance with all payment obligations under the Agreement; 14)
12 completing all necessary tax reporting on the QSF and payment of the Individual Settlement Amounts to
13 Participating Class Members and Aggrieved Employees; and 15) carrying out other related tasks as
14 necessary to effectuate the terms of this Agreement and any Order of the Court. All disputes relating to
15 the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if
16 necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until
17 all payments and obligations contemplated by the Agreement have been fully executed.

18 7.2 Notice to Class Members and Aggrieved Employees: Defendants represent and warrant that
19 Class Members and Aggrieved Employees are able to read and write in English such that no translation of
20 the Notice of Settlement into another language is necessary. The Notice of Settlement will provide Class
21 Members and Aggrieved Employees with a summary of the terms and conditions of the Agreement, how
22 to participate in the settlement, how to object to the Agreement, how to dispute the individual's Qualifying
23 Workweeks, and how to opt-out from the Agreement. The Notice of Settlement will also inform Class
24 Members and Aggrieved Employees of the Gross Settlement Amount, Net Settlement Amount, proposed
25 attorneys' fees and costs allocations, any proposed Enhancement Payments, proposed Settlement
26 Administrator Cost allocations, proposed PAGA Payment allocations, the scope of the class, the nature and
27 extent of the released claims, dates set for a fairness hearing and hearing on Class Counsels' motion for
28 attorneys' fees and costs. The Notice of Settlement shall include information regarding Class Member's

1 and Aggrieved Employee's estimated Individual Settlement Amount. The Notice of Settlement will
2 provide information on how to access electronic copies online of the Notice of Settlement, any motions for
3 approval of the Agreement, any motions for approval of attorneys' fees and costs, and any other documents
4 as the Court directs.

5 7.3 Class Member Data and Mailing: No later than fourteen (14) calendar days after the
6 Preliminary Approval Date, Defendants shall provide the Settlement Administrator with the first and last
7 name, last known mailing address, last known telephone number, Social Security Number, start and end
8 date (if any) of employment of each Class Member and Aggrieved Employee, and any other information
9 the Settlement Administrator needs to effectuate notice to Class Members and Aggrieved Employees as
10 outlined herein. The Settlement Administrator shall review the data to determine the number of Qualifying
11 Workweeks for each Class Member and Aggrieved Employee. No later than fourteen (14) calendar days
12 after receipt of such address information, the Settlement Administrator will perform a national change of
13 address ("NCOA") search, update the addresses per the results of the NCOA search, and then mail the
14 Notice of Settlement, substantially in the form attached as Exhibit 1, to each Class Member and Aggrieved
15 Employee by first-class mail, postage prepaid. The Settlement Administrator shall maintain all information
16 received from Defendants confidential to itself, and Defendants' Counsel. However, Class Counsel shall
17 be able to review the breakdown of Qualified Workweeks and estimated Individual Settlement Amounts
18 for Class Members and Aggrieved Employees prior to mailing for quality assurance provided the personal
19 identifying information is redacted and/or omitted.

20 7.4 Returned and/or Re-mailed Notice of Settlements: In the event that a Notice of Settlement
21 is returned to the Settlement Administrator as undeliverable on or before the conclusion of the Notice
22 Period, the Notice of Settlement shall be sent to the forwarding address affixed thereto within five (5)
23 calendar days. If no forwarding address is provided, then the Settlement Administrator shall promptly
24 attempt to determine a correct address using a skip-trace, computer or other search using the name, address
25 and/or Social Security number of the individual involved, and shall then perform a single re-mailing within
26 five (5) calendar days to any more recent address found as a result of the search. Following each search
27 that does not result in a corrected address, for those Class Members who appear to be current employees
28 of Defendants at the time of the Preliminary Approval Date, the Settlement Administrator shall contact

Defendants' Counsel for assistance and Defendants shall cooperate in good faith with the Settlement Administrator's reasonable efforts to obtain valid mailing addresses for Class Members to the extent they are active employees of Defendants. In the event the Notice of Settlement is forwarded to a new address and/or re-mailed to a Class Member, the deadline for the Class Member to submit any request to opt-out, a dispute, or an objection shall be the end of the Notice Period or 10 calendar days from the date of the re-mailing/forwarding to a new address, whichever is later. In the event the procedures in this Section are followed and the Class Member does not timely and properly request to opt-out, the Class Member shall be bound by all terms of the Agreement, including the releases contained in Section 6.

7.5 Responses to Notice of Settlement:

7.5.1 *Opt-Outs:* The Notice of Settlement shall provide that Class Members who wish to exclude themselves from the Agreement must submit a request to opt-out as provided in this Section. The request to opt-out must (a) state the Class Member's full name and date of birth; (b) a statement that he or she does not want to be a Class Member, does not want to participate in the settlement, and/or wants to be excluded from the settlement; (c) identify the case name and number (*i.e. Jose de Jesus Lopez Valdez v. HSSG Inc., et al.*, Case No. 24CV435535); (d) be signed by the Class Member; and (e) be post-marked no later than the conclusion of the Notice Period or the re-mailing timeline stated in Section 7.4. The Class Member must personally sign the request to opt-out. No request to opt-out may be made on behalf of a group of Class Members. The date of the postmark on the return-mailing envelope shall be the exclusive means used to determine whether a request to opt-out has been timely submitted. Any Class Member who requests to opt-out of the Agreement will not be entitled to any portion of the Net Settlement Amount nor will they have any right to object, appeal or comment thereon. The name of any Class Member who submits a valid and timely opt-out request will be specifically identified in any proposed order granting final approval. Class Members who fail to submit a valid and timely request to opt-out shall be bound by all terms of the Agreement and any order or final judgment thereon. Regardless of whether an Aggrieved Employee opts out of being a Class Member, they will still receive their share of the PAGA Payment as Aggrieved Employees cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA Claims.

1 7.5.2 *Objection Procedures:* Any Class Member who does not opt-out, but who wishes
2 to object to this Agreement or otherwise to be heard concerning this Agreement, may submit a written
3 objection to the Settlement Administrator, who will promptly provide copies of the objection to Class
4 Counsel and Defendants' Counsel. The Notice of Settlement shall make clear that the Court can only
5 approve or deny the Agreement, not change the terms of the Agreement. The written objection should (a)
6 state the Class Member's full name and date of birth; (b) provide evidence that the individual is, in fact, a
7 Class Member; (c) state the reasons for the objection(s), including any supporting documentation; (d)
8 identify the case name and number (*i.e. Jose de Jesus Lopez Valdez v. HSSG Inc., et al.*, Case No.
9 24CV435535); (e) be signed by the Class Member; and (f) be post-marked no later than the conclusion of
10 the Notice Period or the re-mailing timeline stated in Section 7.4. Additionally, or in the alternative to
11 sending a written objection to the Settlement Administrator, any Class Member may appear at the final
12 approval hearing to state their objection.

13 7.5.3 *Dispute Procedures:* Any Class Member who disputes the number of Qualifying
14 Workweeks on the Notice of Settlement shall contact the Settlement Administrator. The dispute must (a)
15 identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c)
16 be signed by the Class Member; and (d) be post-marked no later than the conclusion of the Notice Period
17 or the re-mailing timeline stated in Section 7.4. The Settlement Administrator shall promptly (in no event
18 more than two business days) forward all such disputes to Defendants' Counsel and request that Defendants
19 review the dispute. Defendants' records shall presumptively control unless the Class Member can produce
20 documentation evidencing other periods of employment worked. If Defendants agree with the submitted
21 information, the Class Member shall be credited or subtracted Qualifying Workweeks in accordance with
22 their submitted dispute and that final number of Qualified Workweeks shall govern the calculation of that
23 Class Member's Individual Settlement Amount. If Defendants disagree with the submitted information,
24 Defendants' Counsel will promptly advise Class Counsel of the dispute, which includes turning over any
25 documentation submitted by the Class Member as part of the dispute. Defendants' Counsel and Class
26 Counsel shall attempt in good faith to resolve any such dispute within five (5) calendar days of Class
27 Counsel being advised of the dispute. Each dispute that Defendants' Counsel and Class Counsel cannot
28 timely resolve shall be resolved by the Settlement Administrator, subject to Court review.

1 7.5.4 *Deficient Opt-Outs, Objections, or Disputes:* In the event that a deficient opt-out
2 objection or dispute is received on or before the conclusion of the Notice Period, the Settlement
3 Administrator shall mail a letter to the Class Member within five (5) calendar days informing them of the
4 deficiency. If a deficiency letter is mailed to a Class Member, the deadline for the Class Member to cure
5 the deficiency shall be the end of the Notice Period or 10 calendar days from the date of the deficiency
6 letter, whichever is later.

7 7.6 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.1
8 to 7.5.4 shall constitute due and sufficient notice to Class Members of the Action and the Agreement and
9 shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Class
10 Counsel or Defendants' Counsel to provide notice of the proposed Agreement.

11 7.7 Settlement Administrator Declaration Regarding Notice Period: Within fourteen (14)
12 calendar days after the conclusion of the Notice Period, the Settlement Administrator shall provide Class
13 Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete
14 and detailed report regarding the statistics and responses of settlement administration to date and all the
15 Settlement Administrators' obligations under Sections 5.8 to 5.9.3 and 7.1 to 7.5.4.

16 7.8 Settlement Administrator Payments to Participating Class Members, Class Counsel and
17 Plaintiff: Within seven (7) calendar days after the Effective Date and the Court's determination of the
18 amount of attorneys' fees and costs payable to Class Counsel, the Enhancement Payment payable to
19 Plaintiff, the PAGA Payment, and Settlement Administrator Costs, the Settlement Administrator shall
20 calculate the final Net Settlement Amount, the final Individual Settlement Amounts for Participating Class
21 Members and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these
22 calculations Class Counsel and Defendants' Counsel. Defendants shall wire the Gross Settlement Amount
23 and applicable taxes necessary to fund the Settlement as described in Section 5.1 to the Settlement
24 Administrator within thirty (30) calendar days after the Effective Date to be to be held in trust in a QSF.
25 Within seven (7) calendar days after Defendants fund the settlement, the Settlement Administrator shall
26 deliver payment of Class Counsels' attorney's fees and costs, the Enhancement Payment payable to
27 Plaintiff, the 75% portion of the PAGA Payment payable to the LWDA, Settlement Administrator Costs,
28

1 and payment to Participating Class Members and/or Aggrieved Employees as required under this
2 Agreement and approved by Court.

3 7.8.1 The Settlement Administrator shall wire the Court-approved attorneys' fees and
4 costs to Class Counsel unless another method is requested by Class Counsel. Class Counsel shall provide
5 the Settlement Administrator with the pertinent taxpayer identification number and payment instructions
6 after the Final Approval Date.

7 7.8.2 The Settlement Administrator shall send a check by mail for the Court-approved
8 Enhancement Payment to the Class Representative, care of Class Counsel unless another method is
9 requested by Class Counsel.

10 7.8.3 Only Participating Class Members and Aggrieved Employees will receive their
11 Individual Settlement Amount.

12 7.8.4 The Settlement Administrator shall remit and report the applicable portions of the
13 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this
14 Agreement. Defendants agree to reasonably cooperate with the Settlement Administrator to the extent
15 necessary to determine the amount of the payroll tax payment required.

16 7.9 Settlement Check Expiration and Uncashed Checks: The Settlement Administrator shall
17 issue Individual Settlement Amounts to Participating Class Members and Aggrieved Employees in the
18 form of a check, which shall become null and void if not deposited within one hundred eighty (180)
19 calendar days of issuance. After one hundred eighty (180) calendar days of issuance, the checks shall be
20 voided and funds from all uncashed checks shall be transmitted in accordance with Section 5.6. The
21 Settlement Administrator shall deliver these funds within fourteen (14) calendar days after the check
22 cashing deadline.

23 7.10 Settlement Administrator Declaration Regarding Compliance and Settlement
24 Administration: Within twenty-one (21) calendar days after the last day for Participating Class Members
25 and Aggrieved Employees to cash their settlement checks, the Settlement Administrator shall provide Class
26 Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete
27 and detailed report regarding the settlement administration documenting that all payments under the
28

Agreement have been made, that the Court's final approval order has been complied with, and that all the obligations of the Settlement Administrator have been completed.

8. PRELIMINARY SETTLEMENT ADMINISTRATION SCHEDULE

8.1 The schedule may be modified depending on whether and when the Court grants necessary approvals, orders notice to Class Members and Aggrieved Employees, and sets further hearings. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement as described above. In the event of such modification, the Parties shall cooperate to complete the settlement procedures as expeditiously as reasonably practicable. The preliminary schedule for notice, approval, and payment procedures carrying out the Agreement is as follows:

Last day for Defendants to provide Settlement Administrator with Class Member and Aggrieved Employee information	Within 14 calendar days after the Preliminary Approval Date
Last day for Settlement Administrator to complete NCOA search, update Class Member and Aggrieved Employee mailing information, and mail Notice of Settlement	Within 14 calendar days after the Settlement Administrators' receipt of Class Members' information from Defendants
Last day for Class Members to opt-out, submit disputes, submit objections, and submit data requests	60 calendar days after mailing of Notice of Settlement or within 10 days after Notice of Settlement is re-mailed, whichever is later
Last day for Settlement Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 14 calendar days after end of the Notice Period
Last day for Settlement Administrator to calculate the final Net Settlement Amount, the final Individual Settlement Amounts for Participating Class Members and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations to Class Counsel and Defendants' Counsel	Within 7 calendar days after the Effective Date
Last day for Defendants to fund the Gross Settlement Amount	Within 30 calendar days after the Effective Date

Last day for Settlement Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payments, PAGA Payment, Settlement Administrator Costs, payment to Participating Class Members, and payment to Aggrieved Employees	Within 7 calendar days after Defendants have funded the settlement
Last day for Participating Class Members and Aggrieved Employees to cash settlement checks	180 calendar days after issuance of checks to Participating Class Members and Aggrieved Employees
Last day for Settlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline
Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

9. DUTIES OF THE PARTIES

9.1 Preliminary Approval: The Parties will cooperate in obtaining, through an unopposed motion to be filed as soon as reasonably practicable, an order from the Court preliminarily approving this Agreement at the earliest possible date concurrently with the Court's certification of the Action as a class action for settlement purposes only. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain certification for settlement purposes, approval of, and implementation of this Agreement. The Parties will submit this Agreement to the Court for preliminary approval of its terms and for approval of the steps to be taken to obtain its final approval. Within one week of signing this Agreement, Class Counsel shall provide a draft of the Preliminary Approval Motion to Defendants' Counsel. Defendants' Counsel will provide comments and/or proposed revisions within two weeks after receipt of the draft Preliminary Approval Motion from Class Counsel. With regard to the final approval documents, a similar one-week maximum review and response time shall be observed by the Parties. The Parties will request that the

1 Court's preliminary approval of this Agreement be embodied in an Order Granting Preliminary Approval
2 of Class Action and PAGA Settlement.

3 9.1.1 Plaintiff's motion shall seek an order: 1) Preliminarily approving the Agreement; 2)
4 Approving as to form and content the proposed Notice of Settlement; 3) Directing the mailing of the Notice
5 of Settlement by first class mail to Class Members and Aggrieved Employees; 4) Preliminarily appointing
6 Plaintiff and Class Counsel as representatives of Class Members; 5) Preliminarily approving settlement
7 administration services to be provided by the Settlement Administrator; 6) Preliminarily approving the
8 proposed Enhancement Payment to Plaintiff; 7) Preliminarily approving the application for payment of
9 reasonable attorneys' fees and reimbursement of litigation-related expenses to Class Counsel; and 8)
10 Scheduling a fairness hearing on the question of whether the proposed Agreement should be finally
11 approved as fair, reasonable and adequate as to the Class Members.

12 9.1.2 Defendants shall not oppose Plaintiff's motion for approval of the proposed
13 Agreement.

14 9.1.3 The Parties shall cooperate with each other and the Settlement Administrator during
15 the process of giving Class Members notice and opportunity to object to the Agreement, as necessary and
16 appropriate to ensure effective communication to individual Class Members of information about their
17 rights and obligations under this Agreement.

18 9.2 Final Approval and Fairness Hearing: On a date approved by the Court and set forth in the
19 Notice of Settlement, the Court shall hold the Final Approval and Fairness Hearing where objections, if
20 any, may be heard. Class Counsel shall provide the Court as part of the motion for final approval of the
21 Agreement, a declaration by the Settlement Administrator of due diligence and proof of mailing of the
22 Notice of Settlement required to be mailed to Class Members by this Agreement, and of the delivery results
23 of the Settlement Administrator's mailings including tracing and re-mailing efforts. The Settlement
24 Administrator declaration shall identify, by name, any Class Member who submitted a timely and valid
25 request to opt out during the Notice Period.

26 9.2.1 Class Counsel and Defendants shall work in good faith to draft a mutually agreeable
27 Proposed Order Granting Final Approval of Class Action and PAGA Settlement and Final Judgment. The
28 Proposed Order Granting Final Approval of Class Action and PAGA Settlement and Final Judgment shall

1 include findings and orders: 1) Approving the Agreement, adjudging the terms thereof to be fair, reasonable
2 and adequate, and directing that its terms and provisions be carried out; 2) Approving the payment of an
3 Enhancement Payment to the Class Representative; 3) Approving Class Counsel's application for an award
4 of attorneys' fees and reimbursement of out-of-pocket litigation expenses; 4) Approving the Settlement
5 Administrator Costs; and 5) Providing that the Court will retain jurisdiction to oversee administration and
6 enforcement of the terms of the Agreement and the Court's orders.

7 9.2.2 Following entry of the Court's order granting final approval of the Agreement, the
8 Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the following:
9 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside the judgement
10 be filed, all parties will support the final approval order on appeal or otherwise; 2) Class Counsel will assist
11 the Settlement Administrator as needed or requested in the process of identifying and locating Participating
12 Class Members and Aggrieved Employees entitled to payments under the Agreement and ensuring delivery
13 of such payments; 3) Class Counsel and Defendants' Counsel will cooperate with each other and assist the
14 Settlement Administrator as needed or requested in completing the distribution of any residual amounts, as
15 specified above, to the *cy pres* beneficiaries; 4) Class Counsel, in conjunction with the Settlement
16 Administrator, will certify to the Court completion of all payments required to be made by this Agreement.

17 9.3 Final Judgment: If the Court approves this Agreement at the final approval and fairness
18 hearing, the Parties will request that the Court enter an Order Granting Final Approval of Class Action and
19 PAGA Settlement and Final Judgment.

20 9.4 Notice to LWDA: Plaintiff will provide notice to the Labor and Workforce Development
21 Agency ("LWDA") of this settlement in accordance with Labor Code § 2699(1)(2).

22 **10. MISCELLANEOUS TERMS**

23 10.1 Defendants' Right to Withdraw Based on Opt-Outs: If, prior to the Final Approval Date,
24 10% or more of the Class Members have submitted proper and timely requests to opt-out in accordance
25 with the provisions of the Agreement, Defendants may rescind the Agreement and all actions taken in its
26 furtherance will be thereby null and void. Defendants must exercise this right of rescission, in writing, to
27 Class Counsel, within seven (7) calendar days after the Settlement Administrator notifies the Parties of the
28 total number of opt-outs. If the option to rescind is exercised, then any Settlement Administrator Costs

1 shall be paid by Defendants. Defendants have represented that there are approximately 8,418 workweeks
2 during the Class Period. In the event the number of workweeks during the Class Period is more than
3 9,260 (*i.e.*, greater than 10% more than 8,418), then the Gross Settlement Amount shall be increased
4 proportionally by the workweeks in excess of 8,418. For example, if there were 11,000 workweeks
5 represented to exist during the Class Period, but there are actually 12,500 workweeks in the Class Period,
6 then Defendants would have to increase the Gross Settlement Amount by 13.6% (12,500 - 11,000
7 workweeks = 1,250 excess workweeks. 1,250 divided by 11,000 = 13.6%). Alternatively, Defendants
8 have the option to cap the Class and PAGA Period on the date the 10% threshold is met.

9 10.2 Circular 230 Disclaimer: EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF
10 THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT
11 OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND
12 AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
13 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
14 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
15 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
16 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
17 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
18 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
19 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
20 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
21 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
22 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
23 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX
24 PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
25 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
26 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX
27 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
28 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX

STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

10.3 No Prior Assignments: The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right released and discharged in this Agreement.

10.4 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by signing this Agreement, Defendants are waiving any rights to appeal from the Court's approval of the settlement unless the Court materially modifies the settlement. Furthermore, by signing this Agreement Plaintiff is waiving any right or ability to opt out of this Agreement during the Notice Period or otherwise.

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

10.6 Judgment and Retention of Jurisdiction to Enforce: Upon the Effective Date, judgment will be entered according to this Agreement. The Parties stipulate and agree that the Santa Clara County Superior Court shall have continuing jurisdiction to enforce the terms of the Agreement pursuant to Code of Civil Procedure section 664.6 and that the prevailing party any action necessary to enforce the terms of the Agreement after default by the other party may recover reasonable attorney's fees and costs related thereto.

10.7 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other action as may reasonably be necessary to fulfill the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by Court order, or otherwise, to effectuate this Agreement and the terms set forth herein.

10.8 No Admission of Liability: Neither the acceptance nor the performance by Defendants of the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the

Complaint, the representative character of the Action, the validity of any of the claims that were or could have been asserted by Plaintiff, Class Members, and/or Aggrieved Employees in the Action, or of any liability or guilt of Defendants in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by Defendants of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Class Members, Aggrieved Employees, and/or any other person, and Defendants specifically disclaim any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Class Members, Aggrieved Employees, and/or any other person. Each of the Parties has entered into this Stipulation with the intention to avoid further disputes and litigation.

10.9 Notices: Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States certified mail, return receipt requested, addressed as follows:

To Plaintiff and the Class:

Galen T. Shimoda, Justin P. Rodriguez and Renald Konini
Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624

To Defendants:

Collin D. Cook
Amaris M. Stich
Fisher & Phillips LLP
One Montgomery Street, Suite 3400
San Francisco, California 94104
Tel: (415) 490-9000
Fax: (415) 490-9001

10.10 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Agreement.

10.11 Attorneys' Fees and Costs Limitations: Neither Class Counsel nor any other attorneys acting for, or purporting to act for, the Class, Class Members, Aggrieved Employees, or Plaintiff, may

1 recover or seek to recover any amounts for fees, costs, or disbursements from the Releasees or the Gross
2 Settlement Amount except as expressly provided in this Agreement.

3 10.12 No Modifications: This Agreement may be amended or modified only by a written
4 instrument signed by counsel for all Parties or their successors-in-interest. This Agreement may not be
5 discharged except by performance in accordance with its terms.

6 10.13 Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and
7 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and
8 to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement
9 to effectuate its terms and to execute any other documents required to effectuate the terms of this
10 Agreement.

11 10.14 Class Member Signatories: Because the Action has not yet been certified, and the Class
12 Members are so numerous, the Parties agree that it is impossible or impractical to have each Class Member
13 sign this Agreement. It is agreed that, for purposes of seeking approval of the Agreement, this Agreement
14 may be executed on behalf of all Class Members by the Class Representative.

15 10.15 Counterparts: This Agreement shall become effective upon its execution by all of the
16 undersigned. Plaintiff, Class Counsel, Defendants and Defendants' Counsel may execute this Agreement
17 in counterparts, and execution of counterparts shall have the same force and effect as if each had signed
18 the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the same force
19 and effect of originals.

20 10.16 Choice of Law: The Agreement and any exhibits hereto shall be considered to have been
21 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and the
22 rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance with,
23 and governed by, the substantive laws of the State of California without giving effect to that State's choice
24 of law principles.

25 10.17 Headings and Captions: Section titles or captions contained in the Agreement are inserted
26 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of
27 this Agreement, or any provision thereof.

1 10.18 No Retaliation or Discouragement: The Parties agree they will take no action that could be
2 construed as retaliation against any Class Members for participating or seeking to participate in this class
3 action settlement. The Parties will not discourage any class member from participating or seeking to
4 participate in this class action settlement. This is a material term of the Agreement and non-breaching
5 Parties will seek court intervention if this provision is breached.

6 10.19 Integrated Agreement: This Agreement sets forth the entire understanding between the
7 Parties and supersedes any and all prior agreements, oral or written, pertaining to the subject matter hereof.
8 Each party acknowledges that there is no representation, inducement, promise or agreement which has been
9 made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement, which
10 is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent that the
11 terms of this Agreement are fully understood and voluntarily accepted by the Parties.

12 10.20 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to the
13 benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

14 10.21 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the
15 Court will first attempt to construe the provision as valid to the fullest extent possible consistent with
16 applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

17 10.22 Waiver of Compliance: No waiver of any condition or covenant contained in this
18 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply
19 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

20 ///

21 ///

22 ///

23 ///

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28 ///

1 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized
2 attorneys, as of the day and year herein set forth.

3 **For Plaintiff:**

4 Date: 05/01/2025


Jose De Jesus Lopez Valdez (May 1, 2025 09:54 PDT)
Jose De Jesus Lopez Valdez

7 **FOR Defendants:**

8 Date: Apr 14, 2025


Mike Jones (Apr 14, 2025 12:10 MDT)
By: Mike Jones- President
For HSSG Inc.

11 Date: Apr 16, 2025


RMcHenry (Apr 16, 2025 11:43 PDT)
By: Bob McHenry- CEO
For Hatcheri LLC

14 Date: Apr 16, 2025


sean sheelen (Apr 16, 2025 11:47 PDT)
By: Sean Sheelen- President
For Hatcheri Foods Inc.

17 Date: Apr 16, 2025


Theresa Hendrickson
By: Theresa Hendrickson- CFO
For Hatcheri Food Platform SPV, LP

19 APPROVED AS TO FORM

Shimoda & Rodriguez Law, PC

21 Dated: 05/01/2025

22 By: 
Galen T. Shimoda, Justin P. Rodriguez and
Renald Konini
Attorney for Plaintiff and Aggrieved
Employees

EXHIBIT B

Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
Renald Konini (Cal. State Bar No. 312080)
Shimoda & Rodriguez Law, PC
9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
Facsimile: (916) 760-3733

**Electronically Filed
by Superior Court of CA,
County of Santa Clara,
on 6/13/2024 9:08 AM
Reviewed By: J. Nguyen
Case #24CV435535
Envelope: 15630683**

Attorneys for Plaintiff **JOSE DE JESUS LOPEZ VALDEZ**

**SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA**

JOSE DE JESUS LOPEZ VALDEZ,
individually and on behalf of all other
similarly situated employees,

Plaintiff,

vs.

HSSG INC., a California Corporation;
HATCHERI LLC, a California Limited
Liability Company; HATCHERI FOODS
INC., a California Corporation; HATCHERI
FOOD PLATFORM, a Delaware Special
Purpose Vehicle, Limited Partnership; and
DOES 1 to 100, inclusive,

Defendants.

Case No. 24CV435535

CLASS ACTION

**FIRST AMENDED COMPLAINT FOR
DAMAGES:**

- 1. Failure to Pay Overtime Wages**
- 2. Failure to Pay Minimum Wages**
- 3. Failure to Pay All Hours Worked**
- 4. Meal Period Violations**
- 5. Rest Period Violations**
- 6. Wage Statement Violations**
- 7. Failure to Reimburse Expenses**
- 8. Failure to Pay Final Wages**
- 9. Unfair Competition**
- 10. Private Attorneys General Act**

DEMAND FOR JURY TRIAL

1 Plaintiff JOSE DE JESUS LOPEZ VALDEZ (“Plaintiff”), on behalf of himself and all other
2 similarly situated employees, hereby file(s) this First Amended Complaint against Defendants HSSG
3 INC., a California Corporation; HATCHERI LLC, a California Limited Liability Company;
4 HATCHERI FOODS INC., a California Corporation; HATCHERI FOOD PLATFORM, a Delaware
5 Special Purpose Vehicle, Limited Partnership; and DOES 1 to 100, inclusive (hereinafter all
6 collectively referred to as “Defendants”). On information and belief, Plaintiff alleges the following:

7 **INTRODUCTION**

8 1. This is a class action and Private Attorneys General Act (“PAGA”) lawsuit brought by
9 Plaintiff for failure to pay overtime wages, failure to pay all hours worked, minimum wages, meal and
10 rest period violations, wage statement violations, failure to reimburse expenses, untimely payment of
11 wages, waiting time penalties, and unfair competition.

12 **JURISDICTION AND VENUE**

13 2. The Santa Clara County Superior Court has jurisdiction in this matter pursuant to
14 California Code of Civil Procedure section 410.10 to determine alleged violations of the California
15 Labor Code, California Business and Professions Code, and Wage Order No. 4.

16 3. Venue is proper pursuant to Civil Procedure Code §§ 395 and 395.5, in that some of the
17 wrongful acts and violations of law asserted herein occurred within Santa Clara County, and
18 Defendants’ obligation to pay wages arose in Santa Clara County pursuant to *Madera Police Officers*
19 *Assn. v. City of Madera*, 36 Cal.3d 403, 414 (1984).

20 4. Plaintiff sought permission pursuant to California Labor Code section 2699 *et seq.* to
21 pursue the claims set forth in this Complaint against Defendants as a Private Attorney General on behalf
22 of himself and other similarly situated employees. Pursuant to California Labor Code section 2699.3,
23 Plaintiff gave written notice via online submission to the Labor and Workforce Development Agency
24 (“LWDA”) on approximately April 8, 2024. Plaintiff provided facts and legal bases for his claims
25 within the notice to the LWDA on all violations asserted under the PAGA cause of action. Plaintiff also
26 submitted the \$75.00 filing fee. The notice was also sent via certified mail to Defendants on the same
27 day. To date, the LWDA has not provided any response to Plaintiff’s notice correspondence.
28 Accordingly, Plaintiff has exhausted all administrative remedies pursuant to the Private Attorneys

1 General Act (“PAGA”) and may bring this action on behalf of himself and all similarly situated
2 employees, *i.e.* Aggrieved Employees. *See* Cal. Lab. Code § 2699.3(a)(2)(A), (c)(3); *Caliber*
3 *Bodyworks, Inc., v. Sup. Ct.*, 134 Cal. App. 4th 365, 383 n.18, 385 n.19 (2005). Aggrieved Employees
4 include, but is not limited to the following: all non-exempt employees who have worked, or continue to
5 work, for Defendants in California as clinicians, nurses, psychologists, or similar positions responsible
6 for providing care to patients from April 8, 2024, to present.

7 **PARTIES**

8 5. JOSE DE JESUS LOPEZ VALDEZ is an individual over the age of eighteen (18) and
9 is a resident of the State of California.

10 6. On information and belief, Plaintiff alleges, HSSG INC., is now and/or at all times
11 mentioned in this Complaint was a California Corporation and the owner and operator of an industry,
12 business and/or facility doing business in the State of California.

13 7. On information and belief, Plaintiff alleges, HATCHERI LLC, is now and/or at all
14 times mentioned in this Complaint was a California Limited Liability Company and the owner and
15 operator of an industry, business and/or facility doing business in the State of California.

16 8. On information and belief, Plaintiff alleges, HATCHERI FOODS INC., is now and/or
17 at all times mentioned in this Complaint was a California Corporation and the owner and operator of
18 an industry, business and/or facility doing business in the State of California.

19 9. On information and belief, Plaintiff alleges, HATCHERI FOOD PLATFORM, is
20 now and/or at all times mentioned in this Complaint was a Delaware Special Purpose Vehicle,
21 Limited Partnership, and the owner and operator of an industry, business and/or facility doing
22 business in the State of California.

23 10. Defendants DOES 1 through 100 are affiliates, subsidiaries, and related entities and the
24 alter egos of each of the other Defendants named herein, corporate or otherwise, who participated in and
25 are liable for the actions herein alleged. Plaintiff will seek to amend this Complaint to allege the true
26 names and capacities of these DOE Defendants when they are ascertained.

1 11. At all times mentioned herein, each Defendant was the agent or employee of each of the
2 other Defendants and was acting within the course and scope of such agency or employment. The
3 Defendants are jointly and severally liable to Plaintiff.

4 12. Defendants, and each of them, are now and/or at all times mentioned in this Complaint
5 were members of and/or engaged in a joint employment, joint venture, partnership and common
6 enterprise, and were acting within the course and scope of, and in pursuance of said joint employment,
7 joint venture, partnership and common enterprise.

8 13. Defendants, and each of them, now and/or at all times mentioned in this Complaint
9 approved, ratified, acquiesced, aided or abetted the acts and omissions alleged in this Complaint.

10 14. Defendants proximately caused Plaintiff to be subjected to the unlawful practices,
11 wrongs, complaints, injuries and/or damages alleged in this Complaint.

12 **CLASS ALLEGATIONS**

13 15. Plaintiff brings the First through Ninth Causes of Action on behalf of himself, and all
14 others similarly situated as a class action pursuant to California Code of Civil Procedure section 382.
15 The class which Plaintiff seeks to represent is composed of, and defined, as follows:

16 All individuals who have, or continue to, work for Defendants in
17 California as non-exempt employees from four (4) years prior to the filing
18 of this Complaint to the present.

19 16. This action has been brought and may be properly maintained as a class action,
20 pursuant to the provision of California Code of Civil Procedure section 382, because there is a well-
21 defined community of interests in the litigation and the proposed class is easily ascertainable.

22 (a) Numerosity: The putative class is so numerous that the individual joinder of all members
23 is impracticable under the circumstances of this case. While the exact number of class
24 members is unknown to Plaintiff at this time, Plaintiff is informed and believes that
25 Defendants have employed as many as fifty (50) individuals falling within the above
26 stated class definition throughout the State of California during the applicable statute of
27 limitations, who were subjected to the policies and practices outlined in this Complaint.
28 As such, joinder of all members of the putative class is not practicable.

- 1 (b) Common Questions Predominate: Common questions of law and fact exist as to all
2 members of the putative class and predominate over questions that affect only individual
3 members of the class. These common questions of law and fact include, without
4 limitation, the following:
- 5 (1) Whether Defendants failed to pay putative class members for all hours worked;
 - 6 (2) Whether Defendants failed to pay putative class members all overtime and
7 minimum wages;
 - 8 (3) Whether Defendant failed to authorize and permit meal periods;
 - 9 (4) Whether Defendants failed to authorize and permit rest periods;
 - 10 (5) Whether Defendants had a policy or practice to provide putative class members
11 with a third rest break for shifts longer than 10 hours;
 - 12 (6) Whether Defendants required putative class members to use their personal
13 cellphones;
 - 14 (7) Whether Defendants had a policy or practice to reimburse putative class members
15 for the use of their personal cellphones and other expenses incurred in the
16 discharge of their duties;
 - 17 (8) Whether as a result of Defendants' policies and practices, Plaintiff and putative
18 class members received all wages, due and owing, at the time of their termination
19 or separation; and
 - 20 (9) Whether Defendants provided Plaintiff's and putative class members with wage
21 statements that complied with Labor Code section 226.
- 22 (c) Typicality: Plaintiff's claims are typical of the claims of the members of the putative
23 class. The putative class also sustained damages arising out of Defendants' common
24 course of conduct in violation of the law as complained of herein. Plaintiff and all
25 members of the putative class were non-exempt employees who were deprived of lawful
26 wages, meal and rest premiums, and reimbursements resulting in failure to pay minimum
27 wages, overtime wages, contracted wages, reimbursement, penalties and more.
28 Additionally, Defendants issued Plaintiff and all members of the putative class wage

statements that did not comply with Labor Code section 226. As a result, Plaintiff and each member of the putative class will have suffered the same type of harm and seek the same type of recovery based on the same legal theories.

(d) Adequacy: Plaintiff will fairly and adequately protect the interests of the members of the putative class. For all relevant times, Plaintiff resided in California and worked for Defendants in California. Moreover, Plaintiff is an adequate representative of the putative class as Plaintiff has no interests that are adverse to those of putative class members. Additionally, Plaintiff has retained counsel who has substantial experience in complex civil litigation and wage and hour matters.

(e) Superiority: A class action is superior to other available means for the fair and efficient adjudication of the controversy since individual joinder of all members of the putative class is impracticable. Class action treatment will permit a larger number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of effort and expense that numerous individual actions would engender. Further, as damages suffered by each individual member of the class may be relatively small, the expenses and burden of the individual litigation would make it difficult or impossible for individual members of the class to redress the wrongs done to them, and an important public interest will be served by addressing the matter as a class action. The cost to the court system of adjudication of such individualized litigation would be substantial. Individualized litigation would also present the potential for inconsistent or contradictory judgments.

17. Plaintiff is unaware of any difficulties that are likely to be encountered in the management of this action that would preclude its maintenance as a class action.

GENERAL ALLEGATIONS

18. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 17 as though fully set forth herein.

19. Plaintiff began working for Defendant in or about March of 2023 as a Food Ambassador at supermarkets on Fridays, Saturdays, and Sundays. Plaintiff earned \$22.00 per hour as a Food

1 Ambassador. In or about June 2023, Plaintiff was promoted to Back-Up Lead and earned \$23.00 to
2 \$25.00 for hours worked as a Lead.

3 20. Upon hire, Plaintiff's manager, Jacqueline Horst, told him that he was required to
4 download the Road Show Hatcheri Foods application immediately to start clocking-in and out from the
5 app.

6 21. Plaintiff began using this app on his personal phone to clock in and out but was not
7 reimbursed for doing so.

8 22. Initially, Plaintiff was scheduled to work 10-hour shifts and travelled approximately 2
9 hours per day worked.

10 23. In or about June 2023, Ms. Horst told staff, including Plaintiff, that she got in trouble for
11 paying out too much overtime. After that, Ms. Horst began cutting everyone's hours to 6 to 8 hour shifts
12 to avoid paying overtime.

13 24. Because of this, Plaintiff and other employees were trained to clock-in once they arrived
14 at the location of the Food Road Show.

15 25. Plaintiff and aggrieved employees were told not clock in for the time they spent traveling
16 to their assignments. Travel time was calculated by Defendant.

17 26. Plaintiff travelled to San Jose, Gilroy, San Francisco, and other parts of the Bay Area.
18 Plaintiff was not asked to track his mileage and he was never informed of how many hours Sukhi's
19 Indian Food had calculated for him.

20 27. Plaintiff does not believe he was compensated for the actual mileage he traveled because
21 no records were made or kept.

22 28. Plaintiff was not being paid overtime for hours spent on travel. Plaintiff complained to
23 his lead, Jessica Mendoza, and asked why all travel hours were paid at his base pay rate instead of
24 overtime even though some of his shifts were more than 8 hours.

25 29. Ms. Mendoza told Plaintiff that all travel hours were being logged as hours worked on
26 Thursdays (a day that Plaintiff did not work) so that Defendant could avoid paying overtime and double-
27 time for travel time.

1 30. Plaintiff also noticed that he was not being paid for all hours worked. There were times
2 that Plaintiff believed he had worked more hours than those that appeared on his paycheck.

3 31. Monitoring total hours worked was difficult for Plaintiff because the Hatcheri Foods app
4 did not show a history (*i.e.*, the total amount of hours worked on previous days or on the current day).

5 32. Due to his doubts, Plaintiff began taking notes on his cell phone. Plaintiff subsequently
6 found several instances in which there were hours missing on his paycheck.

7 33. In addition, it was common for Defendant to mistakenly provide Plaintiff with his base
8 hourly rate for hours worked as a Lead. Plaintiff estimates that he had to call Human Resources
9 approximately four times to correct payment issues, such as not being paid for all hours worked or
10 receiving base pay for hours worked as a Lead.

11 34. Further, Plaintiff did not receive full thirty-minute lunch breaks for every six hours
12 worked.

13 35. Plaintiff also did not receive a full ten-minute rest break for every four hours worked.

14 36. Plaintiff was trained that a staff member had to be present at the Demo Space at all times.

15 37. For example, on Fridays, Plaintiff and other staff members were sometimes assigned to
16 “open” the Demo Space at the Road Show. “Opening” included performing set up tasks like setting up
17 the booth and tents, preparing the food, and preparing the Demo Space for the Road Show. If Plaintiff
18 was assigned to “open” the Demo Space, he typically arrived at the Demo Space at approximately 6:00
19 a.m. to set up the area. Many times, Ms. Horst did not schedule another employee to arrive at the Demo
20 Space until 10:00 a.m.

21 38. This scheduling practice by Ms. Horst made it impossible for Plaintiff and other
22 employees who opened to take a rest break within the first four hours of work.

23 39. During work, customers would frequently come and go at the booth. In accordance with
24 the Defendant’s training, Plaintiff was also unable to leave customers unattended at the Demo Space to
25 take his meal and rest breaks in a timely manner.

26 40. Because there were times Plaintiff was frequently on his own at the booth, he clocked out
27 for lunch breaks but had to continue working until there was another staff member to relieve him from
28 his duties.

1 Defendants failed to compensate Plaintiff and similarly situated employees for all overtime hours
2 worked at their regular rate of pay.

3 49. Plaintiff and similarly situated employees were not exempt from overtime protections
4 under the California Wage Orders and Labor Code.

5 50. As a proximate result of Defendants' conduct, Plaintiff and similarly situated employees
6 have been damaged as stated in the section below entitled "DAMAGES," which is incorporated here to
7 the extent pertinent as if set forth here in full.

8 **SECOND CAUSE OF ACTION**
9 **FAILURE TO PAY MINIMUM WAGES**
10 **(As to all Defendants)**

11 51. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 50 as though fully
12 set forth herein.

13 52. For the period preceding the filing of this Complaint, Defendants were required to
14 compensate Plaintiff and similarly situated employees with at least California's applicable minimum for
15 every hour worked. *See* MW-Order 2019; IWC Wage Order, No. 4, section 4(A); Cal. Lab. Code §
16 1194.

17 53. Plaintiff was not exempt to the State's Minimum Wage Order. Defendants were aware of
18 their obligation to pay the minimum wage for each hour worked but failed to do so.

19 54. As a proximate result of Defendants' conduct, Plaintiff and similarly situated employees
20 have been damaged as stated in the section below entitled "DAMAGES," which is incorporated here to
21 the extent pertinent as if set forth here in full.

22 **THIRD CAUSE OF ACTION**
23 **FAILURE TO PAY ALL HOURS WORKED**
24 **(As to all Defendants)**

25 55. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 54 as though fully
26 set forth herein.

27 56. The law requires that the employer pay employees for all their hours worked. This is
28 based on contract principles between what the employer and employee agreed to.

57. Further, Labor Code section 223 states that “[w]here any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage”

58. Due to Defendants' practice, Plaintiff and similarly situated employees were deprived of wages.

59. As a proximate result of Defendants' conduct, Plaintiff has been damaged as stated in the section below entitled "DAMAGES," which is incorporated here to the extent pertinent as if set forth here in full.

FOURTH CAUSE OF ACTION
MEAL PERIOD VIOLATIONS
(As to all Defendants)

60. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 59 as though fully set forth herein.

61. An employer must provide an employee a meal period in accordance with the applicable Wage Order, and California Labor Code sections 226.7 and 512.

62. California Labor Code sections 226.7 and 512 and IWC Wage Order No. 4, section 11(A) require an employer to provide an uninterrupted meal period of not less than thirty (30) minutes for each work period of more than five (5) hours.

63. California Labor Code section 512 and Wage Order No. 4 section 11(B) further provide that employers may not employ employees for a work period for more than ten (10) hours per day without providing the employee with a second meal period of at least thirty (30) minutes. However, if the total hours worked is no more than twelve (12) hours, the second meal period may be waived so long as there was no waiver as to the first meal period. Employees are entitled to one (1) hour of pay at their regular rate of compensation for each meal period not provided.

64. Defendants employed Plaintiff and similarly situated employees for periods of more than five (5) hours without providing meal breaks of at least thirty (30) minutes or a second meal period of at least thirty (30) minutes when Plaintiff and similarly situated employees worked more than ten (10) hours in a day. Defendants also failed to allow Plaintiff and similarly situated employees to take their first meal period before the completion of their fifth hour of work and failed to allow Plaintiff and similarly situated employees to take their second meal period before the

1 completion of their tenth hour of work. Plaintiff and similarly situated employees did not waive their
2 rights to all meal periods throughout their employment.

3 65. Defendants further failed to pay Plaintiff and similarly situated employees the
4 applicable meal period premiums for any such missed meal breaks.

5 66. As a proximate result of Defendants' conduct, Plaintiff and similarly situated
6 employees have been damaged as stated in the section below entitled "DAMAGES," which is
7 incorporated here to the extent pertinent as if set forth here in full.

8 **FIFTH CAUSE OF ACTION**
9 **REST PERIOD VIOLATIONS**
10 **(As to all Defendants)**

11 67. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 66 as though fully
12 set forth herein.

13 68. An employer must provide an employee a rest period in accordance with the
14 applicable Wage Order and California Labor Code section 226.7.

15 69. California Labor Code section 226.7 and Wage Order No. 4, section 12(A) require an
16 employer to provide a rest period of not less than ten (10) minutes for each work period of more than
17 four (4) hours or a major fraction thereof.

18 70. Plaintiff alleges that Defendants failed to authorize and permit Plaintiff and similarly
19 situated employees to take paid rest periods of at least ten (10) minutes for each work period that
20 they worked more than four (4) hours or a major fraction thereof.

21 71. Defendants further failed to pay Plaintiff and similarly situated employees the
22 applicable rest period premiums for any such missed rest periods.

23 72. As a proximate result of Defendants' conduct, Plaintiff and similarly situated
24 employees have been damaged as stated in the section below entitled "DAMAGES," which is
25 incorporated here to the extent pertinent as if set forth here in full.

26 **SIXTH CAUSE OF ACTION**
27 **WAGE STATEMENT VIOLATIONS**
28 **(As to all Defendants)**

73. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 72 as though fully
set forth herein.

1 74. Pursuant to California Labor Code section 226(a), an employer must provide an itemized
2 statement to an employee, semimonthly or at the time of each payment of wages, showing:

3 *(1) gross wages earned, (2) total hours worked by the employee, except for*
4 *any employee whose compensation is solely based on a salary and who is*
5 *exempt from payment of overtime under subdivision (a) of Section 515 or*
6 *any applicable order of the Industrial Welfare Commission, (3) the*
7 *number of piece-rate units earned and any applicable piece rate if the*
8 *employee is paid on a piece-rate basis, (4) all deductions, provided that*
9 *all deductions made on written orders of the employee may be aggregated*
10 *and shown as one item, (5) net wages earned, (6) the inclusive dates of the*
11 *period for which the employee is paid, (7) the name of the employee and*
12 *the last four digits of his or her social security number or an employee*
13 *identification number other than a social security number, (8) the name*
14 *and address of the legal entity that is the employer and, if the employer is*
15 *a farm labor contractor, as defined in subdivision (b) of Section 1682, the*
16 *name and address of the legal entity that secured the services of the*
17 *employer, and (9) all applicable hourly rates in effect during the pay*
18 *period and the corresponding number of hours worked at each hourly rate*
19 *by the employee. The deductions made from payment of wages shall be*
20 *recorded in ink or other indelible form, properly dated, showing the*
21 *month, day, and year, and a copy of the statement and the record of the*
22 *deductions shall be kept on file by the employer for at least three years at*
23 *the place of employment or at a central location within the State of*
24 *California.*

25 75. Plaintiff alleges that Defendants intentionally and knowingly failed to provide an
26 itemized statement or failed to provide an accurate and complete itemized statement showing the
27 requirements set forth in California Labor Code section 226(a). Specifically, Defendants did not
28 accurately itemize all gross and net wages earned due to the unlawful practices explained above.

 76. As a proximate result of Defendants' conduct, Plaintiff and similarly situated
employees have been damaged as stated in the section below entitled "DAMAGES," which is
incorporated here to the extent pertinent as if set forth here in full.

SEVENTH CAUSE OF ACTION
FAILURE TO REIMBURSE EXPENSES
(As to all Defendants)

 77. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 76 as though fully
set forth herein.

 78. California Labor Code section 2802(a) states that "An employer shall indemnify his or
her employee for all necessary expenditures or losses incurred by the employee in direct consequence of
the discharge of his or her duties, or of his or her obedience to the directions of the employer, even

1 though unlawful, unless the employee, at the time of obeying the directions, believed them to be
2 unlawful.”

3 79. Defendants required Plaintiff and similarly situated employees to use their personal
4 cellphones, pay for Costco memberships, or record mileage accordingly. This led to out-of-pocket
5 expenses that were not reimbursed.

6 80. As a proximate result of Defendants’ conduct, Plaintiff and similarly situated employees
7 have been damaged as stated in the section below entitled “DAMAGES,” which is incorporated here to
8 the extent pertinent as if set forth here in full.

9 **EIGHTH CAUSE OF ACTION**
10 **FAILURE TO PAY FINAL WAGES**
11 **(As to all Defendants)**

12 81. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 80 as though fully
13 set forth herein.

14 82. An employer must pay an employee who is terminated all unpaid wages immediately
15 upon termination. *See* Cal. Lab. Code § 201.

16 83. An employer must pay an employee who resigns all unpaid wages within seventy-two
17 (72) hours of their resignation. *See* Cal. Lab. Code § 202.

18 84. Plaintiff and similarly situated employees did not receive all wages, including minimum
19 and overtime wages, meal and rest period premiums, at their termination or within the required time
20 after their separation from employment.

21 85. An employer who willfully fails to pay an employee wages in accordance with California
22 Labor Code sections 201 and/or 202 must pay the employee a waiting time penalty of up to thirty (30)
23 days. *See* Cal. Lab. Code § 203.

24 86. Defendants knew of their obligation to pay Plaintiff’s and similarly situated employees’
25 final wages when their employment terminated. Indeed, Defendants had knowledge that Plaintiff and
26 similarly situated employees had earned, but unpaid wages at the time of separation, yet Defendants still
27 refused to pay the remaining wages owed.
28

1 87. As a proximate result of Defendants’ conduct, Plaintiff and similarly situated employees
2 have been damaged and deprived of their wages and thereby seek their daily rate of pay multiplied by
3 thirty (30) days for Defendants’ failure to pay all wages due.

4 **NINTH CAUSE OF ACTION**
5 **UNFAIR COMPETITION**
6 **(As to all Defendants and DOES 1 to 100)**

7 88. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 87 as though fully
8 set forth herein.

9 89. Unfair competition shall mean and include any unlawful, unfair or fraudulent business act
10 or practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by Chapter 1
11 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code. *See*
12 California Business and Professions (“B&P”) Code § 17200.

13 90. Plaintiff and similarly situated employees were not paid all wages owed, including
14 minimum and overtime wages, and meal and rest period premiums, or reimbursed for business expenses,
15 during their employment or any time thereafter.

16 91. Plaintiff further alleges that such actions and/or conduct constitute a violation of the
17 California Unfair Competition Law (“UCL”) (Business and Professions Code 17200 *et seq.*) pursuant to
18 *Cortez v. Purolator Air Filtration Products Co.*, 23 Cal. 4th 163 (2000).

19 92. As a direct and legal result of the Defendants’ conduct, as alleged herein, pursuant to the
20 UCL (including B&P Code §17203), Plaintiff and similarly situated employees are entitled to
21 restitution, including, but not limited to, interest and penalties pursuant to Business & Professions Code
22 sections 17203, 17208, violations of California Labor Code sections 223, 226.7, 510, 512, and 1194 all
23 in an amount as yet unascertained but subject to proof at trial, for four (4) years from the filing of this
24 Action.

25 **TENTH CAUSE OF ACTION**
26 **PRIVATE ATTORNEYS GENERAL ACT**
27 **(As to all Defendants)**

28 93. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 92 as though fully
set forth herein.

1 94. Plaintiff has alleged to the Labor Commissioner that Defendants have violated the
2 following provisions of the Labor Code in their dealings with Plaintiff and other similarly situated
3 current and former employees:

- 4 • Violation of Labor Code §§ 510, 1194; IWC Wage Order 4, § 3 (Failure to Pay Overtime
5 Wages)
- 6 • Violation of Labor Code §§ 1194, 1197.1; IWC Wage Order 4, § 4 (Failure to Pay
7 Minimum Wages)
- 8 • Violation of Labor Code §§ 226.7, 512 and Wage Order No. 4, §§ 11(A) and 11(B)
9 (Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof)
- 10 • Violation of Labor Code § 226.7 and Wage Order No. 4, § 12(A) and 12(B) (Failure to
11 Provide Rest Periods or Pay Premiums in Lieu Thereof)
- 12 • Violation of Labor Code §§ 226, 226.3 (Failure to Provide Accurate Wage Statements)
- 13 • Violation of Labor Code §§ 201-203, 256 (Failure to Pay Final Wages)
- 14 • Violation of Labor Code § 2802 (Failure to Pay Reimbursements for Expenses)
- 15 • Violation of Labor Code §§ 558, 558.1 (Provisions Regulating Hours and Days of
16 Work in Any Industrial Welfare Commission Order)
- 17 • Violation of Labor Code §§ 226.3, 1174 (Failure to Maintain Accurate Records)

18 95. Plaintiff seeks civil penalties against Defendants as provided in the California Labor
19 Code, or, if no civil penalty is provided, default penalties pursuant to California Labor Code section
20 2699(f)(2).

21 96. Plaintiff seeks these civil penalties from Defendants pursuant to California Labor Code
22 sections 2699(a) and 2699.3.

23 97. As a proximate result of Defendants' conduct, Plaintiff and similarly situated employees
24 have been damaged as stated in the section below entitled "DAMAGES," which is incorporated here to
25 the extent pertinent as if set forth here in full.

26 ///

27 ///

DAMAGES

WHEREFORE Plaintiff requests relief as follows:

1. A jury trial;
2. As to the First Cause of Action:
 - a. Wages in an amount to be proven at trial;
 - b. Interest for the wages due pursuant to California Labor Code section 1194;
 - c. For reasonable attorney's fees and costs incurred pursuant to California Labor Code section 1194;
3. As to the Second Cause of Action:
 - a. Wages in an amount to be proven at trial;
 - b. Interest for the wages due pursuant to California Labor Code section 1194;
 - c. For reasonable attorney's fees and costs incurred pursuant to California Labor Code section 1194;
 - d. Liquidated damages pursuant to California Labor Code section 1194.2;
4. As to the Third Cause of Action:
 - a. Wages in an amount to be proven at trial;
 - b. Attorney's fees, costs and interest pursuant to California Labor Code section 218.5;
5. As to the Fourth and Fifth Causes of Action:
 - a. Wages in an amount to be proven at trial;
 - b. Attorney's fees, costs and interest pursuant to California Labor Code section 218.5;
6. As to the Sixth Cause of Action:
 - a. Penalties as provided for in Labor Code section 226, including the greater of all actual damages or fifty dollars (\$50.00) for the initial pay period in which the violation occurred and one hundred dollars (\$100.00) per employee for each

violation in the subsequent pay periods, but not to exceed four thousand dollars (\$4,000.00);

- b. For reasonable attorney's fees and costs incurred pursuant to Labor Code section 226(e);

7. As to the Seventh Cause of Action:

- a. An amount to be proven at trial;
b. For attorney's fees, interest, and costs pursuant to Labor Code section 2802(c);

8. As to the Tenth Cause of Action:

- a. For civil penalties as provided in the Labor Code for each enumerated violation;
b. For those Labor Code sections where there is no civil penalty provided for their violation, the default penalty provided in Labor Code section 2699(f): for any initial violation, one hundred dollars (\$100) for each aggrieved employee per pay period; For any subsequent violation, two hundred dollars (\$200) for each aggrieved employee per pay period;
c. Reasonable attorney's fees and costs pursuant to Labor Code section 2699;
d. For any other remedies as allowed by law and/or deemed appropriate by the Court;

9. For such other and further relief as this Court may deem just and proper, including, but not limited to:

- a. Wages as proved at trial;
b. Injunctive and Declaratory relief;
c. Attorney's fees and costs as provided for by law; and
d. Interest.

Dated: June 13, 2024

Shimoda & Rodriguez Law, PC

By: 

Galen T. Shimoda
Attorneys for Plaintiff

EXHIBIT C



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April 8, 2024

For Online Filing:

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Lopez v. HSSG Inc.*

Dear Labor Commissioner,

As counsel for Jose de Jesus Lopez Valdez (“Plaintiff”), I am writing to provide you and the following “employers” notice pursuant to California Labor Code section 2699.3:

HSSG Inc.
2450 Washington Avenue, Suite 285
San Leandro, CA 94577-5979

Hatcheri Food Platform SPV, LP
2450 Washington Avenue, Suite 285
San Leandro, CA 94577

Hatcheri Foods Inc.
2450 Washington Avenue, Suite 285
San Leandro, CA 94577

Hatcheri LLC
2450 Washington Avenue, Suite 285
San Leandro, CA 94577

We are setting forth the “facts and theories” to support each of the counts found within this letter. Please notify us of your intent to investigate any or all of the claims alleged herein against HSSG Inc., Hatcheri Food Platform SPV, LP, Hatcheri Foods Inc., and Hatcheri LLC (collectively referred to as “Defendant”). Should you decide not to investigate, we request that you allow us to bring the following action on behalf of Plaintiff and all Aggrieved Employees, pursuant to Labor Code section 2699(a). Specifically, Aggrieved Employees shall include, but is not limited to the following: All non-exempt employees who have, or continue to, work for Defendants in California from one (1) year prior to the submission of this letter to the present. Plaintiff is clearly entitled to bring a Private Attorneys General Act (“PAGA”) claim for civil penalties on behalf of these individuals pursuant to *Huff v. Securitas Security Services USA, Inc.*,



23 Cal.App.5th 745, 757 (2018) (finding a plaintiff has PAGA standing if affected by one of the alleged violations; the plaintiff need not have personally experienced all the violations pursued in PAGA action).

A. FACTS

Plaintiff began working for Defendant in or about March of 2023 as a Food Ambassador at supermarkets on Fridays, Saturdays and Sundays. Plaintiff earned \$22.00 per hour as a Food Ambassador. In or about June 2023, Plaintiff was promoted to Back-Up Lead and earned \$23.00 to \$25.00 for hours worked as a Lead.

Upon hire, Plaintiff's manager, Jacqueline Horst, told him that he was required to download the Road Show Hatcheri Foods application immediately to start clocking-in and out from the app. Plaintiff began using this app on his personal phone to clock in and out. However, he was not reimbursed for doing so.

Initially, Plaintiff was scheduled to work 10-hour shifts and usually travelled approximately 2 hours per day worked. In or about June 2023, Ms. Horst told staff, including Plaintiff that she got in trouble for paying out too much overtime. After that, Ms. Lopez then began cutting everyone's hours to 6 to 8 hour shifts to avoid paying overtime.

Plaintiff was trained to clock-in once they arrived at the location of the Food Road Show. Plaintiff and aggrieved employees did not clock in for the time they spent traveling to their assignments. Travel time was calculated by Defendant. Plaintiff travelled to San Jose, Gilroy, San Francisco, and other parts of the Bay Area. Plaintiff was not asked to track his mileage and he was never informed of how many hours Sukhi's Indian Food had calculated for him. Plaintiff does not believe he was compensated for the actual mileage he traveled because no records were made.

Plaintiff was not being paid overtime for hours spent on travel. Plaintiff complained to his lead, Jessica Mendoza, and asked why all travel hours were paid at his base pay rate instead of overtime when his shifts were 8 hour or more. Ms. Mendoza told Plaintiff that all travel hours were being logged as hours worked on Thursdays, a day that Plaintiff did not work, so that Defendant could avoid paying overtime and double-time for travel time.

Plaintiff also noticed that he was not being paid for all hours worked. There were times that Plaintiff believed he had worked more hours than those that appeared on his paycheck. Due to his doubts, Plaintiff began taking notes on his cell phone of his hours worked because he noticed that he was not being paid for all hours worked. He found several instances in which there were hours missing on his paycheck. It was difficult for Plaintiff to monitor because the Hatcheri Foods app did not show a history (*i.e.*, the total amount of hours worked on previous days or on the current day).



In addition, it was common for Defendant to mistakenly provide Plaintiff with his base hourly rate for hours worked as a Lead. Plaintiff estimates that he had to call Human Resources approximately three or four times to correct payment issues, such as not being paid for all hours worked or receiving base pay for hours worked as a Lead.

Plaintiff did not receive full thirty-minute lunch breaks for every six hours worked nor did he receive a full ten-minute rest break for every four hours worked. Plaintiff was trained that he could not leave the Demo Space by himself and that another staff member had to be present at the Demo Space at all times. For example, on Fridays, he and other staff members were sometimes assigned to “open” the Demo Space at the Road Show. “Opening” included performing set up tasks like setting up the booth and tents, preparing the food, and preparing the Demo Space for the Road Show. If Plaintiff was assigned to “open” the Demo Space, he typically arrived at the Demo Space at approximately 6:00 a.m. to set up the area. Many times, Ms. Horst did not schedule another employee to arrive at the Demo Space until 10:00 a.m. making it difficult, if not impossible, for Plaintiff to take a rest break within his first four hours of work.

There were other times, in which clients would be visiting the booth and Plaintiff could not leave customers unattended to take his meal and rest breaks timely. Many times, Plaintiff clocked out for a lunch break but actually continued working until there was another staff member to relieve him from his duties.

Plaintiff was not reimbursed for all costs that he was required to pay to perform his job duties. Plaintiff specifically was told that he was required to have a Costco Membership to perform his job duties. Ms. Horst did not offer nor notify Plaintiff that Defendant would reimburse him for half of the membership amount. After some time, a co-worker told Plaintiff that he could ask for reimbursement of the Costco Membership. Plaintiff asked to be reimbursed for the Costco Membership but did not receive said reimbursement from Defendant.

In addition to using his phone to clock in and out, Plaintiff used his personal cell phone to perform required job duties. Plaintiff was required to use the Hatcheri Foods app to input inventory and sales data and to take daily pictures of reports (lock times and sales reports) to send back to his supervisors. Plaintiff constantly used his phone to receive assignment updates. Schedules and locations of assignments were provided every month, but his supervisor would send weekly, sometimes daily, updates with changes of location and schedules. There were many times that Plaintiff and other employees even drove to the wrong location or arrived at work at the wrong time because their supervisors had changed their location or shift *via* email. Plaintiff communicated with his managers required using his personal phone without reimbursement.



B. ALLEGATIONS AND CHARGES

Count 1 – Violation of Labor Code §§ 510, 1194; IWC Wage Order Four, § 3 (Failure to Pay Overtime Wages)

Labor Code sections 510 and 1194 require employers to pay employees 1 ½ times their regular rate of pay for any work in excess of eight (8) hours in one workday and any work in excess of forty (40) hours in any one workweek. Employers must also pay employees 1 ½ times their regular rate of pay for the first eight (8) hours worked on the seventh day of work in any one workweek. Finally, employers must pay employees 2 times their regular rate of pay for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh day of work in any one workweek. As stated above, Plaintiff and Aggrieved Employees worked over eight (8) hours per day and forty (40) hours per week and were not paid all overtime wages owed. Plaintiff and all Aggrieved Employees are entitled to recover all unpaid overtime wages. Failure to pay such wages is against the law.

Count 2 – Violation of Labor Code §§ 1194, 1197.1; IWC Wage Order 5, § 4 (Failure to Pay Minimum Wages)

During the period Plaintiff and Aggrieved Employees were employed by Defendants they were entitled to be paid at least the State's minimum wage rate for each hour that they worked. *See, e.g.*, IWC Wage Order MW-2019; IWC Wage Order No. 5, § (4); Cal. Lab. Code §§ 1194, 1197.1. For the reasons stated above, Defendants did not pay Plaintiff and Aggrieved Employees for all hours worked. Thus, Plaintiff and Aggrieved Employees were not paid at least the applicable state minimum wage for those hours worked. This is against the law.

Count 3 - Violation of Labor Code §§ 226.7, 512 and Wage Order No. Four, §§ 11(A) and 11(B) (Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof)

Labor Code section 226.7 and Wage Order No. Four, section 11(A) require employers to provide employees meal periods of thirty (30) minutes per five (5) hours worked, which is to be taken before the completion of the fifth hour. Labor Code section 512 and Wage Order No. Four, section 11(B) further provide that employers may not employ employees for a work period of more than ten (10) hours per day without providing the employee with a second meal period of thirty (30) minutes; however, if the total hours worked is no more than twelve (12) hours, the second meal period may be waived so long as there was no waiver as to the first meal period. For the reasons stated above, Plaintiff and Aggrieved Employees were not authorized and permitted to take legally compliant meal periods pursuant to California law. Defendant also failed to pay any meal period premiums for their failure to provide meal periods. This was in violation of the law.



**Count 4 – Violation of Labor Code § 226.7 and Wage Order No. Four, § 12(A)
(Failure to Provide Rest Periods or Pay Premiums in Lieu Thereof)**

Labor Code section 226.7 and Wage Order No. Four, section 12(A) require employers to provide employees paid off-duty rest periods of ten (10) minutes per four (4) hours or major fraction thereof worked. For the reasons stated above, Plaintiff and Aggrieved Employees were not authorized and permitted to take legally compliant rest periods pursuant to California law. Defendant also failed to pay any rest period premiums for their failure to provide rest periods. This was in violation of the law.

Count 5 – Violation of Labor Code §§ 226, 226.3 (Failure to Provide Accurate Wage Statements)

Labor Code section 226 requires employers to furnish to employees with “an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, . . . (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer . . . and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee” For the reasons stated above, Defendant failed to comply with these requirements with respect to Plaintiff and Aggrieved Employees. This is in violation of the law.

Count 6 – Violation of Labor Code §§ 201-203, 256 (Failure to Pay Final and All Wages)

Labor Code sections 201-203 require that all wages, including overtime, meal and rest period premiums and reimbursements, be paid to employees upon separation and/or termination of employment. Here, for the reasons stated above, Plaintiff and Aggrieved Employees did not receive all final wages due and owing to them at the time of termination or seventy-two (72) hours thereafter as required by Labor Code sections 201-203. This is in violation of the law.

Count 7 – Violation of Labor Code § 2802 (Failure to Pay Reimbursements for Expenses)

Labor Code section 2802(a) states that “An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.” Defendant failed to pay any reimbursements for his Costco



Membership fees and for the use of his personal cell phone by Plaintiff and Aggrieved Employees. This was in violation of the law.

Count 8 – Violation of Labor Code §§ 558, 558.1 (Provisions Regulating Hours and Days of Work in Any Industrial Welfare Commission Order)

Labor Code section 558 states that it is unlawful for any employer, or other person acting on behalf of an employer, to violate or cause to be violated any of sections 500 to 558.1 of the Labor Code or any order of the Industrial Welfare Commission. Similarly, Labor Code section 558.1 states that it is unlawful for any employer or other person acting on behalf of an employer to violate, or cause to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, as well as Sections 203, 226, 226.7, 1193.6, 1194, or 2802 of the Labor Code. As described above, Defendant, by and through Defendant agents, violated Plaintiff and Aggrieved Employees' rights provided for under Labor Code sections 558 and 558.1 as well as the incorporated Wage Orders and incorporated statutes therein. This is against the law.

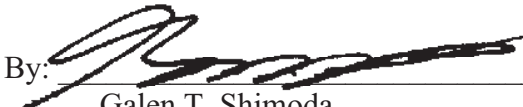
Count 9 – Violation of Labor Code §§ 226.3, 1174 (Failure to Maintain Accurate Records)

Labor Code section 226.3 provides that any employer who fails to maintain records required by Labor Code section 226(a) or provide records required by 226(a) shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation. Labor Code section 1174(d) provides that employers must keep and maintain accurate payroll records showing the hours worked daily by, and the wages paid to, employees. Defendant failed to maintain the accurate records required by law and, instead, maintained incomplete, inaccurate records regarding Plaintiff and Aggrieved Employees' wage records and hours worked. This was against the law.

If you have any questions or require any further information regarding the facts and theories to support these claims, do not hesitate to contact our office.

Very truly yours,

Shimoda & Rodriguez Law, PC

By: 
Galen T. Shimoda

GTS/jl
cc: Client via e-mail

1 *Lopez v. HSSG Inc.*

2 **PROOF OF SERVICE — CCP §§ 1013a and 2015.5**
3 **and California Rules of Court, Rule 1.21 and Rule 2.150**

4 I, Deanna Morgensen, declare that:

5 I am a citizen of the United States and am over the age of eighteen years and not a party to
6 the within above-entitled action.

7 On April 8, 2024, I served the following documents on the party below:

- 8 • Amended Private Attorney General Act Letter

HSSG Inc. 2450 Washinton Avenue, Suite 285 San Leandro, CA 94577-5979	Hatcheri Food Platform SPV, LP 2450 Washinton Avenue, Suite 285 San Leandro, CA 94577-5979
Hatcheri Foods Inc. 2450 Washinton Avenue, Suite 285 San Leandro, CA 94577-5979	Harcheri, LLC 2450 Washinton Avenue, Suite 285 San Leandro, CA 94577-5979

15 [XXX] [By Certified Mail] I am familiar with my employer's practice for the collection
16 and processing of correspondence for mailing with the United States Postal
17 Service and that each day's mail is deposited with the United States Postal
18 Service that same day in the ordinary course of business. On the date set forth
19 above, I served the aforementioned document(s) on the parties in said action by
placing a true copy thereof enclosed in a sealed envelope with postage thereon
fully prepaid, for collection and mailing on this date, following ordinary business
practices, at Salt Lake City, Utah, addressed as set forth above.

20 [] [By Personal Service] By personally delivering a true copy thereof to the office
of the addressee above.

21 [] [By Overnight Courier] By causing a true copy and/or original thereof to be
22 personally delivered via the following overnight courier service: _____.

23 I declare under penalty of perjury under the laws of the State of California that the foregoing
is true and correct, and that this declaration was executed on April 8, 2024, at Salt Lake City, Utah.

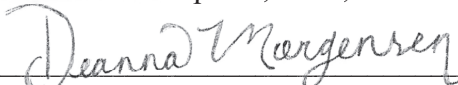
24 
25 _____
Deanna Morgensen

EXHIBIT D

Lopez Valdez v. HSSG Inc., et al. - Shimoda & Rodriguez Law, PC Costs

Date	Description	Amount
3/14/24	Administration/Copy Fee - Class Action - Administration/Copy Fee - Class Action - Phone, Fax, Scan, Copying, Westlaw Legal Research Fees	\$ 500.00
4/8/24	Payment to LWDA - PAGA Filing Fee	\$ 75.00
4/8/24	Certified Mail - PAGA Letters (4) to HSSG Inc. and Entities	\$ 10.88
4/18/24	One Legal Service Fee -Complaint 22707999	\$ 1,497.15
4/28/23	One Legal Service Fee - Case Management Statement 20281134	\$ 61.26
5/16/24	One Legal Service Fee -proof of service, complaint, summons, 22915314	\$ 19.74
6/13/24	One Legal Service Fee - Amended complaint order 23115180	\$ 19.74
6/16/23	One Legal Service Fee - Declaration order 20584072	\$ 78.76
6/21/24	Affordable Legal Service Fee	\$ 195.00
8/30/24	One Legal Service Fee -Case Management Statement 23635959	\$ 19.74
9/4/24	Mediation - Russ Wunderli	\$ 750.00
9/12/24	One Legal Service Fee - stipulation 23716062	\$ 41.18
9/12/24	One Legal Service Fee - stipulation 23716211	\$ 40.41
10/22/24	Expenses - AS Pro Hac Vice Application	\$ 512.50
10/30/24	One Legal Service Fee - Pro Hac Vice application to appear 24028314	\$ 537.16
10/30/24	One Legal Service Fee - proposed order 24045284	\$ 19.88
12/4/24	Mediation - Hotel (GS)	\$ 603.77
12/4/24	Mediation - Hotel (AS)	\$ 573.76
12/4/24	Mediation - Travel	\$ 31.35
12/4/24	Mediation - Flight (AS)	\$ 375.00
12/4/24	Mediation - Flight (GS)	\$ 375.00
12/4/24	Mediation - Car Rental	\$ 250.00
12/5/24	Mediation - Meal	\$ 51.50
12/5/25	Mediation - Meal	\$ 56.49
12/6/24	Mediation - Parking	\$ 24.00
12/10/24	Mediation - remaining balance to Russ Wunderli	\$ 3,000.00
12/20/24	One Legal Service Fee - Case management Statement 24369706	\$ 21.73
4/30/25	One Legal Service Fee - Case Management Statement 25270115	\$ 24.00

6/6/25	One Legal Service Fee - Notice of Association of Counsel 25545741	\$ 24.00
7/16/25	One Legal Service Fee - Preliminary Approval Motion	\$ 86.98
8/14/25	One Legal Service Fee - Proposed Order Granting Preliminary Approval 2607983	\$ 24.00
ANTICIPATED	One Legal Service Fee - Case Management Statement	\$ 25.00
ANTICIPATED	One Legal Service Fee - Final Approval Motion	\$ 125.00
ANTICIPATED	One Legal Service Fee - Notice of Judgment or Order	\$ 25.00
ANTICIPATED	One Legal Service Fee - Compliance Declarations	\$ 25.00
		\$ 10,099.98

EXHIBIT E

EXHIBIT F

<u>TASK CATEGORY</u>		<u>GTS</u>	<u>ADS</u>
<u>Pre-filing investigation, Pleadings, Admin Exhaustion, and Related Law & Motion.</u> Includes time spent during initial client meetings and review of claims and documents; Pre-filing investigation/research; Review of payroll records and prior filings against Defendant; Drafting pleadings, notices, administrative filings; Reviewing and responding to pleadings and court filings; Legal research and law and motion related to motion to remand; Communications with opposing counsel regarding same, internal communications regarding same, and communications with clients regarding same.		20	14.3
<u>Case Review, Management, Strategy Meetings, Dispositive Motions.</u> Includes time spent discussing general plan of action updates and strategies in weekly meetings; Research and analysis regarding claim elements and issues affecting representative litigation; Preparing for case management conferences and related meet/confer, drafting of statements, and attendance for hearings; Reviewing minute orders and general correspondence from the Court regarding case management and assignments; Research regarding certification; Research regarding trial plan; Communications with opposing counsel regarding same, internal communications regarding same, communications with clients regarding same.		33.4	10.8
<u>Discovery (Pre-Mediation/Non-Mediation Related), Related Law & Motion, and Hearings.</u> Includes time spent preparing discovery requests and meet and confer efforts with opposing counsel regarding those discovery requests; Research regarding discovery issues and anticipated objections; Document review and analysis; Witness interviews and drafting declarations; Review public records requests regarding prior labor commissioner filings and prior wage and hour lawsuits; Communications with opposing counsel regarding same, internal communications regarding same, communications with clients regarding same.		3.7	6.5
<u>Discovery / Investigation for Mediation.</u> Includes time spent preparing informal discovery specifically geared towards mediation; reviewing informal mediation productions, including data, analyses, documents, and public records; Analyzing sample; Perform damages analysis and calculations; Communications with opposing counsel regarding same, internal communications regarding same, communications with clients regarding same.		1.8	4.5
<u>Mediation / Settlement Conference / Direct Negotiations.</u> Includes time spent drafting/revising mediation brief and accompanying exhibits; Drafting pocket briefs; Review documents productions for potential exhibits; Preparing for and attending mediation; Pre/Post mediation calls with mediator and follow up settlement discussions; Legal research relating to issues on day of mediation; Direct negotiations with opposing counsel both before and after mediations; Preparing working draft of MOU; Communications with opposing counsel regarding same, internal communications regarding same, communications with clients regarding same.		17.4	20.4
<u>Drafting Settlement Agreements.</u> Includes time spent preparing long form agreement and exhibits, revisions relating thereto; Drafting Addendums to Agreement and modified notice; Research regarding any approval procedures or issues regarding disputed terms; Solicit and review settlement administrator bids; Communications with opposing counsel regarding same, internal communications regarding same, communications with clients regarding same.		4.5	18.2
<u>Settlement Approval.</u> Includes time spent drafting motions for preliminary approval, supporting declarations and order; Drafting supplemental briefing and declarations for continued approval hearings; Drafting motion for final approval, supporting declarations and order; Preparing for and attending approval hearings; Legal research regarding approval issues. Communications with opposing counsel regarding same, internal communications regarding same, communications with clients regarding same.		22.6	49.7
TOTAL:		103.4	124.4

Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
Renald Konini (Cal. State Bar No. 312080)
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Attorneys for Plaintiff JOSE DE JESUS LOPEZ VALDEZ
individually and on behalf of similarly situated employees

SUPERIOR COURT OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

JOSE DE JESUS LOPEZ VALDEZ,
individually and on behalf of all other
similarly situated employees,

Plaintiff,

vs.

HSSG INC., a California Corporation;
HATCHERI LLC, a California Limited
Liability Company; HATCHERI FOODS
INC., a California Corporation; HATCHERI
FOOD PLATFORM, a Delaware Special
Purpose Vehicle, Limited Partnership; and
DOES 1 to 100, inclusive,

Defendants.

Case No. Case No. 24CV435535

*Assigned for All Purposes to
Hon. Theodore C. Zayner
Department 19*

CLASS ACTION

**DECLARATION OF GALEN T. SHIMODA IN
SUPPORT OF PLAINTIFF'S MOTION FOR
FINAL APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

Date: February 18, 2026

Time: 1:30 p.m.

Dept.: 19

Judge: Hon. Theodore C. Zayner

Filed: April 18, 2024

FAC Filed: June 13, 2024

Trial Date: None Set

1 I, Galen T. Shimoda, declare:

2 1. I am an attorney at law duly admitted to practice before all the courts of the State of
3 California and an attorney of record for Plaintiff Jose De Jesus Lopez Valdez ("Plaintiff") herein. I am
4 making this declaration on behalf of the named Plaintiff, the putative class members, and in support of
5 Plaintiff's Motion for Final Approval of Class Action and PAGA Settlement ("Motion"). A true and
6 correct copy of the Joint Stipulation Regarding Class Action and PAGA Settlement and Release
7 ("Agreement") in this matter is filed with this Motion as Exhibit A.

8 2. This case was brought as a wage and hour class action based on Plaintiff's contention
9 that Defendants HSSG Inc., Hatcheri LLC, Hatcheri Foods Inc., and Hatcheri Food Platform
10 ("Defendants") violated California law by 1) failing to pay overtime wages, 2) failing to pay minimum
11 wages, 3) failing to pay all hours worked, 4) failing to provide meal periods, 5) failing to provide rest
12 periods, 6) failing to provide accurate wage statements, 7) failing to reimburse expenses, 8) failing to
13 pay final wages, and 9) by engaging in unfair competition. Plaintiff also alleged liability for civil
14 penalties under the Private Attorneys General Act ("PAGA"). These claims were based on allegations
15 that Defendants violated California law as follows: 1) Defendants failed to pay employees for overtime
16 hours on days employees worked in excess of eight (8) hours per day and or forty (40) hours per week;
17 2) Defendants did not authorize and permit Plaintiff and similarly situated employees to take all meal
18 and rest periods owed to them; 3) Plaintiff and similarly situated employees were employed for periods
19 of more than five hours without receiving an uninterrupted thirty (30) minute meal period; 4) Plaintiff
20 and similarly situated employees did not receive an uninterrupted ten (10) minute rest period every four
21 hours or major fraction thereof they worked; 5) Defendant failed to accurately itemize the hours and
22 wages earned on paystubs issued to class members and failed to provided wage statements that
23 included the actual dates and hours worked by employees; and 6) Defendants required Plaintiff and
24 similarly situated employees to incur expenses for work without paying reimbursement for such
25 expenses which included not paying reimbursement for mandatory use of their personal cell phones,
26 payments for store memberships, and travel. The PAGA, waiting time penalty, wage statement
27 violation, and unfair competition claims also derive from these violations.

1 3. Plaintiff is the only named representative in this matter. We began investigating the
2 claims on November 14, 2023, which included interviewing Plaintiff, reviewing their documents, and
3 seeking out potential witnesses to corroborate the claims. From our initial investigations of Plaintiff's
4 claims and documents, we believed the claims had merit and could be maintained as a class action. We
5 filed the action on or about April 18, 2024. Plaintiff exhausted administrative remedies through the
6 Labor and Workforce Development Agency ("LWDA") prior to amending the Complaint to add a
7 PAGA claim. Plaintiff filed a notice with the LWDA on April 8, 2024, setting forth the facts and
8 theories of liability. A true and correct copy of the notice filed with the LWDA is being filed with this
9 Motion as Exhibit C. A copy of the notice was also sent to Defendants via certified mail and the
10 \$75.00 filing fee was remitted to the LWDA at that time. There was no response by the LWDA
11 regarding its intent to investigate the claims alleged in Plaintiff's notice for more than 65 days. As
12 such, Plaintiff became authorized to commence a civil action under the PAGA and filed a First
13 Amended Complaint on June 13, 2024. A true and correct copy of Plaintiff's operative Complaint is
14 filed with this Motion as Exhibit B. A copy of the Complaint was uploaded to the LWDA after we
15 received a file stamped copy back from the Court.

16 4. Currently, there is no date set for a motion to certify the class and there is no trial date.

17 5. Defendants are represented in this matter by Fisher & Phillips LLP. From the
18 beginning, Defendants have contested the merits of this case, the suitability of the case for class action
19 and/or representative treatment, the manageability of the case at trial, and Plaintiff's ability to prove a
20 violation in each pay period for each employee among other defenses and contentions they made
21 challenging the propriety of this action. Defendants further contended, even assuming there was a
22 finding supporting the imposition of PAGA penalties, that the Court would likely exercise its discretion
23 to substantially reduce any such penalties owed based on evidence of good faith attempts to comply
24 with California Labor Code obligations by Defendants. Notwithstanding the agreement to settle this
25 matter, Defendants believe the practices Plaintiff is contending are unlawful either do not exist or, to
26 the extent they do exist, fully comply with all state and federal employment laws with respect to
27 Plaintiff and Class Members. Also, Defendants have contended that this matter is not appropriate for
28 class certification outside of this proposed class settlement.

1 6. We have reviewed a substantial number of documents and informal discovery during our
2 investigation of the claims. Based on the expected testimony from Plaintiff and Class Members, a
3 review of Defendants' policies and procedures and other documents relating to the alleged claims,
4 information on the number of Class Members, Class Members' total workweeks within the Class Period,
5 pay periods within the one (1) year penalty statute of limitations, the number of Class Members who
6 separated employment within three (3) years of this case being filed, and a representative sample of
7 Class Members' time and payroll data, the scope of the potential damages in light of the claims alleged,
8 the uncertainty in the law with regard to certification, and the negotiations that have taken place, I am
9 convinced that the proposed settlement is in the best interest of the class. The length and risk of
10 continued litigation and trial, as well as other normal perils of complex litigation that impact the value of
11 the claims, were also considered and weighed in reaching the Agreement. In addition, I carefully
12 considered the prospects of class certification and maintaining class certification through trial
13 notwithstanding the numerous challenges raised by Defendants. I further considered the fact that
14 penalties under the PAGA could be substantially cut at the discretion of the Court even if Plaintiff was
15 successful on proving those claims and there was risk that a Court could find no willfulness in the failure
16 to pay wages at separation or the existence of a good faith dispute, which would eliminate the value of
17 several claims entirely. Overall, I believe it is more beneficial to secure a guaranteed benefit to the class
18 now rather than to proceed with litigation and potentially obtain zero funds for the class due to legal or
19 factual issues in the case.

20 7. Another significant consideration in agreeing to the Settlement was Defendants' financial
21 condition. During negotiations, Defendants contended significant financial constraints impaired their
22 ability to pay any settlement or judgment beyond the Gross Settlement Amount. In order to assess the
23 claims of financial hardship and evaluate the potential for any bankruptcy filing, our office reviewed
24 Defendants' tax returns and year-to-date financial statements. The documents reviewed allowed us to see
25 the current debts, assets, and liabilities for the company and other potential sources of recovery if Plaintiff
26 was successful in obtaining a judgment in favor of the class. It also allowed us to review the company's
27 historical performance to determine if the condition was likely to improve, get worse, or stay the same.
28 After review of these documents, I believe the payment obligations set forth in the Agreement strike an

1 appropriate balance of maximizing payouts to Class Members while avoiding insolvency by Defendants.
2 It allows Class Members to still receive payment while also reducing the likelihood that currently
3 employed Class Members will lose their jobs due to layoffs or shutting down the company.

4 8. My office, including my partner, Justin Rodriguez, and associates Renald Konini and
5 Austin Sork, our legal assistants, and myself, along with Plaintiff's assistance, thoroughly investigated
6 the merits of the claims and potential damages for such claims. The parties engaged in informal
7 discovery and exchange of documents that included, but was not limited to, a 20% representative
8 sampling of employee data, including, but not limited to, time records, paystubs, and payroll summaries,
9 relevant handbooks, bulletins, and memoranda containing Defendants' policies for the entirety of the
10 statute of limitations applicable to the alleged claims. Spreadsheets produced by Defendants included
11 thousands of rows of data covering all pay periods for the individuals within the sample group. From
12 this production we were able to determine information critical to a reliable damages analysis such as the
13 average hourly rate, average daily hours worked, shifts eligible for meal and rest periods and the number
14 of potential shifts that may correspond to liability under our theories of liability, average number of
15 workweeks and pay periods that had potential violations based on the asserted claims, the frequency
16 with which violations occurred in a given week and/or pay period, and the number of former employees.
17 This information allowed my office to assess both liability and damages and create an accurate damages
18 model. Plaintiff assisted in all aspects of this litigation including providing factual information relating
19 to Plaintiff's and Class Members' employment conditions, providing a substantial number of documents,
20 and answering questions regarding Defendants' factual contentions in this matter. This was important
21 because it directly related to our ability to maintain this case as a class action and our ability to obtain a
22 favorable settlement for the class.

23 9. Throughout this litigation our office had numerous communications with Defendants'
24 Counsel discussing our respective positions. The parties engaged in mediation on December 6, 2024,
25 using an experienced mediator, Russ J. Wunderli. It was only after approximately fifteen months of
26 extensive, arm's length negotiations that the parties were able to reach a settlement, which only occurred
27 after full-day mediation and a mediator's proposal. The negotiations were, at all times, contentious,
28 adversarial, and at arms-length, though still professional in nature.

1 10. In analyzing the sample data and relevant policies and comparing them against
2 Plaintiff's allegations and theories of liability, the following represents the potential maximum recovery
3 for each asserted claim and the risks associated with each such claim:

4 a) Minimum Wages: This claim is based on allegations that Defendants failed to pay
5 Plaintiff and Class Members at least the minimum wage for all hours worked due to
6 Defendants requiring employees to work off-the-clock while traveling and setting up
7 worksite locations, failed to accurately record employee's hours worked when
8 supervisors recorded working hours, underpaying employees as a result of rounding
9 their actual hours worked, deducting time from employee's time records for meal and/or
10 rest breaks that were not actually taken and/or shorter than the amount of time deducted,
11 failing to pay for non-productive time occurring as a result of Defendants' incentive
12 based compensation system. The maximum damages for this claim are approximately
13 \$97,859.25. This amount does not take into account any potential risks with respect to
14 Plaintiff certifying the claim, proving the merits, or proving damages. The maximum
15 damages available were calculated based on the upper range of estimated time Plaintiff
16 worked off-the-clock per week, which was .75 hours. Based on the weighted average
17 minimum wage rate of \$15.50 during the Class Period, this equals approximately
18 \$104,940.50 in unpaid minimum wages ([9,028 workweeks x .75 hours off-the-clock per
19 week] x \$15.50 average minimum wage rate). Because we also assumed that all unpaid
20 time qualified for overtime, only liquidated damages is being claimed to avoid double
21 recovery of substantive wage loss. Defendants heavily disputed this theory of liability.
22 First, Defendants allege that no such violations existed, and if they did, they were an
23 anomaly limited to Plaintiff. Second, Defendants argued it maintained, and strictly
24 enforced, policies against working off-the-clock, accurately recording hours worked, and
25 that overtime was regularly paid, undermining any contention that there was any
26 practice or policy promoting off-the-clock work. This presented a substantial challenge
27 to both certification and the merits of the claim. The written policy prohibiting off-the-
28 clock work would require Plaintiff to demonstrate, on a class wide basis, that

Defendants effectively maintained “a policy to violate the policy” against off-the-clock work and that Defendants knew or should have known the off-the-clock work was occurring despite the policies and payment of overtime. *See Brinker Rest. Corp. v. Superior Ct.*, 53 Cal.4th 1004, 1051-1052 (2012). Finally, the presence of a good faith dispute would eliminate liability for liquidated damages for unpaid minimum wages. *See* Cal. Lab. Code § 1194.2(b); *Ridgeway v. Walmart Inc.*, 946 F.3d 1066, 1089-1090 (9th Cir. 2020). Taking all these factors into account, I believe it is likely a good faith dispute would be found and there would be no recovery for this claim.

b) Unpaid Overtime Wages (Off-the-Clock): The off-the-clock theory of overtime liability is based on the same factual allegations that formed the basis for the minimum wage claims, which are stated above. The maximum damages for this claim are \$190,671.36 ([9,028 workweeks x 2 hours off-the-clock per week] x \$10.56 average overtime rate). This amount does not take into account any potential risks with respect to Plaintiff certifying the claim, proving the merits, or proving damages. Plaintiff has assumed that all unpaid hours qualified as overtime. Because this theory of liability is based on the same facts supporting the minimum wage claim, it is subject to the same risks identified above. Further, Defendants’ business model only allows for several days of work a week, further reducing the likelihood of overtime hours. Taking all these factors into account, I believe a more likely range of recovery for this claim is between \$76,246.94 to \$152,537.09, which is based on an 80% to 40% reduction based on risk;

c) Meal Periods: This claim is based on allegations that Defendants failed to authorize meal periods due to work demands and staffing issues. The maximum damages for this claim are \$351,853.88. This amount does not take into account any potential risks with respect to Plaintiff certifying the claim, proving the merits, or proving damages. This amount was calculated based on an average hourly rate of \$21.11, an average of 3 shifts per week, and a violation rate of approximately 66% per shift based on Defendants’ payroll records, *i.e.* 66% of shifts had either no meal period punch, a late meal period punch, a meal period lasting less than thirty (30) minutes, and/or a shift of more than ten

(10) hours without a second meal period. Defendants contended that these occurrences were isolated incidents and that employees were adequately staffed and told to take meal periods in accordance with California law. While Plaintiff can utilize the rebuttable presumption of meal period violations based on the time records under *Donohue v. AMN Servs., LLC*, 11 Cal.5th 58, 78 (2021), Plaintiff would still have the burden to establish a theory of liability amenable to class treatment. Additionally, if Defendants' time keeping policies and records were found to rebut the presumption of meal period violations, this would substantially reduce the scope of Plaintiff's meal period claims to only those instances where the alleged defective meal period policy would be at issue. Without a presumption based on defective time records or a facially unlawful policy it is very difficult to certify meal period violation claims. Thus, the disputes asserted by Defendants substantially increases the risks to the claims. Taking these factors into account, I believe a more realistic range of recovery for this claim is between \$70,370.78 to \$211,112.33 (reduction of 20-80% based on risk and employee records).

- d) Rest Breaks: This claim was based on the same allegations as the meal period claim. Plaintiff contended that Class members were not provided with lawful rest periods approximately 85% of the time. Based on 3 shifts per week, 8,418 total weeks during the Class Period, and an average \$21.11 hourly rate, this equates to a maximum exposure of approximately \$453,145.15. This amount does not take into account any potential risks with respect to Plaintiff certifying the claim, proving the merits, or proving damages. Because this claim is based on the same factual basis as the meal period claims, it is also subject to the same risks as detailed above. However, there is no requirement that an employer keep records of rest periods, so this claim does not benefit from any presumptive violation based on time records under the law like meal period claims do. This presented an even greater risk for Plaintiff's rest period claims than is present for the meal period claims. Taking these factors into account, I believe a more realistic range of recovery for this claim would be between \$181,258.06 to \$362,516.12 (20% to 60% reduction based on risk);

- 1 e) Reimbursement: This claim was based on Plaintiff's contention that Class Members
2 were required to use cell phones for the job, and were required to purchase store
3 memberships to complete their employment duties. This is based on a monthly cell
4 phone bill of approximately \$100.00 and 25% work usage rate, which equates to
5 approximately \$6.92 owed per week and store memberships at \$60.00 annually, not
6 including private usage of these memberships. The maximum exposure for this claim is
7 \$58,246.08. This amount does not take into account any potential risks with respect to
8 Plaintiff certifying the claim, proving the merits, or proving damages. Defendants
9 heavily disputed whether use of personal cell phones was required given work was
10 conducted in person and in close proximity to coworkers and supervisors. Defendants
11 contended that the use of any applications on a personal device or using cell phones to
12 communicate with supervisory employees and/or clients was, at most, a personal choice
13 of convenience by Class Members. Furthermore, it is unlikely that Class Members all
14 had their own standalone cell phone plans as opposed to being billed as additional lines
15 on a pre-existing plan. In my experience there has always been a range of individuals
16 whose cell phone plans are \$30-\$60 per month as additional lines on a pre-existing plan.
17 Thus, it is unlikely that the full amount of damages Plaintiff calculated would be
18 established even if Plaintiff was successful in certifying the class and establishing
19 liability. Further, Defendant submitted evidence that store memberships were not
20 required and any necessary expenses were reimbursed if those reimbursements were
21 properly and timely submitted in accordance with Defendants' policies. Based on these
22 risks, I believe a more realistic range of recovery for this claim would be between
23 \$23,298.43 to \$46,596.86 (20% to 60% reduction based on risk);
- 24 f) Wage Statement Violations: This claim is derivative of Plaintiff's overtime, minimum
25 wage, and meal and rest period claims. The maximum exposure for this claim is
26 \$160,750.00, which is calculated based on an initial violation of \$50 per pay period per
27 employee and assumes a violation in each of the ,3,215 pay periods within the one (1)
28 year penalty statute of limitations. This amount does not take into account any potential

1 risks with respect to Plaintiff certifying the claim, proving the merits, or proving
2 damages. Because this claim is derivative of Plaintiff's other claims, the same risks
3 identified above for the minimum wage, overtime, meal period, and rest period claims
4 apply here as well, substantially affecting the potential value of this claim. Furthermore,
5 under the recent California Supreme Court case, *Naranjo v. Spectrum Sec. Servs., Inc.*,
6 15 Cal.5th 1056 (2024), employers now have a good faith dispute defense against wage
7 statement claims. Given the factual and legal disputes presented in this fact, I believe it
8 is likely that a Court would find a good faith dispute exists. Thus, I believe it is more
9 realistic that there would be no recovery for this claim;

10 g) PAGA: This claim is derivative of the Labor Code violations identified above and would
11 be subject to all the same risks as the underlying claims it is based on. Again, we did
12 not find any prior Labor Commissioner or court decisions that stated Defendants'
13 practices and/or policies were improper, so the exposure analysis is based on an "initial
14 violation" valuation being adopted by any fact finder if this matter went to trial. *See*
15 *Amaral*, 163 Cal.App.4th at 1207-1209. Based on Class Members' payroll data, the
16 maximum exposure for this claim is \$1,702,100.00, which was calculated per violation
17 as follows:

- 18 • *Minimum Wages*: \$321,500.00 (3,215 pay periods x default \$100 per pay period
19 per Labor Code section 2699(f));
- 20 • *Overtime*: \$160,750.00 (3,215 pay periods x \$50 per pay period per Labor Code
21 section 558);
- 22 • *Meal Periods*: \$160,750.00 (3,215 pay periods x \$50 per pay period per Labor
23 Code section 558);
- 24 • *Rest Periods*: \$321,500.00 (3,215 pay periods x default \$100 per pay period per
25 Labor Code section 2699(f));
- 26 • *Wage Statements*: \$321,500.00 (3,215 pay periods x default \$100 per pay period
27 per Labor Code section 2699(f));

- *Reimbursement*: \$321,500.00 (3,215 pay periods x default \$100 per pay period per Labor Code section 2699(f));
- *Failure to Maintain Accurate Records*: \$91,000.00 (\$500 x 182 employees within the penalty statute of limitations per Labor Code section 1174.5);

These amounts do not take into account any of the risks in proving the merits of the underlying claims that the PAGA damages are based on. The identified risks would likely eliminate several of the claims (*e.g.* minimum wages, overtime, rest periods, meal periods, and waiting time penalties), and/or substantially reduce the number of pay periods at issue due to the inability to prove the claims in every pay period for every employee. In addition to the risks on the merits, I believe the Court may exercise its discretion to reduce PAGA penalties in this case because a majority of the civil penalties sought would be in addition to amounts owed for substantive violations, some of the violations are due to technical non-compliance with the Labor Code, such as derivative wage statement violations, and Defendants produced facially compliant policies among other documents, that a Court may find demonstrates a good faith attempt at compliance. Defendants produced wage and hour policies and other documents related to attempts at complying with the California Labor Code that a Court may find demonstrates a good faith attempt at compliance, and there were several instances where the actual substantive loss experienced by Aggrieved Employees was substantially less per pay period than the potential maximum penalty that could be imposed. Courts are statutorily authorized to use discretion to reduce penalties and the range of discretion used varies substantially. *See Thurman v. BayshoreTransit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1135 (2012) (30% reduction); *Fleming v. Covidien, Inc.*, 2011 U.S. DIST. LEXIS 154590, *9 (C.D. Cal. 2011) (82% reduction). A reduction to roughly \$9-\$50 worth of civil penalties per pay period per employee depending on the total potential value of the civil penalty is more in line with actual awards based on my experience and review of awards in other cases. Thus, even if using the maximum values and setting aside risks of proving the claims on the merits, the total exposure may be cut to approximately

1 \$306,378.00 (82% reduction) to \$1,191,470.00 (30% reduction) or lower. It is important
2 to note that this discretionary reduction is completely separate and in addition to any
3 risks on the merits. Given the substantial risks associated with the claims, I believe the
4 amount that might ultimately be awarded under this claim would be significantly lower
5 than the maximum civil penalties available. I believe allocating \$10,000.00 to the
6 PAGA claims in this case is appropriate, especially in light of amounts that Courts have
7 approved as reasonable valuations in other cases. *See Nordstrom Com. Cases*, 186
8 Cal.App.4th 576, 589 (2010) (approving \$0 allocation to the resolution of PAGA claims
9 based on their being disputed and being part of a class settlement which was evaluated
10 based on the terms of the agreement overall); *Junkersfeld v. Med. Staffing Sols., Inc.*,
11 2022 WL 2318173, *8 n.2 (E.D. Cal. 2022) (collecting cases with PAGA settlement
12 values ranging from .037%-1%); *Jennings v. Open Door Marketing, LLC*, 2018 WL
13 4773057, *9 (N.D. Cal. 2018) (approving settlement of PAGA claims at 0.6% of total
14 estimated value due to risk of no recovery); *Ruch v. AM Retail Grp., Inc.*, 2016 WL
15 5462451, *7 (N.D. Cal. 2016) (approving \$10,000 PAGA settlement allocation where
16 total PAGA penalty exposure was approximately \$5.2 million, or 0.2% of total estimated
17 value); *Davis v. Cox Commc'ns California, LLC*, 2017 WL 1496407, *1 (S.D. Cal.
18 2017) (preliminarily approving \$4,000 PAGA allocation in \$275,000 settlement); *Moore*
19 *v. Fitness Int'l, LLC*, 2014 WL 12571448, *5 (S.D. Cal. 2014) (approving \$2,500 PAGA
20 allocation when attorneys' fees award alone amounted to \$200,000); *Jack v. Hartford*
21 *Fire Ins. Co.*, 2011 WL 4899942, *6 (S.D. Cal. 2011) (approving \$3,000 PAGA
22 allocation in \$1,200,000 settlement); *Singer v. Becton Dickinson & Co.*, 2010 WL
23 2196104, *2 (S.D. Cal. 2010); *Hopson v. Hanesbrands Inc.*, 2009 WL 928133, *1, *9
24 (N.D. Cal. 2009) (approving \$1,500 PAGA allocation in \$1,026,000 settlement); *Syed v.*
25 *M-I, L.L.C.*, 2017 WL 714367, *13 (E.D. Cal. 2017) (approving \$100,000 PAGA
26 allocation in \$3,950,000 gross settlement amount allocated to California class even
27 though PAGA exposure was calculated at \$53,600,000, or 0.2% of total estimated
28 potential value); *Garcia v. Gordon Trucking, Inc.*, 2012 WL 5364575, *6-*7 (E.D. Cal.

2012) (approving \$10,000 PAGA allocation in a \$3,700,000 settlement); *Franco v. Ruiz Food Prod., Inc.*, 2012 WL 5941801, *14 (E.D. Cal. 2012) (\$10,000 PAGA allocation from \$2,500,000 settlement fund); *Chu v. Wells Fargo Investments, LLC*, 2011 WL 672645, *1 (N.D. Cal. 2011) (\$10,000 PAGA allocation from \$6,900,000 settlement fund).

11. In summary, Plaintiff's gross recovery of \$225,000.00 under the Agreement equals approximately 7.5% of the maximum value of all claims in this matter (\$3,014,625.72) and between 14% and 47% of the more realistic range of recovery (\$432,692.31 to \$1,406,250.00). After deducting from the Gross Settlement Amount the proposed allocations for attorneys' fees (\$74,250.00) and costs (\$10,099.98), any Enhancement Payment to the Class Representative (\$10,000), Claims Administrator Costs (\$7,000), and the PAGA Payment (\$10,000), the net recovery under the Agreement, \$113,650.02, represents approximately 3% of the maximum value of the claims in this matter. The net recovery also represents between 8% and 26% of the more realistic range of recovery. The average net award is approximately \$610.84 (net settlement amount/ total class members). I believe the Agreement is fair, reasonable, and adequate, representing a reasonable compromise of claims based on the legal and factual disputes in this case. The ability to secure a guaranteed settlement now and ensure Class Members receive some compensation, rather than proceed to further litigation and potentially recover nothing, was a motivating factor in reaching this Agreement.

12. In agreeing to take on this case, our office agreed to take this case on a contingency basis, meaning that we would take a percentage of any settlement or judgment should we recover a monetary amount. We took a risk that we would not recover any money in this matter if we were unsuccessful at trial. We also took on the risk that the case may be subject to an unfavorable summary judgment ruling. However, we believe it is important to make sure employees are able to find affordable representation in order to ensure that employers are complying with all their legal obligations towards employees and paying employees all their hard-earned wages. We rely on attorneys' fee awards in order to continue working to ensure California wage and hour protections are enforced. Recovery of our full lodestar plus an appropriate multiplier is necessary to compensate for the risk undertaken. Otherwise, we could not continue to represent employees who are denied wages,

1 but whose cases may be time-consuming and difficult to prove. There have many class cases we have
2 litigated where ultimately we get zero for our time because we are unable to meet certification
3 requirements or the company becomes financially insolvent. Additionally, there are occasions, where
4 the fee recovered actually results in a negative multiplier of our lodestar.

5 13. I am a shareholder at Shimoda & Rodriguez Law, PC. My law firm is a boutique law
6 practice that focuses primarily in employment litigation, emphasizing wage and hour litigation. I
7 graduated from the University of Utah in 2000 with a B.S. in Business Management and a B.A. in
8 Asian Studies, with a minor in Japanese language. I then attended and graduated from the University
9 of the Pacific, McGeorge School of Law and received my J.D. degree in 2003. I graduated from
10 McGeorge in the top 5% of my class and was a member of the Order of the Coif and Traynor Honor
11 Society. Since graduating from McGeorge, I have authored a number of employment law articles for
12 journals and our firm regularly publishes articles on our firm's website.

13 14. I have been a regular panel speaker for the CEB (Continuing Education of the Bar)
14 Employment Review seminars from 2014 to the present. My speaking engagements include the
15 following: 1) Lorman Military Leave Law Speaker; 2) Restaurant Association Speaker at Annual
16 Seminar (Los Angeles); 3) Federal Bar Association, Sacramento Chapter: 2015 Amendments to the
17 Federal Rules of Civil Procedure (Mar. 30, 2016); 4) CEB – Employment Law Practice: 2016 Year in
18 Review (Jan. 20, 2017); 5) CEB – Employment Law Practice: 2015 Year in Review (Jan. 22, 2016); 6)
19 CEB – Employment Law Practice: Year in Review (2014) (Jan. 9, 2015); 7) CEB - Employment Law
20 Practice: Year in Review (2013) (Jan. 10, 2014); 8) Sacramento County Bar Association - Class
21 Actions from the Trenches: Real World Experiences from the Plaintiff and Defense Bar (Feb. 21,
22 2012); 9) Sacramento Employer Advisory Council – Wage and Hour Workshop: Going Beyond the
23 Exemption Discussion (Apr. 7, 2016); 10) Sacramento Employer Advisory Council - Wage & Hour
24 Panel and AB 1825 Training: Updates on California's New Wage Laws and Manager Compliance
25 Training (Apr. 25, 2017); 11) Sacramento County Bar Association, Labor and Employment Section –
26 PAGA Representative Litigation: Emerging Trends and Issues (May 17, 2016); 12) Sacramento
27 Business Journal Panel – Overtime Rules (Jun. 23, 2016); 13) Association of Defense Counsel of
28 Norther California & Nevada - Employment Law Update – Do the Math: Calculation Exposure and

1 Damages in Wage and Hour Cases (Aug. 12, 2016); 14) California Employment Lawyers Association -
2 PAGA Today and PAGA Tomorrow: Moderate-Advanced Issues In PAGA Litigation (Oct. 20, 2017);
3 15) California Employment Lawyers Association Advanced Wage and Hour Seminar – Better Know a
4 Venue Roundup (May 17, 2019). I have been AV rated by Martindale Hubbell since 2013, was
5 recognized as a Super Lawyer (Rising Star) from approximately 2009 to 2013 and was recognized as a
6 Super Lawyer from 2014 to present.

7 15. I have practiced law in California since being admitted to the State Bar in 2003,
8 litigating wage and hour class actions and individual wage and hour litigation among other cases. I
9 began practicing class action law on the defense side at the firm of Orrick, Herrington & Sutcliffe LLP.
10 I then switched to plaintiff class action work in 2005. My class action experience is in wage and hour
11 law. I have litigated several class action cases in California State and Federal Courts, including up to
12 certification, settlement, Final and final approval, and disbursement of monies, and have been found to
13 be satisfy the adequacy requirements for class counsel. Some of the class action and/or PAGA cases I
14 am litigating and/or have litigated as lead or co-counsel over the past nineteen (19) years include, but
15 are not limited to, the following:

- 16 • *Aanerud v. Neumann Ltd., et al.*, Case No. 34-2014-00169324 (Sac. Sup. Ct.);
- 17 • *Acosta v. Acosta Sales, LLC, et al.*, Case No. 2:11-CV-01796 (C.D. Cal.);
- 18 • *Atchley v. Blaggs Food Service, LLC*, 34-2017-0215930 (Sac. Sup. Ct.);
- 19 • *Adewumi v. GHS Interactive Security, LLC*, Case No. 34-2017-00210768 (Sac. Sup. Ct.);
- 20 • *Arnall v. North American Merchandising Service Inc.*, Case No. 06AS01439 (Sac. Sup. Ct.);
- 21 • *Arrington v. Capital Express Lines, Inc., et al.*, Case No. 34-2012-00134195 (Sac. Sup. Ct.);
- 22 • *Aslam v. Cypress Security, LLC*, Case No. 34-2017-00220143 (Sac. Sup. Ct.);
- 23 • *Aslam v. Surveillance, Security, Inc.*, Case No. 34-2017-00220142 (Sac. Sup. Ct.);
- 24 • *Azzolino v. Brake Masters of Sacramento, LLC, et al.*, Case No. 34-2017-00218293 (Sac.
25 Sup. Ct.);
- 26 • *Benak v. MDStat Urgent Care, Inc.*, No. 34-2015-00188181 (Sac. Sup. Ct.);
- 27 • *Blig v. Medical Management International, Inc.*, Case No. 34-2017-00213906 (Sac. Sup.
28 Ct.);

- 1 • *Caguioa, et al. v. Fortune Senior Enterprises, et al.*, Case No. 34-2014-00171831 (Sac. Sup.
- 2 Ct.);
- 3 • *Camacho, et al. v. Z Street, Inc., d.b.a. Tower Café, et al.*, Case No. 34-2014-00163880 (Sac.
- 4 Sup. Ct.);
- 5 • *Carlos v. Abel Mendoza, Inc., et al.*, Case No. 34-2016-00195806 (Sac. Sup. Ct.);
- 6 • *Cannon v. Miller Event Management, Inc., et al.*, Case No. 34-2014-00168103 (Sac. Sup.
- 7 Ct.);
- 8 • *Carr et al. v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
- 9 • *Chace v. Daisy Holdings, LLC, dba Pine Creek Care Center, et al.*, Case No. 34-2017-
- 10 00209613 (Sac. Sup. Ct.);
- 11 • *Clamens-Hollenback v. Atterro, Inc.*, Case No. 17-CV-305535 (Santa Clara Sup. Ct.);
- 12 • *Colbert v. American Home Craft Inc.*, Case No. 05AS05012 (Sac. Sup. Ct.);
- 13 • *De Arcos v. Amware Pallet Services, LLC*, Case No. CV-17-629 (Yolo Sup. Ct.)
- 14 • *Diosdado v. Nor-Cal Venture Group, Inc., et al.*, Case No. STK-CV-UOE-2020-0008242
- 15 (San Joaquin Sup. Ct.);
- 16 • *Dugue v. Sierra Forever Families, et al.*, Case No. 34-2017-00210770 (Sac. Sup. Ct.);
- 17 • *Fadhl v. Siemens Healthcare Diagnostics, Inc., et al.*, Case No. 34-2017-00209518 (Sac.
- 18 Sup. Ct.);
- 19 • *Fujimoto v. Nabe-Ya, Inc., et al.*, Case No. 20CV01255 (Butte Sup. Ct.);
- 20 • *Garcia v. A-L Financial Corp.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
- 21 • *Gerard v. Les Schwab Tires Center of California, Inc.*, Case No. 34-2007-300000003 (Sac.
- 22 Sup. Ct.);
- 23 • *Gomez v. Mayflower Farms Incorporated, et al.*, Case No. CV24157 (Colusa Sup. Ct.);
- 24 • *Gilliam v. Matrix Energy Services, Inc.* Case No. RG 11592345 (Alameda Sup. Court);
- 25 • *Hartwell v. Techforce Telecom, Inc.*, Case No. 39-2014-00307197 (San Joaquin Sup. Ct.);
- 26 • *Hernandez et al. v. MP Nexlevel, LLC et al*, Case No. 3 :16-cv-03015-JCS (N.D. Cal.);
- 27 • *Hernandez v. Snyir, Inc.*, Case No. 34-2017-00207641 (Sac Sup. Ct.);
- 28 • *Heinz v. Wright Tree Services*, Case No. 34-2012-00131949 (Sac. Sup. Ct.);

- 1 • *Hoover v. Mom365*, Case No. 2:17-cv-01328-TLN-CKD (E.D. Cal.);
- 2 • *James v. Language World Services, Inc., et al.*, Case No. 34-2020-00279929 (Sac. Sup. Ct.);
- 3 • *Josol v. Dial Medical Corp.*, Case No. 34-2008-00010040 (Sac. Sup. Ct.);
- 4 • *Koretsky v. Furniture USA, Inc.*, Case No. 34-2014-00172142 (Sac. Sup. Ct.);
- 5 • *Muhieddine v. KBA Docusys, Inc.*, Case No. 34-2014-00164720 (Sac. Sup. Ct.);
- 6 • *Massey v. V3 Electric, Inc., et al.*, Case No. 34-2019-00263666 (Sac. Sup. Ct.);
- 7 • *Miller v. Caldwell Transportation Company, LLC, et al.*, Case No. 34-2018-00234954 (Sac.
- 8 Sup. Ct.);
- 9 • *Miller v. Leaders in Community Alternatives*, Case No. FCSO47249 (Solano Sup. Ct.);
- 10 • *Pickens v. Elica Health Centers*, Case No. 34-2016-00200382 (Sac. Sup. Ct.);
- 11 • *Prasad v. D. G. Smith Enterprises, Inc.*, Case No. 34-2017-00215046 (Sac. Sup. Ct.);
- 12 • *Ralston v. JMJ Incorporated, Inc. et al.*, Case No. 34-2017-00217047 (Sac. Sup. Ct.);
- 13 • *Rickwalt v. Direct Reconditioning, LLC, et al.*, Case No. 34-2015-00175642 (Sac. Sup. Ct.);
- 14 • *Robinson v. West of Chicago Restaurants, Inc., dba Chicago Fire*, Case No. 34-2010-
- 15 00082201 (Sac Sup. Ct.);
- 16 • *Rogers v. Les Scwhab Tires Center of California, Inc.*, Case No. 34-2009-00066320 (Sac.
- 17 Sup. Ct.);
- 18 • *Schechter et al. v. Isys Solutions, Inc.*, Case No. RG10550517 (Alameda Sup. Ct.);
- 19 • *Smith v. Greyhound Lines, Inc.*, Case No. 34-2017-00219188 (Sac. Sup. Ct.);
- 20 • *Talent v. Leslie's Poolmart, Inc.*, Case No. 34-2012-00128539 (Sac. Sup. Ct.);
- 21 • *Thornton v. McConnell Jones Lanier & Murphy LLP*, Case No. No. 34-2017-00211553 (Sac.
- 22 Sup. Ct.);
- 23 • *Valencia v. Lowbrau Bier Garten, LLC, et al.*, Case No. 34-2019-00258038 (Sac Sup. Ct.);
- 24 • *Watson v. Quarter At A Time, LLC*, Case No. 34-2017-00217570 (Sac. Sup. Ct.);
- 25 • *Williams v. Civic Development Group*, Case No. 06AS00267 (Sac. Sup. Ct.); and
- 26 • *Willis v. Premier Pools, Incorporated*, Case No. 34-2017-00211710 (Sac. Sup. Ct.).
- 27
- 28

1 16. The preceding list also does not include those cases where, for various reasons, the case
2 was filed as a class action and/or PAGA action, but did not maintain that status through the end of the
3 case.

4 17. My partner, Justin P. Rodriguez, Esq., worked with me on this matter and Mr. Rodriguez
5 was critical in assisting with all aspects of the litigation of this case. Mr. Rodriguez attended and
6 graduated college from U.C. Davis, receiving a Bachelor of Arts in Philosophy and the Departmental
7 Citation for Academic Achievement in the Philosophy program. He was one of only two recipients of
8 this award out of the entire Philosophy Department. After U.C. Davis, Mr. Rodriguez attended the
9 University of the Pacific, McGeorge School of Law, graduating in 2011 and receiving a Juris
10 Doctorate. He graduated in the top 20% of his class and was a member of the Traynor Honor Society
11 at McGeorge. Other academic achievements of his include receiving a Witkin Award (top grade) in his
12 legal research and writing course, a Witkin Award in complex civil litigation, being a member of the
13 Dean's List from 2008 to 2011, being a Legislative Staff Writer for the *McGeorge Law Review* from
14 2009–2010, being an Associate Comment Editor for the *Pacific McGeorge Global Business &*
15 *Development Law Journal* from 2010–2011, and being selected as a Sacramento County Bar
16 Association Diversity Fellow in 2009. Mr. Rodriguez was also a member of the Employment and
17 Labor Law Society and an officer for the Latino Law Students Association from 2009 to 2010.

18 18. Mr. Rodriguez was an associate of the Shimoda Law Corp from 2011 to 2016 and
19 became a partner in 2017. Shimoda Law Corp. became Shimoda & Rodriguez Law, PC, in 2022.
20 Since 2017, he has received an AV Preeminent rating from Martindale-Hubbell for his legal ability and
21 ethical standards. From 2018 to present, he has been recognized as a Super Lawyer (Rising Star). Mr.
22 Rodriguez has been a panel speaker and presented a number of seminars covering issues wage and hour
23 litigation in general and complex class and PAGA litigation in particular. These engagements include
24 the following: (1) *Epic Systems*, PAGA, and the Future of Employment Arbitration in California
25 (Sacramento County Bar Assoc., Sept. 2018); (2) Class Actions and PAGA Claims (Assoc. of Defense
26 Counsel of Northern California & Nevada, Jul. 2020); (3) Mediation: The Experienced Trial Lawyers
27 Perspective (Sacramento County Bar Assoc., Sept. 2020); (4) How to Become a Pivotal Part of Any
28 Wage and Hour Practice Group (Sacramento County Bar Assoc., Mar. 2021); (5) Emerging Trends and

1 Issues Relating to Arbitration and PAGA Claims in a Post-*Viking River Cruises* World (Sacramento
2 County Bar Assoc., Nov. 2022). Mr. Rodriguez was elected to the Sacramento County Bar Association
3 Labor and Employment Law Section’s executive committee in 2019 and was the Chair of the executive
4 committee for 2022. Mr. Rodriguez has also been a member of the Presiding Judge Civil Law
5 Advisory Committee for Sacramento County Superior Court since August 2020. His practice focuses
6 on complex civil litigation, including wage and hour class actions, PAGA claims, and Fair Labor
7 Standards Act (“FLSA”) claims. He is actively involved in most all of the complex litigation handled
8 by our firm. Class and/or PAGA actions he has litigated or is currently litigating, including the instant
9 case, includes, but is not limited to, the following:

- 10 • *Aanerud v. Neumann Ltd., et al.*, Case No. 34-2014-00169324 (Sac. Sup. Ct.);
- 11 • *Adams-Anguy v. Placer Title Company, et al.*, Case No. SCV0040845 (Placer Sup. Ct.);
- 12 • *Adewumi v. GHS Interactive Security, LLC*, Case No. 34-2017-00210768 (Sac. Sup. Ct.);
- 13 • *Arrington v. Capital Express Lines, Inc., et al.*, Case No. 34-2012-00134195 (Sac. Sup. Ct.);
- 14 • *Aslam v. American Custom Private Security, Inc.*, Case No. STK-CV-UOE-2018-0012080
15 (San Joaquin Sup. Ct.);
- 16 • *Aslam v. Cypress Security, LLC*, Case No. 34-2017-00220143 (Sac. Sup. Ct.);
- 17 • *Aslam v. Surveillance, Security, Inc.*, Case No. 34-2017-00220142 (Sac. Sup. Ct.);
- 18 • *Azzolino v. Brake Masters of Sacramento, LLC, et al.*, Case No. 34-2017-00218293 (Sac.
19 Sup. Ct.);
- 20 • *Barkhousen v. Bank of Stockton*, Case No. STK-CV-UOE-2019-17145 (San Joaquin Sup.
21 Ct.);
- 22 • *Benak v. MDStat Urgent Care, Inc.*, Case No. 34-2015-00188181 (Sac. Sup. Ct.);
- 23 • *Bigornia v. Quest Diagnostics Clinical Laboratories, Inc., et al.*, Case No. 34-2019-
24 00271174 (Sac. Sup. Ct.);
- 25 • *Blig v. Medical Management International, Inc.*, Case No. 34-2017-00213906 (Sac. Sup.
26 Ct.);
- 27 • *Caguioa, et al. v. Fortune Senior Enterprises, et al.*, Case No. 34-2014-00171831 (Sac. Sup.
28 Ct.);

- 1 • *Camacho, et al. v. Z Street, Inc., d.b.a. Tower Café, et al.*, Case No. 34-2014-00163880 (Sac.
- 2 Sup. Ct.);
- 3 • *Castorena v. Flowmaster, Inc.*, Case No. CV18-2191 (Yolo Sup. Ct.);
- 4 • *Cannon v. Miller Event Management, Inc., et al.*, Case No. 34-2014-00168103 (Sac. Sup.
- 5 Ct.);
- 6 • *Carr, et al. v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
- 7 • *Chace v. Daisy Holdings, LLC, dba Pine Creek Care Center, et al.*, Case No. 34-2017-
- 8 00209613 (Sac. Sup. Ct.);
- 9 • *Clamens-Hollenback v. Atterro, Inc.*, Case No. 17-CV-305535 (Santa Clara Sup. Ct.);
- 10 • *Cress, et al. v. Mitsubishi Chemical Carbon Fiber and Composites, Inc.*, Case No. 34-2017-
- 11 00222101 (Sac. Sup. Ct.);
- 12 • *De Arcos v. Amware Pallet Services, LLC*, Case No. CV-17-629 (Yolo Sup. Ct.);
- 13 • *Ferreyra v. Point Digital Finance, Inc., et al.*, Case No. 20CV373776 (Santa Clara Sup. Ct.);
- 14 • *Foye v. The Golden 1 Credit Union*, Case No. 34-2018-00235003 (Sac. Sup. Ct.);
- 15 • *Garcia v. A-L Financial Corp.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
- 16 • *Garcia v. Royal Plywood Company, LLC, et al.*, Case No. 34-2017-00221627 (Sac. Sup. Ct.);
- 17 • *Gomes v. Progressive Casualty Insurance Company*, Case No. 34-2018-00241979 (Sac. Sup.
- 18 Ct.);
- 19 • *Gomez v. Mayflower Farms Incorporated, et al.*, Case No. CV24157 (Colusa Sup. Ct.);
- 20 • *Gilliam v. Matrix Energy Services, Inc.* Case No. RG 11592345 (Alameda Sup. Court);
- 21 • *Gonzalez v. Northcentral Pizza, LLC, et al.*, Case No. 34-2019-00252018 (Sac Sup. Ct.);
- 22 • *Gordon, et al. v. Hospice Source, LLC, et al.*, Case No. 34-2019-00250022 (Sac. Sup. Ct.);
- 23 • *Gotts v. John L. Sullivan Chevrolet, Inc.*, Case No. 34-2018-00231576 (Sac Sup. Ct.);
- 24 • *Hartwell v. Techforce Telecom, Inc.*, Case No. 39-2014-00307197 (San Joaquin Sup. Ct.);
- 25 • *Hellum v. AI Protective Services, LLC, et al.*, Case No. 34-2018-00234449 (Sac. Sup. Ct.);
- 26 • *Hercules v. Maximus Services, LLC, et al.*, Case No. 34-2019-00268385 (Sac Sup. Ct.);
- 27 • *Hernandez v. Snyir, Inc.*, Case No. 34-2017-00207641 (Sac. Sup. Ct.);
- 28 • *Heinz v. Wright Tree Services*, Case No. 34-2012-00131949 (Sac. Sup. Ct.);

- *Hoover v. Mom365*, Case No. 2:17-cv-01328-TLN-CKD (E.D. Cal.);
- *Insixiengmay v. Hyatt Corporation, et al.*, Case No. 2:18-cv-02993-TLN-DB (E.D. Cal.);
- *Josol v. Dial Medical Corp.*, Case No. 34-2008-00010040 (Sac. Sup. Ct.);
- *McMahon v. Airco Mechanical, Inc.*, Case No. 34-2019-00259269 (Sac. Sup. Ct.);
- *Muhieddine v. KBA Docusys, Inc.*, Case No. 34-2014-00164720 (Sac. Sup. Ct.);
- *Nguyen v. Cardinal Health Pharmacy Services, LLC, et al.*, Case No. 34-2019-00263185 (Sac. Sup. Ct.);
- *Prasad v. D. G. Smith Enterprises, Inc.*, Case No. 34-2017-00215046 (Sac. Sup. Ct.);
- *Ralston v. JMJ Incorporated, Inc. et al.*, Case No. 34-2017-00217047 (Sac. Sup. Ct.);
- *Roberts v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
- *Robinson v. West of Chicago Restaurants, Inc., dba Chicago Fire*, Case No. 34-2010-00082201 (Sac Sup. Ct.);
- *Salas, et al. v. Joint Ventures, LLC, et al.*, Case No. 34-2018-00227493 (Sac. Sup. Ct.);
- *Salmon v. Ovation Fanfare, L.P., et al.*, Case No. 34-2018-00244749 (Sac. Sup. Ct.);
- *Scarano v. J.R. Putman, Inc.*, Case No. 34-2018-00244753 (Sac. Sup. Ct.);
- *Smith v. Greyhound Lines, Inc.*, Case No. 34-2017-00219188 (Sac. Sup. Ct.);
- *Sullivan v. National Response Corporation*, Case No. 34-2018-00244757 (Sac. Sup. Ct.);
- *Talent v. Leslie's Poolmart, Inc.*, Case No. 34-2012-00128539 (Sac. Sup. Ct.);
- *Thornton v. McConnell Jones Lanier & Murphy LLP*, Case No. 34-2017-00211553 (Sac. Sup. Ct.);
- *Watson v. Quarter At A Time, LLC*, Case No. 34-2017-00217570 (Sac. Sup. Ct.); and
- *Willis v. Premier Pools, Incorporated*, Case No. 34-2017-00211710 (Sac. Sup. Ct.).

19. The preceding list of cases does not include those where, for a variety of reasons, the case was initially filed as a class and/or PAGA action, but did not maintain that status through the end of the case.

20. My associate, Austin D. Sork, Esq., has been a practicing attorney since October 2024, when he was admitted to the Utah State Bar. Mr. Sork holds a Bachelor of Arts in Sociology from Brigham Young University, where he earned Dean's List recognition and maintained a 3.85 GPA. He

1 earned his Juris Doctor from the University of Utah S.J. Quinney College of Law in April 2024, where
2 he served as the Employment Law Class Representative for the Class of 2024. Mr. Sork joined
3 Shimoda & Rodriguez Law in March 2023 operating out of our Utah office as a law clerk. After
4 becoming barred in Utah, Mr. Sork became a member of the California State Bar in March 2025 while
5 working full-time as an attorney. Prior to this, Mr. Sork was admitted to practice in California on this
6 case pursuant to the Court’s order granting his *pro hac vice* application on December 3, 2024. Since
7 joining the firm, he has developed mentored experience in complex employment litigation, including
8 individual, class, collective, and representative actions brought under the Private Attorneys General Act
9 (“PAGA”) and the Fair Labor Standards Act (“FLSA”). Mr. Sork has actively engaged in drafting
10 pleadings, discovery, extensive motion practice, mediation briefs, and settlement agreements. He has
11 experience in propounding and responding to written discovery, taking and defending depositions,
12 preparing class-wide damage analyses, and maintained regular communication with class
13 representatives, class members, and opposing counsel. In addition to his litigation practice, Mr. Sork
14 serves on the Board of the Utah Employment Lawyers Association and regularly volunteers with the
15 Street Law Pro Bono Clinic at the University of Utah, where he provides employment law advice to
16 individuals on a wide range of workplace issues.

17 21. Mr. Sork has participated in numerous class action and PAGA matters filed by our firm,
18 including *Konrad v. CA Outsource Associates LLC*, Case No. 25CV016968 (Sac. Sup. Ct.); *Parker v.*
19 *Napa Valley Ford Lincoln Mercury, Inc.*, Case No. 25CV007558 (Sac. Sup. Ct.); *Jimenez v. JQ Events*
20 *LLC*, Case No. 24CV026779 (Sac. Sup. Ct.); *Hernandez v. Quantumscape Battery, Inc.*, Case No.
21 24CV439603 (Santa Clara Sup. Ct.); *Ramirez v. Arthur Luis Silva dba Art Silva Dairy*, Case No. CV-
22 25-002294 (Stanislaus Sup. Ct.).

23 22. My office is requesting attorneys’ fees pursuant to the common fund doctrine pursuant to
24 *Laffitte v. Robert Half Internat., Inc.*, 1 Cal.5th 480, 506 (2016); *Paul, Johnson, Alston & Hunt v.*
25 *Grauly*, 886 F.2d 268, 271 (9th Cir. 1989); *Boeing Co. v. Van Gemert*, 444 U.S. 472, 477-478 (1980).
26 Plaintiff and Plaintiff’s Counsel have been able to secure an identifiable benefit on behalf of the class
27 and equity counsels that the cost of the representation should be born equally amongst all class
28 members receiving these benefits. The settlement recovery provides an excellent result and is the

product of substantial time and effort in analyzing the facts and law applicable to this case. There was substantial risk in agreeing to take this case on a contingency basis and as a class action with the possibility that Plaintiff's Counsel would not receive any compensation for their time and efforts due to issues regarding the merits and/or certification and have carried that risk over the course of the case. In my experience, the attorney's fee request of thirty-five percent (35%) of the common fund is within ranges typically approved in wage and hour class action litigation.

23. I believe a lodestar cross check supports finding a 35% fee award is appropriate in this case. The total lodestar is approximately \$135,590.00 based on approximately 227.8 hours, which include approximately 10 hours of time for myself preparing for and attending the final approval hearing, ensuring compliance and the disbursement of funds consistent with a final approval order. I have reviewed our firm's billing records with Mr. Sork and have created a summary chart showing the task categories and hours worked by each billing attorney in each category. A true and correct copy of this summary chart is being filed with this Motion as Exhibit F. In reviewing the entries with Mr. Sork, I believe the hours reported are accurate. To the extent we believe it appropriate to do so in any given assignment, we attempt to assign tasks to the billing attorney with the lower rate in order to reduce costs that otherwise might inhibit the likelihood a case will resolve. Our firm uses billing software, which tracks the entries by day and time. Our billing software also records time in 1/10 of an hour increments. Our billing software also enables the use of a start/stop timer that can be used to more accurately record how long a particular task takes. A summary of the entries in Exhibit F by timekeeper is as follows:

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Lodestar</u>
Galen T. Shimoda	103.4	\$800	\$82,720
Austin D. Sork	124.4	\$425	\$52,870
Total	227.8	X	\$135,590.00

24. I believe the requested rates of \$800 per hour for myself and \$425 for Mr. Sork are within the prevailing market rates for Santa Clara County and elsewhere. I have approximately 22

1 years of experience litigating complex wage and hour class and PAGA actions. These rates have been
2 judicially approved for Mr. Sork since approximately July 2025, which was the first increase to our
3 previously approved rates since November 2022. *See Hercules v. Maximus Services, LLC, et al.*, Case
4 No. 34-2019-00268385 (Sac Sup. Ct.); *Strawn v. Bridgestone Retail Operations, LLC*, Case No. 34-
5 2018-00242049 (Sac. Sup. Ct.); *Miller v. Yolo Community Care Continuum*, Case No. CV2023-1150
6 (Yolo Sup. Ct.). Awarding fees at the hourly rate in effect at the time of the fee request is an
7 appropriate and judicially approved method. *See Missouri v. Jenkins by Agyei*, 491 U.S. 274, 283
8 (1989). Given my more than twenty years of experience in complex litigation, and in light of the
9 prevailing market rates for attorneys with comparable skill and expertise, an hourly rate of \$800 for my
10 work is reasonable and consistent with rates approved in California courts. For the foregoing reasons, I
11 believe the request of \$74,250.00 (33%) for attorneys' fees is justified given the results obtained on
12 behalf of the class.

13 25. Although the Agreement set out a maximum of \$12,000.00 for potential attorney's costs,
14 the total costs incurred or that will be incurred through a compliance hearing by Class Counsel is
15 \$10,099.98. A true and correct copy of my firm's itemized costs incurred prior to the filing of this
16 Motion and the expected costs incurred through the final approval and compliance hearings is being
17 filed with the Motion in Exhibit D. These costs were all incurred to advance the interests of Class
18 Members in this litigation and are of the kind that we would normally bill to fee paying clients. The
19 difference in the actual costs and the maximum amount allocated under the Agreement will be added to
20 the Net Settlement Amount and disbursed to Class Members.

21 26. A copy of the Agreement and the entire Motion was submitted to the LWDA for review
22 at the same time the Motion was submitted to the Court pursuant to California Labor Code section
23 2699(1)(2). A true and correct copy of documents demonstrating the settlement documents were
24 provided to the LWDA and that the LWDA has confirmed receipt are being filed with this Motion as
25 Exhibit E.

26 27. The designated *cy pres* beneficiaries in this case are Capital Pro Bono, Inc. ("CPB") and
27 The Center For Workers Rights ("CFWR"). Only those funds that remain from uncashed settlement
28 checks will be sent to the *cy pres* beneficiaries pursuant to section 5.6 of the Agreement.

1 28. CPB is a 501(c)(3) nonprofit in good standing with the State of California that was
2 established in 1981 and incorporated in 1986 to provide free civil legal services to the indigent,
3 primarily through the use of volunteer attorneys. The formal service area includes Sacramento, Yolo,
4 San Joaquin, El Dorado and Placer counties, however it also regularly provides assistance, whether in
5 person or by phone, to individuals residing outside those counties, including Solano, Nevada, Merced,
6 Sutter, Yuba, and Stanislaus counties. CPB changed its name in 2020 from Voluntary Legal Services
7 Program of Northern California (“VLSP”) to Capital Pro Bono, Inc. CPB has been the recipient of *cy*
8 *pres* funds from several jurisdictions in the State of California, including from Yolo County Superior
9 Court.

10 29. If CPB is approved as a *cy pres* beneficiary, any funds received will be dedicated to the
11 Employment Law Clinic and Advice Line project, which assists the indigent with legal matters related to
12 their current or former employment. This assistance regularly includes, but is not limited to, free legal
13 advice regarding claims for unpaid wages, failure to provide meal and rest periods, failure to pay
14 reimbursement, and waiting time penalty claims. CPB provides legal advice, assistance with legal
15 forms, and direct representation in administrative hearings, including administrative hearings in front of
16 the California Labor Commissioner for unpaid wages. CPB has a staff attorney and clinic coordinator
17 who provide assistance, along with experienced employment law attorney volunteers. These services
18 have been a focus of the Employment Law Clinic and Advice Line project since its inception with VLSP
19 and continuing through today under CPB.

20 30. CFWR is also a qualified *cy pres* designee in class actions, under section 384, as it is a
21 501(c)(3) nonprofit in good standing with the State of California providing free civil legal services to the
22 indigent. Since its inception in 2014 and in partnership with Legal Aid at Work, the CFWR offers one-
23 on-one legal consultations for low-wage workers. The CFWR discusses employment issues with
24 workers and advises them as to the available legal remedies. In addition to individual counseling on
25 employment issues, the CFWR educates workers, unions, and community members about workplace
26 laws and remedies through “Know-Your-Rights” trainings conducted by the CFWR staff and
27 volunteers.
28

1 31. The CFWR provides limited representation for low-wage workers in wage claims before
2 the California Labor Commissioner. The CFWR has provided services to low-wage workers in a variety
3 of industries across the entire state of California. CFWR primarily focuses on the enforcement of basic
4 workplace protections, including claims for unpaid wages, minimum wage violations, failure to pay
5 overtime, failure to pay reimbursement, waiting time penalties, and meal and rest period violations. The
6 CFWR helps workers navigate the wage claim process before the California Labor Commissioner
7 through advice given at its legal consultation clinics and/or, in some cases, through representing workers
8 in these claims. If the CFWR is approved as a *cy pres* beneficiary, the funds received will be dedicated
9 towards assisting low-wage workers with wage claims and enforcing the California Labor Code with
10 respect to those wage claims.

11 32. I believe the services provided by CPB and the CFWR promote the law consistent with
12 the objective of wage and hour class actions in general and in this case specifically.

13 33. I have spoken with every other attorney at my firm to determine whether they have any
14 relationship with either of the proposed *cy pres* beneficiaries and they have confirmed that they do not.

15 34. I have volunteered for both organizations on and off over the past several years through
16 either presenting wage and hour seminars to law students who staff the free advice clinics or helping at
17 the advice clinics themselves. However, I have not performed any volunteer work with either
18 organization since approximately March 2020. Further, I have never received payment or compensation
19 of any kind in connection with any work done with either of the proposed *cy pres* beneficiaries.

20 35. Justin Rodriguez has volunteered for both organizations numerous times over the past
21 several years, either directly in the advice clinics or by presenting seminars on wage and hour laws for
22 law students seeking to also volunteer at advice clinics. He has also volunteered by sitting on CPB's
23 advisory committee. These organizations are non-profits that assist low-income workers throughout
24 California, giving free legal advice regarding employment law issues and representing employees with
25 wage claims before the California Labor Commissioner. Mr. Rodriguez witnessed firsthand the quality
26 service and attention these entities provide to individuals in need of employment law advice and
27 representation at the California Labor Commissioner.
28

36. Renald Konini has volunteered for the Center for Workers' Rights several times since March 2025, by assisting at a free advice clinic for low wage workers who needed advice regarding potential disputes with their employers. Ms. Konini has never volunteered for Capital Pro Bono, Inc. Austin Sork has never done any work, volunteer or otherwise with Capital Pro Bono, Inc. or the Center For Workers' Rights.

37. Neither my firm, myself, Mr. Konini, Mr. Sork, nor Mr. Rodriguez have ever received any compensation, direct or indirect, for designating CFWR or CPB as *cy pres* beneficiaries or in connection with any of the volunteer work we have done with the organizations.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on January 21, 2026, in Salt Lake City, Utah.

Lela Shindler

Galen T. Shimoda

Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
Renald Konini (Cal. State Bar No. 312080)
Austin Sork (Pro Hac Vice)
Shimoda & Rodriguez Law, PC
9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
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jrodriguez@shimodalaw.com
rkonini@shimodalaw.com

Attorneys for Plaintiff JOSE DE JESUS LOPEZ VALDEZ
individually and on behalf of similarly situated employees

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

JOSE DE JESUS LOPEZ VALDEZ,
individually and on behalf of all other
similarly situated employees,

Plaintiff,

vs.

HSSG INC., a California Corporation;
HATCHERI LLC, a California Limited
Liability Company; HATCHERI FOODS
INC., a California Corporation; HATCHERI
FOOD PLATFORM, a Delaware Special
Purpose Vehicle, Limited Partnership; and
DOES 1 to 100, inclusive,

Defendants.

Case No. 24CV435535

*Assigned for All Purposes to
Hon. Theodore C. Zayner
Department 19*

CLASS ACTION

**DECLARATION OF PLAINTIFF JOSE DE
JESUS LOPEZ VALDEZ IN SUPPORT OF
MOTION FOR FINAL APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: February 18, 2026

Time: 1:30 p.m.

Dept.: 19

Judge: Hon. Theodore C. Zayner

Filed: April 18, 2024

FAC Filed: June 13, 2024

Trial Date: None Set

1 I, Jose De Jesus Lopez Valdez, declare:

2 1. I am a competent adult and I have personal knowledge of the facts set forth in this
3 declaration. I am making this declaration on behalf of myself, as a named plaintiff, and in support of
4 Plaintiff's Motion for Final Approval of Class Action and PAGA Settlement.

5 2. I worked for Defendants HSSG Inc., Hatcheri LLC, Hatcheri Foods Inc., and Hatcheri
6 Food Platform ("Defendants") from approximately March 2023 to December 2023 as a non-exempt
7 employee. I was subject to all of Defendants' policies and practices that have been alleged as unlawful
8 in the Complaint and the notice sent to the Labor and Workforce Development Agency ("LWDA"),
9 including the following: 1) Failure to Pay Overtime Wages; 2) Failure to Pay Minimum Wages; 3)
10 Failure to Pay All Hours Worked; 4) Meal Period Violations; 5) Rest Period Violations; 6) Wage
11 Statement Violations; 7) Failure to Reimburse Expenses; 8) Failure to Pay Final Wages; 9) Unfair
12 Competition; and 10) Private Attorneys General Act claims including failure to pay overtime, failure to
13 pay minimum wages, failure to provide accurate wage statements, failure to timely pay final wages,
14 failure to provide meal and rest periods or pay premiums in lieu thereof, and violation of Labor Code
15 section 558.

16 3. I have actively participated in the litigation of this case for the benefit of all Class
17 Members. Prior to obtaining an attorney, I performed several hours of research over a period of about a
18 month on the potential claims, so I could be sure I could have an informed discussion with the attorneys
19 about the claims and have a better idea of what to expect in litigation and how to help the case proceed.
20 After securing Shimoda & Rodriguez Law, PC, I continued to be actively involved in the case to help
21 ensure a positive outcome.

22 4. My attorneys explained to me the risks and benefits of bringing a class action and a claim
23 under the Private Attorneys General Act ("PAGA"). I understood that pursuing the case as a class and
24 PAGA action meant that it would take substantially longer than pursuing my claims individually,
25 whether in Court or with the California Labor Commissioner, and that I risked getting nothing in the
26 end, but I believed it was important to make sure that Defendant followed the law for everyone. I
27 understood that I took on the risk, both professionally and financially, in pursuing the case as a class and
28

1 PAGA action rather than pursuing my claims individually. As a Class Representative, I also took on the
2 risk of having to pay Defendant's costs if we were unsuccessful in bringing our claims.

3 5. During the course of this litigation, I have given detailed accounts of all the facts related
4 to my employment. I provided my attorneys with extensive documentation that I believe supported the
5 claims brought against Defendant. I met with and assisted my attorneys in understanding these
6 documents and providing context for Defendant's payroll process as it applied to me and how I believed
7 it applied to Defendant's other employees. I worked for Defendant during two separate periods of time
8 during the class period and in two different job positions, so I was able to discuss the similarities of the
9 wage and hour policies and practices among all Class Members.

10 6. The work I performed for this case included an extensive review of documents and
11 payroll practices to show and explain to my attorneys what was happening and why I thought it was
12 unlawful. For example, I explained to my attorneys my job duties and responsibilities, the type of tasks
13 and work performed in a typical day, and any circumstances that would cause relevant differences to my
14 daily work that affected the class claims. We reviewed payroll and personnel file documents to see
15 whether and how any of the documents corroborated the validity of the claims and listed potential
16 witnesses related to any issues raised by the documents. This addressed all the claims alleged and we
17 continued to discuss and review these items throughout the case as more information was provided by
18 Defendants. The review became even more detailed when reviewing and discussing the payroll data
19 sample that was produced as part of informal discovery for mediation. I also spent a substantial amount
20 of time working to identify potential witnesses and speaking to others who could be interviewed by my
21 attorneys and provide declarations. I also drove a few times to my attorneys' Elk Grove office from my
22 home in Los Banos. I estimate that I spent about 95 to 100 hours assisting with this case.

23 7. I participated in the negotiations and settlement discussions in this case, including
24 participating in mediation by phone, speaking with my attorneys to answer questions, provide any
25 additional information needed to assist the negotiations, and discussing the potential terms of the
26 Agreement to evaluate its adequacy. Throughout the course of this litigation, I have asked questions
27 when I needed clarification about various aspects of this case to make sure there were continually steps
28 taken to advance the interests of Class Members.

1 8. I have not received any benefits as a result of filing this lawsuit. I have, however,
2 experienced substantial burdens as a result of filing the lawsuit that other Class Members were not
3 subject to. For example, in bringing the lawsuit, I assumed the risk of having to pay Defendant's costs if
4 the Court or jury rules against us on the claims. My understanding is that this is a substantial risk
5 because the costs associated with litigation, in general, are very high and this cost is multiplied many
6 times over in complex litigation like class actions. I have spent a substantial amount of time in this case,
7 securing a monetary benefit for many individuals who have not had to do anything whatsoever to have
8 the opportunity to receive it. I have been employed full-time during most of the time this case has been
9 pending. As a result, the time I have spent on this case had to occur during my lunch and/or breaks
10 times, after hours, and on my days off. Rather than spend this time with friends and family, I have spent
11 this time for the benefit of Class Members. Finally, as part of the Settlement, I am the only individual
12 providing a general release of all my individual claims and waiving the protections of California Civil
13 Code section 1542 for unknown claims. No other Class Member is subject to such a broad release.

14 9. I have reviewed the final Joint Stipulation of Class Action and PAGA Settlement and
15 Release, discussed the terms with my attorney, and asked my attorney any questions I had. I believe the
16 terms of the Settlement and allocations are fair and reasonable given the facts of the case.

17 10. I understand that any Class Representative Enhancement Payment I may receive is for
18 my participation as a Class Representative and it is not contingent on my support or approval of the
19 Agreement.

20 I declare under penalty of perjury under the laws of the State of California that the foregoing is
21 true and correct. Executed on 01/21/2026 in Oregon, California.

22
23
24 
25 Jesus Lopez (Jan 21, 2026 15:42:39 PST)
26 Jose De Jesus Lopez Valdez
27
28

1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 Renald Konini (Cal. State Bar No. 312080)
Austin Sork (Cal. State Bar No. 360918)
3 **Shimoda & Rodriguez Law, PC**
9401 East Stockton Boulevard, Suite 120
4 Elk Grove, CA 95624
Telephone: (916) 525-0716
5 Facsimile: (916) 760-3733

6 Attorneys for Plaintiff JOSE DE JESUS LOPEZ VALDEZ
individually and on behalf of similarly situated employees
7
8

9 **SUPERIOR COURT OF CALIFORNIA**

10 **FOR THE COUNTY OF SANTA CLARA**

11
12 JOSE DE JESUS LOPEZ VALDEZ,
individually and on behalf of all other
13 similarly situated employees,

14 Plaintiff,

15 vs.

16 HSSG INC., a California Corporation;
17 HATCHERI LLC, a California Limited
Liability Company; HATCHERI
18 FOODS INC., a California Corporation;
HATCHERI FOOD PLATFORM, a Delaware
19 Special Purpose Vehicle, Limited Partnership;
20 and DOES 1 to 100, inclusive,

21 Defendants.
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Case No. 24CV435535

**DECLARATION OF NATHALIE
HERNANDEZ OF ILYM GROUP, INC.,
IN SUPPORT OF MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: February 18, 2026
Time: 1:30PM

Judge: Hon. Theodore C. Zayner
Dept.: 19

1 I, Nathalie Hernandez, declare as follows:

2 1. I am a resident of the United States of America and am over the age of 18. I am a
3 Case Manager for ILYM Group, Inc., (herein after referred to as “ILYM Group”), the professional
4 settlement services provider who has been retained by the Parties’ Counsel and subsequently
5 appointed by the Court to serve as the Settlement Administrator for the above captioned *Lopez*
6 *Valdez v. HSSG, Inc.* matter. I am authorized to make this declaration on behalf of ILYM Group
7 and myself. I have personal knowledge of the facts herein, and, if called upon to testify, I could
8 and would testify competently to such facts.

9 2. ILYM Group has extensive experience in administering Class Action Settlements,
10 including direct mail services, database management, claims processing and settlement fund
11 distribution services for Class Actions ranging in size from 26 to 4.5 million Settlement Class
12 Members.

13 3. ILYM Group was engaged by the Parties’ Counsel and subsequently approved and
14 appointed by the Court to provide notification services and settlement administration, pursuant to
15 the terms of the Settlement, in the above referenced Action. Duties performed to-date and to be
16 performed after Final Approval of the Settlement is granted, include: (a) printing and mailing the
17 *Notice of Proposed Class Action and PAGA Settlement and Hearing Date for Final Court*
18 *Approval of Settlement*, in both English and Spanish (referred to as “Notice Packet”); (b) receiving
19 and processing requests for exclusion; (c) resolving Settlement Class Members’ disputes over the
20 number of workweeks Defendants have record of them working during the Class Period, which
21 was pre-printed on their individualized Notice Packet; (d) calculating individual settlement award
22 amounts; (e) processing and mailing settlement award checks; (f) handling tax withholdings as
23 required by the Settlement and the law; (g) preparing, issuing and filing tax returns and other
24 applicable tax forms; (h) handling the distribution of any unclaimed funds pursuant to the terms of
25 the Settlement; and (i) performing other tasks as the Parties mutually agree to and/or the Court
26 orders ILYM Group to perform.

27 ///

28 ///

1 4. On September 3, 2025, ILYM Group received the Court approved text for the
2 Notice Packet from Counsel for Plaintiff. ILYM Group prepared a draft of the formatted Notice
3 Packet, which was approved by the Parties' Counsel and translated into Spanish prior to mailing.

4 5. On September 16, 2025, ILYM Group received the class data file from Counsel for
5 Defendants, which contained the name, personnel number, social security number, last known
6 mailing address, last known telephone number, class workweek counts and PAGA workweek
7 counts for each Settlement Class Member. The data file was uploaded to our database and checked
8 for duplicates and other possible discrepancies. The Class Data contained 267 individuals with
9 9,028 Work Weeks during the Class Period and 182 Aggrieved Employees with 6,126 Work
10 Weeks during the PAGA period.

11 6. As part of the preparation for mailing, all 267 names and addresses contained in the
12 Class List were then processed against the National Change of Address ("NCOA") database,
13 maintained by the United States Postal Service ("USPS"), for purposes of updating and confirming
14 the mailing addresses of the Settlement Class Members before mailing of the Notice Packet. The
15 NCOA contains requested change of addresses filed with the USPS. To the extent that an updated
16 address was found in the NCOA database, the updated address was used for the mailing of the
17 Notice Packet. To the extent that no updated address was found in the NCOA database, the original
18 address provided by Counsel for Defendants was used for the mailing of the Notice Packet.

19 7. On September 30, 2025, the Notice Packet was mailed, via U.S First Class Mail, to
20 all 267 individuals contained in the Class List. Attached hereto, as **Exhibit A**, is a true and correct
21 copy of the mailed Notice Packet.

22 8. On November 14, 2025, Counsel for Defendant provided ILYM Group with 3
23 updated addresses. The Class Member's Notices were promptly remailed to their updated
24 addresses.

25 9. As of the date of this declaration, 32 Notice Packets have been returned to our office
26 as undeliverable. ILYM Group performed a computerized skip trace on the 32 returned Notice
27 Packets that did not have a forwarding address, in an effort to obtain an updated address for
28 purpose of re-mailing the Notice Packet. As a result of this skip trace, 23 updated addresses were

1 obtained and the Notice Packets were promptly re-mailed to those Settlement Class Members, via
2 U.S First Class Mail.

3 10. As of the date of this declaration, a total of 23 Notice Packets have been re-mailed
4 as a result of ILYM Group's skip tracing efforts.

5 11. As of the date of this declaration, a total of 9 Notice Packets were deemed
6 undeliverable as no updated address was found, notwithstanding the skip tracing.

7 12. As of the date of this declaration, ILYM Group has not received any requests for
8 exclusion. The deadline to request exclusion from the Settlement was November 29, 2025.

9 13. As of the date of this declaration, ILYM Group has not received any objections to
10 the Settlement. The deadline to file an objection to the Settlement was November 29, 2025.

11 14. As of the date of this declaration, ILYM Group will report a total of 267
12 Participating Class Members, representing 100% of the 267 Settlement Class Members.

13 15. Participating Class Members will receive a proportional share of the Net Settlement
14 Fund through individual settlement payments, based on the number of workweeks worked by Class
15 Members during the Class Period. The Net Settlement Fund is the amount remaining after
16 deduction of the Court-approved payments from the Gross Settlement Fund for Class Counsel Fees
17 and Litigation Costs, the Class Representative Enhancement Awards, Settlement Administration
18 Fees to ILYM Group, LWDA, and the Aggrieved Employees allocation, e.g.,

19	Gross Settlement Fund	\$ 225,000.00
20	Attorney Fees	\$ 74,250.00
21	Attorney Costs/Expenses	\$ 12,000.00
22	Enhancement Award – Jose de Jesus Lopez Valdez	\$ 10,000.00
23	ILYM Group Fees	\$ 7,000.00
24	LWDA	\$ 7,500.00
25	Aggrieved Employees	\$ 2,500.00
26	Net Settlement Fund (estimated)	\$ 111,750.00

27 To determine a Participating Class Member's individual settlement award payment, the Net
28 Settlement Fund will be divided by the total number of workweeks worked by all Settlement Class

1 Members during the Class Period, multiplied by the number of workweeks worked by that
2 Participating Class Member. Based on these calculations, the Participating Class Members will
3 receive an estimated average gross payment of \$418.54, with the estimated highest gross payment
4 being \$2,463.25, and the estimated lowest gross payment being \$12.13.

5 16. Pursuant to the Agreement, 25% of the \$10,000 PAGA Allocated to Aggrieved
6 Employees (\$2,500.00) will be allocated regardless of whether he or she opts out of the Class
7 Settlement. To determine an Aggrieved Employees' individual PAGA settlement award payment,
8 the PAGA Allocated to Aggrieved Employees will be divided by the total number of workweeks
9 worked by all Aggrieved Employees during the PAGA Period, multiplied by the number of
10 workweeks worked by that Aggrieved Employee. Based on these calculations, the Aggrieved
11 Employees will receive an estimated average gross payment of \$13.74, with the estimated highest
12 gross payment being \$45.75, and the estimated lowest gross payment being \$0.41.

13 17. ILYM Group's total fees and costs for services in connection with the administration
14 of this Settlement, which includes fees and costs incurred to-date, as well as anticipated fees and
15 costs for completion of the settlement administration, are \$7,000.00. ILYM Group's work in
16 connection with this matter will continue with the calculation of the settlement award payments,
17 issuance and mailing of the settlement award checks, the necessary tax filing and reporting on such
18 payments, and any other tasks that the Parties mutually agree to and/or the Court orders ILYM
19 Group to perform.

20 I declare under penalty of perjury under the laws of the State of California and the United
21 States that the foregoing is true and correct to the best of my knowledge and that this Declaration
22 was executed this 23rd day of Decemeber 2025, at Tustin, California.

23
24
25 *Nathalie Hernandez*
NATHALIE HERNANDEZ
26
27
28

EXHIBIT “A”

TRIBUNAL SUPERIOR DE CALIFORNIA
PARA EL CONDADO DE SANTA CLARA

JOSE DE JESUS LOPEZ VALDEZ,
individualmente y en nombre de todos los demás
empleados en situación similar,

Demandante,

vs.

HSSG INC. , una Corporación de California;
HATCHERI LLC, una Compañía de
Responsabilidad Limitada de California;
HATCHERI FOODS INC., una Corporación de
California; HATCHERI FOOD PLATFORM, un
Vehículo de Propósito Especial de Delaware,
Sociedad Limitada; y HACE 1 a 100, inclusive,

Demandados.

Caso No. **Caso No. 24CV435535**

**AVISO DE PROPUESTA DE DEMANDA
COLECTIVA Y ACUERDO PAGA, Y FECHA
DE AUDIENCIA PARA LA APROBACIÓN
FINAL DEL ACUERDO DEL TRIBUNAL**

ATENCIÓN: Todos los empleados no exentos que trabajaron o continúan trabajando para el Demandado en California en cualquier momento entre el 18 de abril de 2020 y el 2 de septiembre de 2025 (los " Miembros del Colectivo").

POR FAVOR LEA ESTE AVISO DETENIDAMENTE. ESTE AVISO SE RELACIONA CON UN ACUERDO PROPUESTO DE LITIGIO DE DEMANDA COLECTIVA Y EL POSIBLE DESEMBOLSO DE FONDOS DEL ACUERDO A USTED. SI ES USTED MIEMBRO DEL COLECTIVO, ESTE AVISO CONTIENE INFORMACIÓN IMPORTANTE SOBRE SU DERECHO A PARTICIPAR O A OPTAR POR EXCLUIRSE DEL ACUERDO DE CONFORMIDAD CON LOS PROCEDIMIENTOS QUE SE DESCRIBEN A CONTINUACIÓN.

Usted recibe este aviso de conformidad con una orden del Tribunal Superior del Condado de Santa Clara ("Tribunal") que otorga la moción del Demandante para la aprobación preliminar de una Estipulación Conjunta respecto al Acuerdo y Liberación de la Demanda Colectiva de la PAGA ("Acuerdo" o "Liquidación") como justa, razonable y adecuada. El Acuerdo se celebró entre el Demandante José De Jesús López Valdez ("Demandante" o "Representante del Colectivo"), y los Demandados HSSG Inc., Hatcheri LLC, Hatcheri Foods Inc. y Hatcher Food Platform SPV, LP (colectivamente, "Demandados") en nombre de los Miembros del Colectivo como se define anteriormente. Los términos del Acuerdo se describen a continuación. Usted está recibiendo este aviso porque los registros del Demandado indican que se encuentra dentro de la definición de "Miembro del Colectivo". Los registros de los Demandados también indican que trabajó «Class_Workweeks» semanas durante el Período del Colectivo aplicable (como se define a continuación), lo que significa que su parte total de los ingresos del acuerdo se estima en \$«Class_Estimated_Settlement_Amount». Su parte real de los ingresos del acuerdo variará según el número total de Miembros del Colectivo que elijan participar y la resolución de cualquier disputa de la semana laboral como se describe en este aviso.

Los términos del Acuerdo y una descripción del caso se identifican en este aviso. De conformidad con la orden del Tribunal, SE LE NOTIFICA LO SIGUIENTE:

I. ANTECEDENTES DEL CASO

El 18 de abril de 2024, el Demandante presentó una Demanda contra los Demandados en el Tribunal Superior del Condado de Santa Clara de California a nombre propio y de los Miembros del Colectivo. El término "Demanda" significa esta demanda colectiva putativa pendiente en el Tribunal Superior del Condado de Santa Clara, Caso No. 24CV435535. El Período del Colectivo es del 18 de abril de 2020 al 2 de septiembre de 2025 (el "Período del Colectivo").

En la Demanda, el Demandante buscó obtener salarios impagos, intereses, penalidades legales, penalidades civiles, honorarios y costos a nombre propio, de los Miembros del Colectivo y de los Empleados Agraviados. El Demandante alegó que los Demandados violaron la ley de California al 1) no pagar los salarios de horas extras, 2) no pagar los salarios mínimos, 3) no pagar todas las horas trabajadas, 4) no proporcionar períodos de comida, 5) no proporcionar períodos de descanso, 6) no proporcionar declaraciones salariales precisas, 7) no reembolsar los gastos, 8) no pagar los salarios finales y 9) participar en competencia desleal. El Demandante también alegó responsabilidad por penalidades civiles en virtud de la Ley General de Finales Privados ("PAGA"). Los Demandados han negado todas las alegaciones del Demandante. La Demanda se ha litigado activamente. Ha habido investigaciones en curso y ha habido un intercambio amplio de documentación e información. Además, las Partes han participado en una mediación de día completo facilitada por un tercero neutral. Basados en las negociaciones, y en todos los hechos y circunstancias conocidos, incluidos los diversos riesgos e incertidumbres relacionados con las acciones legales, las Partes llegaron a un acuerdo colectivo. Al llegar a un acuerdo, las Partes evitarán los riesgos asociados con un largo proceso de litigio. A pesar de aceptar y apoyar el Acuerdo, los Demandados siguen negando todas las alegaciones y reclamaciones. Los Demandados han celebrado este Acuerdo para resolver por completo, finalmente y para siempre esta Demanda, en base a los términos establecidos en el Acuerdo, con el fin de evitar la carga y los gastos asociados con el litigio en curso.

El Acuerdo se aplica a todos y cada uno de los Miembros del Colectivo, como se definió anteriormente. El Acuerdo también se aplica a los Empleados Agraviados, que se definen como todos los empleados no exentos que han trabajado o continúan trabajando para el Demandado en California en cualquier momento entre el 13 de junio de 2023 y el 2 de septiembre de 2025. Si usted es un Miembro del Colectivo, tiene la oportunidad de participar en el Acuerdo o de excluirse ("optar por excluirse") del Acuerdo. Este aviso es para informar a los Miembros del Colectivo sobre cómo pueden participar o excluirse del Acuerdo. Como se establece a continuación, los Empleados Agraviados no pueden optar por excluirse de este Acuerdo en lo que respecta al Pago PAGA o a las Reclamaciones Liberadas PAGA, independientemente de si optan por no ser Miembros del Colectivo. Los Empleados Agraviados recibirán su parte del Pago PAGA independientemente de si optan por no ser Miembros del Colectivo.

II. RESUMEN DEL ACUERDO PROPUESTO

A. El Monto del Acuerdo

Bajo los términos del Acuerdo, los Demandados han acordado pagar una suma total de Doscientos Veinticinco Mil Dólares y Cero Centavos (\$225,000.00) ("Monto Bruto del Acuerdo"). Se deducirán de este Monto Bruto del Acuerdo las sumas aprobadas por el Tribunal para que los honorarios de los abogados no excedan el 33% del Monto Bruto del Acuerdo; los costos de los abogados que no excedan los \$12,000.00; los Costos del Administrador del Acuerdo estimados que no excedan los \$10,000.00; el Pago de Mejora del Representante del Colectivo de \$10,000.00; y \$ 10,000.00 por presuntas penalidades PAGA (el "Pago PAGA"), lo que resultará en un "Monto Neto del Acuerdo" para su distribución a todos los Miembros del Colectivo que no hayan presentado una solicitud de exclusión voluntaria.. Cualquier impuesto del lado del empleador atribuible a los pagos asignados como salarios será pagado por los Demandados además del Monto Bruto del Acuerdo. Como se explica más adelante, el monto de la participación de cada Miembro del Colectivo en el Monto Neto del Acuerdo dependerá del número de semanas trabajadas por los Miembros del Colectivo participantes durante el Período del Colectivo. De los \$10,000.00 asignados para resolver las reclamaciones PAGA, el 75% del Pago PAGA se pagará a la Agencia de Desarrollo Laboral y de la Fuerza Laboral del Estado de California y el 25% del Pago PAGA se dividirá entre los Empleados Agraviados.

El número de semanas que trabajó durante el Período del Colectivo y su participación total estimada en el Monto Neto del Acuerdo ("Monto del Acuerdo") se indica en la primera página de este aviso. La cantidad real recibida puede ser mayor o menor que la cantidad indicada dependiendo del número real de semanas trabajadas por los Miembros del Colectivo Participantes (es decir, aquellos que no optan por excluirse del Acuerdo), la resolución de cualquier disputa relacionada con las semanas laborales y las distribuciones finalmente aprobadas y asignadas por el Tribunal. Sin embargo, si los Miembros del Colectivo optan por excluirse no tendrá esto ningún efecto en las asignaciones de los Empleados Agraviados para la reclamación PAGA.

B. Montos del Acuerdo y Asignación entre Miembros del Colectivo y Empleados Agraviados

Los Demandados pagarán los Montos a través del Administrador del Acuerdo, como se describe a continuación, a cada Miembro del Colectivo Participante y a los Empleados Agraviados. Todos los Montos del Acuerdo estarán sujetos a los impuestos correspondientes. Las Partes han acordado, con base en las alegaciones en la Demanda, que el monto pagadero a los Miembros del Colectivo elegibles del Monto Neto del Acuerdo se asignará y pagará en un 85% por intereses en disputa,

penalidades legales y otros daños no salariales por los cuales se emitirán los Formularios 1099-MISC y 1099-INT del IRS y un 15% por salarios en disputa por los cuales se emitirán los Formularios W-2 del IRS. El pago PAGA a los Empleados Agraviados se pagará al 100% por penalidades civiles.

La participación de cada Miembro del Colectivo en el Monto Neto del Acuerdo se determinará dividiendo su total de semanas trabajadas dentro del Período del Colectivo por el total de semanas trabajadas por todos los Miembros del Colectivo dentro del Período del Colectivo. Esa fracción se multiplicará por el Monto Neto del Acuerdo para llegar a la parte individual del Miembro del Colectivo del Monto Neto del Acuerdo. La participación de cada Empleado Agraviado en la parte del 25% del Pago PAGA se determinará dividiendo sus semanas totales trabajadas dentro del Período de Reclamación PAGA por el total de semanas trabajadas por todos los Empleados Agraviados dentro del Período de Reclamación PAGA. Esa fracción se multiplicará por la parte del 25% del Pago PAGA para llegar a la parte individual del Empleado Agraviado. El Período de Reclamación PAGA se define del 13 de junio de 2023 al 2 de septiembre de 2025. Los registros de los Demandados indican que trabajó «PAGA_Workweeks» semanas durante el Período de Reclamación PAGA aplicable, lo que significa que su parte del Pago PAGA se estima en \$«PAGA_Estimated_Settlement_Amount». Usted seguirá recibiendo su parte del Pago PAGA incluso si opta por no ser Miembro del Colectivo. La recepción de los Montos del Acuerdo no dará derecho a ningún Miembro del Colectivo o Empleado Agraviado a una compensación o beneficios adicionales en virtud de ningún plan o acuerdo de compensación, jubilación o beneficios vigente durante el período cubierto por el Acuerdo.

C. Cálculos que se basarán en los registros de los Demandados y la resolución de Disputas de las Semanas Laborales

Para cada Miembro del Colectivo, el monto pagadero será calculado por el Administrador a partir de los registros de los Demandados. Se presumirá que los registros de los Demandados son correctos a menos que se proporcione evidencia de lo contrario al Administrador. Los registros de los Demandados, y cualquier evidencia adicional, serán revisados por el Administrador en caso de una disputa sobre el número de semanas laborales trabajadas por un Miembro del Colectivo individual. Si un Miembro del Colectivo disputa la exactitud de los registros de los Demandados, el Miembro del Colectivo debe presentar todos los documentos de respaldo que demuestren semanas laborales adicionales. La disputa debe (a) identificar la naturaleza de la disputa; (b) proporcionar cualquier información o documentación que respalde la disputa; (c) estar firmada; y (d) tener un matasellos a más tardar el 29 de noviembre de 2025. La disputa será resuelta por el Administrador de Reclamaciones en base a los registros y evidencias proporcionados.

D. Liberación de Reclamaciones

Para aquellos Miembros del Colectivo que no optan por excluirse y Empleados Agraviados, el Acuerdo contiene las siguientes liberaciones:

Se considerará que los Miembros del Colectivo que no opten por excluirse han liberado todas las reclamaciones colectivas alegadas en la Demanda operativa, así como cualquier reclamación adicional por salarios y horas que pudiera haberse presentado con base en los hechos alegados en la Demanda, durante el Período de la Demanda. Esta exención excluye la exención de reclamaciones no permitidas por la ley. Las Reclamaciones Colectivas Exoneradas excluyen las reclamaciones de compensación laboral o prestaciones del seguro de desempleo. Esta exención cubrirá a todos los Miembros de la Demanda que no se excluyan.

Se considerará que los Empleados Agraviados han liberado todas las reclamaciones que se presentaron bajo la PAGA, Código Laboral § § 2698, et seq. en la Queja operativa, contenida en la carta de notificación de los Demandantes a la L WDA, y cualquier reclamación adicional de salario y hora de PAGA que se podría haber presentado con base en los hechos alegados en la carta de notificación de los Demandantes a La Ley de Desempeño Laboral (L WDA) y la Queja Operativa durante el Período de Reclamación de PAGA. Los empleados afectados no pueden renunciar a esta exención de reclamaciones.

Los individuos liberados ("Partes Liberadas") incluyen Los Demandados, así como los Demandados y todas sus subsidiarias, matrices, predecesores, sucesores, inversores, afiliados, organizaciones profesionales de empleadores, agencias de personal y funcionarios, accionistas, directores, miembros, agentes, empleados, contratistas independientes, consultores, representantes, abogados, aseguradores y reaseguradores actuales y anteriores.

Los Miembros del Colectivo y/o los Empleados Agraviados pueden hablar con uno de los abogados designados como Abogados del Colectivo (enumerados a continuación) de forma gratuita o hablar con su propio abogado si tienen preguntas sobre las reclamaciones liberadas y lo que significan.

III. ¿CUÁLES SON SUS DERECHOS COMO MIEMBRO DEL COLECTIVO?

A. Excluirse del Acuerdo como Miembro del Colectivo

El Tribunal lo excluirá de ser Miembro del Colectivo si lo solicita para el 29 de noviembre de 2025. Si no desea quedar vinculado por el Acuerdo como Miembro del Colectivo, puede solicitar ser excluido (es decir, "optar por excluirse") enviando una solicitud por escrito oportuna al Administrador del Acuerdo. La solicitud de exclusión debe (a) indicar su nombre completo y fecha de nacimiento; (b) una declaración de que no desea ser Miembro del Colectivo, no desea participar en el Acuerdo y/o desea ser excluido de este Acuerdo; (c) identificar el nombre y número del caso (es decir, Lopez v. HSSG Inc., et al., Caso No.24CV435535); (d) estar firmado; y (e) tener el matasellos a más tardar el 29 de noviembre de 2025. La solicitud de exclusión debe ser enviada por correo de primera clase de los Estados Unidos (First Class U.S. Mail), o su equivalente a:

ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781

Si envía una solicitud de exclusión que no tenga matasellos antes del 29 de noviembre de 2025, su solicitud de exclusión será rechazada y estará sujeto a la liberación y a todos los demás términos del Acuerdo. No utilice un franqueador, ya que es posible que no aparezca un matasellos en el sobre que contiene su solicitud de exclusión. Cualquier Miembro del Colectivo que presente una solicitud completa y oportuna para optar por excluirse, una vez recibida por el Administrador del Acuerdo, dejará de ser Miembro del Colectivo y no recibirá su parte del Monto Neto del Acuerdo. Los Empleados Agraviados no pueden optar por excluirse de este Acuerdo y recibirán su parte del Pago PAGA independientemente de si optan por no ser un Miembro del Colectivo o enviar un Formulario de Reclamación.

B. Objeción al Acuerdo

Si no opta por excluirse del Acuerdo, puede objetar los términos del Acuerdo. No obstante, si el Tribunal rechaza su objeción, seguirá sujeto a los términos del Acuerdo. Puede pedirle al Tribunal que rechace la aprobación del Acuerdo presentando una objeción. No puede pedirle al Tribunal que ordene un acuerdo más extenso; el Tribunal solo puede aprobar o rechazar el Acuerdo. Si el Tribunal no lo aprueba, no se enviarán pagos del acuerdo y la demanda continuará. Puede presentar una objeción por escrito, que debe (a) indicar su nombre completo y fecha de nacimiento; (b) proporcionar evidencia de que usted es, de hecho, un Miembro del Colectivo; (c) indicar los motivos de la(s) objeción(es), incluida la documentación de respaldo; (d) identificar el nombre y número del caso (es decir, Lopez v. HSSG Inc., et al., Caso No. 24CV435535); (e) estar firmado; y (f) tener el matasellos a más tardar el 29 de noviembre de 2025. Las objeciones por escrito deben enviarse al Administrador del Acuerdo a la dirección identificada en la Sección III.B. Si tiene la intención de objetar el Acuerdo, pero aún desea recibir su parte del Monto Neto del Acuerdo, no debes excluirte del acuerdo

Además, o como alternativa al envío de una objeción por escrito al Administrador del Acuerdo, puede comparecer en la audiencia de aprobación final para expresar su objeción. Cualquier Miembro del Colectivo que no solicite la exclusión puede, si el Miembro del Colectivo así lo desea, comparecer a través de un abogado. Si comparece a través de su propio abogado, usted es responsable de pagarle a ese abogado.

IV. EFFECTO DEL ACUERDO: DERECHOS Y RECLAMACIONES LIBERADOS

Si el Tribunal otorga la aprobación final del Acuerdo, el Tribunal emitirá e ingresará una sentencia coherente con el mismo. Se presentará un aviso de entrada de orden ante el Tribunal y estará disponible en línea en <https://santaclaracourts.ca.gov/online-services/case-information-online>. La sentencia, ya sea favorable o no, obligará a todos los Miembros del Colectivo que no soliciten la exclusión. Después de la aprobación final, todos y cada uno de los Miembros del Colectivo que no opten por no participar en el Acuerdo y el Empleado Agraviado, liberarán a los Demandados y a las Partes Liberadas de las Reclamaciones del Colectivo Liberadas y las Reclamaciones Liberadas PAGA descritas anteriormente. En otras palabras, si usted fue empleado como Miembro del Colectivo por los Demandados en California durante el Período del Colectivo, y no se excluye del Acuerdo, se considerará que ha entrado en esta liberación y que ha liberado las Reclamaciones Liberadas descritas anteriormente. Además, se le prohibirá demandar a los Demandados y a las Partes Liberadas con respecto a las Reclamaciones Liberadas cubiertas por este Acuerdo. Si el Acuerdo no es aprobado por el Tribunal o no se convierte en definitivo por alguna otra razón, el litigio continuará.

V. AUDIENCIA DE APROBACIÓN FINAL DEL ACUERDO

El Tribunal celebrará una audiencia en el Departamento 19, 191 North First Street, San José, California 95113 el 18 de febrero de 2026, a la 1:30 p.m. para determinar si el Acuerdo debe ser finalmente aprobado como justo, razonable y adecuado. También se le pedirá al Tribunal que apruebe la solicitud del Abogado del Colectivo sobre los honorarios y costos de los abogados, los Costos del Administrador del Acuerdo y el Pago de Mejora del Representante del Colectivo. La audiencia puede continuarse sin previo aviso. No es necesario que comparezca en esta audiencia. Los Miembros del Colectivo pueden presentarse en la audiencia de aprobación final en persona o de forma remota utilizando el enlace de Microsoft Teams para el Departamento 19 (Sesión de la tarde), y deben revisar las instrucciones de aparición remota de antemano: https://www.scscourt.org/general_info/ra_teams/video_hearings_teams.shtml. Se recomienda a los Miembros del Colectivo que deseen comparecer de forma remota se comuniquen con el abogado del colectivo al menos tres días antes de la audiencia, si es posible, para evitar o minimizar los posibles problemas de tecnología o audibilidad.

VI. INFORMACIÓN ADICIONAL

Puede acceder a la Reclamación, a la moción de aprobación preliminar de los Abogados del Colectivo, al Acuerdo y a cualquier otro documento requerido por el Tribunal en <https://portal.scscourt.org/search>. También puede comunicarse con los Abogados del Colectivo o los Abogados de los Demandados de la siguiente manera:

Galen T. Shimoda
Justin P. Rodriguez
Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
Teléfono: (916) 525-0716

En nombre del Demandante

Collin D. Cook
Amaris M. Stich
Fisher & Phillips LLP
One Montgomery Street, Suite 3400
San Francisco, California 94104
Teléfono: (415) 490-9000
Fax: (415) 490-9001

En nombre de los Demandados

POR FAVOR, NO LLAME POR TELÉFONO AL TRIBUNAL O A LA OFICINA DEL SECRETARIO DEL TRIBUNAL PARA OBTENER INFORMACIÓN SOBRE ESTE ACUERDO O SOBRE EL PROCESO DE RECLAMACIÓN. SI TIENE ALGUNA PREGUNTA, LLAME AL (888) 250-6810.

POR ORDEN DEL TRIBUNAL

CALIFORNIA SUPERIOR COURT
FOR THE COUNTY OF SANTA CLARA

JOSE DE JESUS LOPEZ VALDEZ, individually
and on behalf of all other similarly situated
employees,

Plaintiff,

vs.

HSSG INC. , a California Corporation;
HATCHERI LLC, a California Limited Liability
Company; HATCHERI FOODS INC., a
California Corporation; HATCHERI FOOD
PLATFORM, a Delaware Special Purpose
Vehicle, Limited Partnership; and DOES 1 to
100, inclusive,

Defendants.

Case No. 24CV435535

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

ATTENTION: All non-exempt employees who worked or continue to work for Defendant in California at any time between April 18, 2020, through September 2, 2025 (the “Class Members”).

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION AND POTENTIAL DISBURSEMENT OF SETTLEMENT FUNDS TO YOU. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO PARTICIPATE IN OR OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

You are receiving this notice pursuant to an order from the Santa Clara County Superior Court (“Court”) granting Plaintiff’s motion for preliminary approval of a Joint Stipulation Regarding Class Action PAGA Settlement and Release (“Agreement” or “Settlement”) as fair, reasonable, and adequate. The Settlement was entered into between Plaintiff Jose De Jesus Lopez Valdez (“Plaintiff” or “Class Representative”), and Defendants HSSG Inc., Hatcheri LLC, Hatcheri Foods Inc., and Hatcher Food Platform SPV, LP (collectively, “Defendants”) on behalf of Class Members as defined above. The terms of the Settlement are outlined herein. You are receiving this notice because Defendants’ records indicate you fall within the definition of “Class Member.” Defendants’ records also indicate that you worked «Class_Workweeks» weeks during the applicable Class Period (as defined below), which means your total share of the settlement proceeds is estimated to be \$«Class_Estimated_Settlement_Amount». Your actual share of the settlement proceeds will vary depending on the total number of Class Members that choose to participate and the resolution of any workweek disputes as described in this notice.

The terms of the Agreement and a description of the case are identified in this notice. Pursuant to the Court’s order, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

I. BACKGROUND OF THE CASE

On April 18, 2024, Plaintiff filed a Complaint against Defendants in the Santa Clara County Superior Court of California on behalf of himself and Class Members. The term “Action” means this putative class action pending

in Santa Clara County Superior Court, Case No. 24CV435535. The Class Period is April 18, 2020, to September 2, 2025 (the “Class Period”).

In the Action, Plaintiff sought to obtain unpaid wages, interest, statutory penalties, civil penalties, fees, and costs on behalf of himself, Class Members, and Aggrieved Employees. Plaintiff alleged that Defendants violated California law by 1) failing to pay overtime wages, 2) failing to pay minimum wages, 3) failing to pay all hours worked, 4) failing to provide meal periods, 5) failing to provide rest periods, 6) failing to provide accurate wage statements, 7) failing to reimburse expenses, 8) failing to pay final wages, and 9) by engaging in unfair competition. Plaintiff also alleged liability for civil penalties under the Private Attorneys General Act (“PAGA”). Defendants have denied all of Plaintiff’s allegations. The Action has been actively litigated. There have been ongoing investigations, and there has been an exchange of extensive documentation and information. Furthermore, the Parties have participated in a full day mediation facilitated by a neutral third party. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class-wide settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Agreement, Defendants continue to deny all allegations and claims. Defendants have entered into this Settlement to fully, finally, and forever resolve this Action, based on the terms set forth in the Agreement, in order to avoid the burden and expense associated with ongoing litigation.

The Agreement applies to any and all Class Members, as defined above. The Agreement also applies to Aggrieved Employees, which are defined as all non-exempt employees who have worked, or continue to work, for Defendant in California at any time between June 13, 2023 through September 2, 2025. If you are a Class Member, you have the opportunity to participate in the Settlement, or to exclude yourself (“opt out”) from the Settlement. This notice is to advise Class Members of how they can either participate in the Settlement or be excluded from the Settlement. As set forth below, Aggrieved Employees cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA Claims regardless of whether they opt out of being a Class Member. Aggrieved Employees will receive their share of the PAGA Payment regardless of whether they opt out of being a Class Member.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Agreement, Defendants have agreed to pay a total sum of Two Hundred and Twenty-Five Thousand Dollars and Zero Cents (\$225,000.00) (“Gross Settlement Amount”). Deducted from this Gross Settlement Amount will be sums approved by the Court for attorneys’ fees not to exceed 33% of the Gross Settlement Amount; attorneys’ costs not to exceed \$12,000.00; Settlement Administrator Costs estimated not to exceed \$10,000.00; Class Representative’s Enhancement Payment of \$10,000.00; and \$10,000.00 for alleged PAGA penalties (the “PAGA Payment”), which will result in a “Net Settlement Amount” for distribution to all Class Members who have not submitted a request to opt-out. Any employer side taxes attributable to payments allocated as wages will be paid by Defendants in addition to the Gross Settlement Amount. As explained further below, the amount of each Class Member’s share of the Net Settlement Amount will depend on the number of weeks worked by participating Class Members during the Class Period. Of the \$10,000.00 allocated to resolving the PAGA claims, 75% of the PAGA Payment will be paid to the State of California Labor and Workforce Development Agency and 25% of the PAGA Payment will be divided among Aggrieved Employees.

The number of weeks you worked during the Class Period and your estimated total share of the Net Settlement Amount (“Settlement Amount”) is stated on the first page of this notice. The actual amount received may be more or less than the amount stated depending on the actual number of weeks worked by Participating Class Members (*i.e.*, those who do not opt out of the Settlement), the resolution of any disputes regarding workweeks, and on the distributions finally approved and allocated by the Court. However, whether Class Members opt out will have no effect on Aggrieved Employees’ allocations for the PAGA claim.

B. Settlement Amounts and Allocation Between Class Members and Aggrieved Employees

Defendants will pay Amounts through the Settlement Administrator, as described below, to each Participating Class Member and to Aggrieved Employees. All Settlement Amounts will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action that the amount payable to eligible Class Members from the Net Settlement Amount will be allocated and paid as 85% for disputed interest, statutory penalties, and other non-wage damages for which IRS Forms 1099-MISC and 1099-INT will issue and 15% for disputed wages for which IRS Forms W-2 will issue. The PAGA Payment to Aggrieved employees will be paid as 100% for civil penalties.

Each Class Member's share of the Net Settlement Amount shall be determined by dividing their total weeks worked within the Class Period by the total weeks worked by all Class Members within the Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their total weeks worked within the PAGA Claim Period by the total weeks worked by all Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share. The PAGA Claim Period is defined as June 13, 2023, to September 2, 2025. Defendants' records indicate that you worked «PAGA_Workweeks» weeks during the applicable PAGA Claim Period, which means your share of the PAGA Payment is estimated to be \$«PAGA_Estimated_Settlement_Amount». You will still receive your share of the PAGA Payment even if you opt out of being a Class Member. Receipt of the Settlement Amounts will not entitle any Class Member or Aggrieved Employee to additional compensation or benefits under any compensation, retirement or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Defendants' Records and Resolution of Workweek Disputes

For each Class Member, the amount payable will be calculated by the Settlement Administrator from Defendants' records. Defendants' records will be presumed correct unless evidence to the contrary is provided to the Settlement Administrator. Defendants' records and any additional evidence will be reviewed by the Settlement Administrator in the event of a dispute about the number of workweeks worked by an individual Class Member. If a Class Member disputes the accuracy of Defendants' records, all supporting documents evidencing additional workweeks must be submitted by the Class Member. The dispute must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than November 29, 2025. The dispute will be resolved by the Claims Administrator based on the records and evidence provided.

D. Release of Claims

For those Class Members who do not opt out and Aggrieved Employees, the Agreement contains the following releases:

Class members who do not opt out will be deemed to have released all class claims that are alleged in the operative Complaint, and any additional wage and hour claims that could have been brought based on the facts alleged in the Complaint, through the Class Period. This release excludes the release of claims not permitted by law. The Released Class Claims exclude claims for workers' compensation or unemployment insurance benefits. This release will cover all Class Members who do not opt out.

Aggrieved Employees will be deemed to have released all claims that were brought under the PAGA, Labor Code § 2698, *et seq.* in the operative Complaint, contained in Plaintiffs notice letter to the L WDA, and any additional wage and hour PAGA claims that could have been brought based on the facts alleged in Plaintiffs notice letter to the L WDA and the operative Complaint during the PAGA Claim Period. Aggrieved Employees cannot opt out of this waiver of claims.

The individuals released ("Released Parties") includes Defendants, as well as Defendants and all their subsidiaries, parents, predecessors, successors, investors, affiliates, professional employer organizations, staffing

agencies, and current and former officers, shareholders, directors, members, agents, employees, independent contractors, consultants, representatives, attorneys, insurers, and reinsurers.

Class Members and/or Aggrieved Employees can talk to one of the lawyers appointed as Class Counsel (listed below) for free or talk to their own lawyer if they have questions about the released claims and what they mean.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Excluding Yourself from the Settlement as a Class Member

The Court will exclude you from being a Class Member if you request this by November 29, 2025. If you do not wish to be bound by the Settlement as a Class Member, you may request to be excluded (*i.e.*, “opt out”) by submitting a timely written request to the Settlement Administrator. The request to opt-out must (a) state your full name and date of birth; (b) a statement that you do not want to be a Class Member, do not want to participate in the Settlement, and/or want to be excluded from this Settlement; (c) identify the case name and number (*i.e.* *Lopez v. HSSG Inc., et al.*, Case No. 24CV435535); (d) be signed; and (e) be post-marked no later than November 29, 2025. The request to opt out must be mailed by First Class U.S. Mail, or the equivalent, to:

ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781

If you submit a request to opt out which is not postmarked by November 29, 2025, your request to opt out will be rejected, and you will be bound by the release and all other terms of the Agreement. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your request to opt out. Any Class Member who submits a complete and timely request to opt out shall, upon receipt by the Settlement Administrator, no longer be a Class Member and not receive their share of the Net Settlement Amount. Aggrieved Employees cannot opt out of this Agreement and will receive their share of the PAGA Payment regardless of whether they opt out of being a Class Member or submit a Claim Form.

B. Objection to Settlement

If you do not opt out of the Settlement, you can object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. You can ask the Court to deny approval by submitting an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. You may submit a written objection, which should (a) state your full name and date of birth; (b) provide evidence that you are, in fact, a Class Member; (c) state the reasons for the objection(s), including supporting documentation; (d) identify the case name and number (*i.e.* *Lopez v. HSSG Inc., et al.*, Case No. 24CV435535); (e) be signed; and (f) be post-marked no later than November 29, 2025. Written objections must be sent to the Settlement Administrator at the address identified in Section III.B. If you intend to object to the Settlement, but still wish to receive your share of the Net Settlement Amount, you must not exclude yourself from the settlement.

Additionally, or in the alternative to sending a written objection to the Settlement Administrator, you may appear at the final approval hearing to state your objection. Any Class Member who does not request exclusion may, if the Class Member so desires, enter an appearance through an attorney. If you appear through your own attorney, you are responsible for paying that attorney.

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

If the Court grants final approval of the Settlement, the Court will make and enter judgment consistent therewith. A notice of entry of order will be filed with the Court and available online at <https://santaclara.courts.ca.gov/online-services/case-information-online>. The judgment, whether favorable or not, will bind all Class Members who do not request exclusion. After final approval, each and every Class Member who does not opt out of the Settlement and Aggrieved Employee, will release Defendants and the

Released Parties from the Released Class Claims and Released PAGA Claims described above. In other words, if you were employed as a Class Member by Defendants in California during the Class Period, and you do not exclude yourself from the Settlement, you will be deemed to have entered into these releases and to have released the above-described claims. In addition, you will be barred from ever suing Defendants and the Released Parties with respect to the claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 19, 191 North First Street, San José, California 95113 on February 18, 2026, at 1:30 p.m. to determine whether the Agreement should be finally approved as fair, reasonable and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and costs, the Settlement Administrator Costs, and the Class Representative's Enhancement Payment. The hearing may be continued without further notice. It is not necessary for you to appear at this hearing. Class members may appear at the final approval hearing in person or remotely using the Microsoft Teams link for Department 19 (Afternoon Session), and should review the remote appearance instructions beforehand: https://www.scsccourt.org/general_info/ra_teams/video_hearings_teams.shtml. Class members who wish to appear remotely are encouraged to contact class counsel at least three days before the hearing, if possible, so that potential technology or audibility issues can be avoided or minimized.

VI. ADDITIONAL INFORMATION

You may access the Complaint, Class Counsel's motion for preliminary approval, the Agreement, and any other documents required by the Court at <https://portal.scsccourt.org/search>. You can also contact Class Counsel or Defendants' Counsel as follows:

Galen T. Shimoda
Justin P. Rodriguez
Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
On behalf of Plaintiff

Collin D. Cook
Amaris M. Stich
Fisher & Phillips LLP
One Montgomery Street, Suite 3400
San Francisco, California 94104
Tel: (415) 490-9000
Fax: (415) 490-9001
On behalf of Defendants

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS. IF YOU HAVE ANY QUESTIONS, CALL (888) 250-6810.

BY ORDER OF THE COURT

1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 Renald Konini (Cal. State Bar No. 312080)
Austin Sork (Cal. State Bar No. 360918)
3 **Shimoda & Rodriguez Law, PC**
9401 East Stockton Boulevard, Suite 120
4 Elk Grove, CA 95624
Telephone: (916) 525-0716
5 Facsimile: (916) 760-3733

6 Attorneys for Plaintiff JOSE DE JESUS LOPEZ VALDEZ
individually and on behalf of similarly situated employees
7

8 **SUPERIOR COURT OF CALIFORNIA**
9
10 **FOR THE COUNTY OF SANTA CLARA**

11 JOSE DE JESUS LOPEZ VALDEZ,
12 individually and on behalf of all other
13 similarly situated employees,

14 Plaintiff,

15 vs.

16 HSSG INC., a California Corporation;
17 HATCHERI LLC, a California Limited
Liability Company; HATCHERI FOODS
18 INC., a California Corporation; HATCHERI
FOOD PLATFORM, a Delaware Special
19 Purpose Vehicle, Limited Partnership; and
DOES 1 to 100, inclusive,
20

21 Defendants.
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Case No. 24CV435535

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION FOR FINAL
APPROVAL OF CLASS ACTION AND PAGA
SETTLEMENT**

Date: February 18, 2026

Time: 1:30 p.m.

Dept.: 19

Judge: Hon. Theodore C. Zayner

Filed: April 18, 2024

FAC Filed: June 13, 2024

Trial Date: None Set

1 TO ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD:

2 The Motion for Final Approval of Class Action and PAGA Settlement (“Motion”) in the above
3 referenced case came before this Court, on February 18, 2026, at 1:30 p.m., in Department 19 before
4 the Honorable Theodore C. Zayner, presiding. Plaintiff Jose De Jesus Lopez Valdez (“Plaintiff”) filed
5 this putative class action on April 18, 2024. The operative Complaint alleges that Defendants HSSG
6 Inc., Hatcheri LLC, Hatcheri Foods Inc., and Hatcheri Food Platform SPV, LP (collectively,
7 “Defendants”), violated California law by 1) failing to pay overtime wages, 2) failing to pay minimum
8 wages, 3) failing to pay all hours worked, 4) failing to provide meal periods, 5) failing to provide rest
9 periods, 6) failing to provide accurate wage statements, 7) failing to reimburse expenses, 8) failing to
10 pay final wages, and 9) by engaging in unfair competition. Plaintiff has also alleged Defendants are
11 liable for civil penalties under the Private Attorneys General Act (“PAGA”) based on these violations.
12 Plaintiff sought attorneys’ fees and costs as part of this Action. Defendants denied all of Plaintiff’s
13 claims and denied that this case was appropriate for class treatment. No class has been certified. The
14 class settlement was preliminarily approved by this Court on September 2, 2025.

15 The parties have agreed to settle the class and PAGA claims. Defendants will provide
16 monetary consideration in exchange for a release of claims consistent with the terms of the proposed
17 settlement as set forth in the Joint Stipulation Regarding Class Action and PAGA Settlement and
18 Release (“Agreement” or “Settlement”). Any capitalized terms herein shall have the same meaning as
19 set forth in the Agreement. The Court, having received and considered Plaintiff’s Motion for Final
20 Approval of Class Action and PAGA Settlement, the declarations in support, the Agreement, the
21 proposed Notice of Settlement, and other evidence, HEREBY ORDERS AND MAKES
22 DETERMINATIONS AS FOLLOWS:

23 **I. CERTIFYING A SETTLEMENT CLASS; APPOINTMENT OF CLASS**
24 **REPRESENTATIVE; APPOINTMENT OF CLASS COUNSEL**

25 The Court finds that certification of the following class for settlement purposes only is
26 appropriate under the California Code of Civil Procedure and related case law:

27 all non-exempt employees who worked or continue to work for
28 Defendants in California at any time between April 18, 2020, to
September 2, 2025.

1 The Court recognizes that the foregoing definition is for Class Member identification purposes
2 only and is not intended to capture the claims at issue or limit or alter the released claims under the
3 Agreement.

4 For settlement purposes only, the Court finds that Class Members meet the ascertainability and
5 numerosity requirements since the parties can identify with a matter of certainty, based on payroll
6 records, individuals who fall within the definition and the number of Class Members would make
7 joinder impractical. The commonality and predominance requirements are met for settlement purposes
8 since there are questions of law and fact common to Class Members. The common questions of law or
9 fact in this case all stem from Plaintiff's contentions that Defendants caused the violations outlined
10 above by allegedly 1) failing to pay Plaintiff and similarly situated employees for overtime hours on
11 days employees worked in excess of eight (8) hours per day and or forty (40) hours per week; 2) failing
12 to authorize and permit Plaintiff and similarly situated employees to take all meal and rest periods owed
13 to them; 3) failing to accurately itemize the hours and wages earned on paystubs issued to class
14 members and failing to provided wage statements that included the actual dates and hours worked by
15 employees; 4) requiring Plaintiff and similarly situated employees to incur expenses for work without
16 paying reimbursement for such expenses which included not paying reimbursement for mandatory use
17 of their personal cell phones, payments for store memberships, and travel; and 5) failing to timely pay
18 final wages. The PAGA, waiting time penalty, wage statement violation, and unfair competition claims
19 derive from these violations. Additionally, Class Members seek the same remedies under state law. The
20 typicality requirement for settlement purposes is also satisfied since the claims of the Class
21 Representative are based on the same facts and legal theories as those applicable to the Class Members.

22 The Court also finds that certifying the settlement class is required to avoid each Class Member
23 from litigating similar claims individually. This Settlement will achieve economies of scale for Class
24 Members with relatively small individual claims and conserve the resources of the judicial system.

25 The Court finds that Plaintiff Jose De Jesus Lopez Valdez and Plaintiff's counsel, Galen T.
26 Shimoda, Justin P. Rodriguez, Renald Konini, and Austin Sork of Shimoda & Rodriguez Law, PC, to be
27 adequate representatives of the settlement class. The Court appoints them as Class Representative and
28 Class Counsel, respectively.

1 **II. APPROVING CLASS ACTION AND PAGA SETTLEMENT**

2 The Court has again reviewed the preliminarily approved Agreement, which was submitted with
3 Plaintiff's Motion as Exhibit A. The Court finds that final approval is warranted as the Agreement falls
4 within the range of reasonableness and is fair, reasonable, and adequate for the class. The Court also
5 finds the Settlement was agreed upon only after extensive investigation, litigation, and arms-length
6 negotiations by counsel experienced in complex litigation, who took reasonable steps and measures to
7 weigh the potential value of the disputed claims against the risks of continued litigation. Class Members
8 were able to object to the Agreement and its terms through the administration process and at a fairness
9 hearing or opt-out of being bound by the preliminarily approved Agreement. No objections were made
10 by Class Members and no Class Members opted out of the settlement. Because the Court finds the
11 Parties' settlement to have been agreed upon only after an extensive investigation and arms-length
12 negotiations, and in an attempt to avoid further delays and costs, the Court gives final approval to the
13 Agreement and all terms therein as if stated here in full, including the \$225,000.00 Gross Settlement
14 Amount.

15 The Court approves of the Ten Thousand Dollars and Zero Cents (\$10,000.00) PAGA Payment,
16 which shall be paid from the Gross Settlement Amount, not in addition to the Gross Settlement Amount,
17 to resolve the alleged PAGA claims. Seventy-Five percent (75%) of the PAGA Payment will be paid to
18 the Labor and Workforce Development Agency ("LWDA") and Twenty-Five percent (25%) will be paid
19 to Aggrieved Employees on a pro rata basis as described in the Agreement. The Court also finds that
20 based on the facts of this case and the disputed issues, the Agreement provides a recovery that creates an
21 effective, substantial deterrent to any potential future non-compliance, furthering the purpose of the
22 Labor Code and LWDA.

23 The Court approves of the identified *cy pres* beneficiaries and distribution plan wherein any
24 checks issued to Participating Class Members and/or Aggrieved Employees that are not cashed by the
25 deadline to do so shall be donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc., and the Center for
26 Workers' Rights. *See In re Microsoft I-V Cases*, 135 Cal.App.4th 706, 718 (2006). No portion of the
27 Gross Settlement Amount will revert to Defendants for any reason.
28

1 The releases and waivers for Class Members who did not opt out of being bound by the
2 Agreement (*i.e.* Participating Class Members), Aggrieved Employees, and the Class Representative are
3 also approved by the Court as set forth in the Agreement.

4 Class Counsel sought an award of attorneys' fees of \$74,250.00, attorney's costs of \$10,099.98, an
5 Enhancement Payment to the Class Representative in the amount of \$10,000, and for Claims
6 Administrator Costs in the amount of \$7,000.00. Defendants do not oppose these requests. The Notice
7 of Settlement sent to Class Members included information regarding these amounts and that they would
8 be requested in connection with final approval of the Agreement. Class Members have been given the
9 opportunity to object to these amounts and no objections have been submitted in any respect whatsoever.
10 The Court has reviewed the evidence submitted by Class Counsel regarding their hourly rates, including
11 prior fee awards in Sacramento County Superior Court at the requested rates, and the amount of time
12 expended in the litigation for the benefit of Class Members. The Court finds that the rates requested and
13 hours expended are reasonable. The Court has also reviewed the updated itemized costs submitted by
14 Class Counsel, the information provided by the Class Representative regarding the efforts and burdens
15 undertaken for the benefit of the class, and the cost information provided by the Claims Administrator in
16 its declaration. The Court finds that these amounts requested for attorneys' fees and costs, the
17 Enhancement Payment, and the Claims Administrator Costs are fair and reasonable, and awarded as
18 requested and deducted from the gross settlement amount. This finding is further supported by the lack
19 of objection by Class Members to these amounts. The difference between the actual attorneys costs and
20 Claims Administrator Costs awarded and the originally allocated amount for each payment will be
21 added to the Net Settlement Amount pursuant to the terms of the Agreement.

22 **III. APPROVAL OF THE NOTICE OF SETTLEMENT AND METHOD FOR** 23 **DISTRIBUTING THE NOTICE OF SETTLEMENT**

24 The Court finds that the Notice of Settlement, which was submitted with Plaintiff's Motion as
25 Exhibit A to the Declaration of Nathalie Hernandez, fairly and adequately advised Class Members of the
26 terms of the Agreement, the rights being waived, their right to opt out, the ability to dispute the number
27 of workweeks worked during the Class Period, their pro rata share of the Net Settlement Amount, how
28 to participate in the settlement, how to file documentation in opposition to the proposed settlement, and

when to appear at the fairness hearing. The Court further finds that the Notice of Settlement and proposed distribution of such notice by first class mail to each identified Class Member at his or her most recent address based on a National Change of Address database search from the Class Members' last known address and a skip trace on any Class Members who have the Notice of Settlement returned as "undeliverable" or "not at this address" comported with all constitutional requirements, including those of due process.

IMPLEMENTATION SCHEDULE

Accordingly, with good cause shown, the Court hereby approves and orders that the following implementation schedule be adhered to:

Last day for Settlement Administrator to calculate the final Net Settlement Amount, the final Individual Settlement Amounts to Participating Class Members and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations to Class Counsel and Defendants' Counsel	Within 7 calendar days after the Effective Date
Last day for Defendants to fund settlement	Within 30 calendar days after the Effective Date
Last day for Settlement Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payments, PAGA Payment, Settlement Administrator Costs, payment to Participating Class Members, and payment to Aggrieved Employees	Within 7 calendar days after Defendants have funded the settlement
Last day for Participating Class Members and Aggrieved Employees to cash settlement checks	180 calendar days after issuance of checks to Participating Class Members and Aggrieved Employees
Last day for Settlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline
Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

1 IT IS FURTHER ORDERED that this final approval order is effective as a judgment with each
2 party to bear its own fees and costs outside of what has been ordered herein. This matter is subject to
3 the Court's continuing jurisdiction to monitor and enforce the terms of this order and the approved
4 Agreement.

5 **IT IS SO ORDERED.**

6
7 Date: _____

By: _____
Judge of the Superior Court

1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 Renald Konini (Cal. State Bar No. 312080)
Austin Sork (Cal. State Bar No. 360918)
3 **Shimoda & Rodriguez Law, PC**
9401 East Stockton Boulevard, Suite 120
4 Elk Grove, CA 95624
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5 Facsimile: (916) 760-3733
Email: attorney@shimodalaw.com
6 jrodriguez@shimodalaw.com
rkonini@shimodalaw.com
7 asork@shimodalaw.com

8 Attorneys for Plaintiff JOSE DE JESUS LOPEZ VALDEZ
individually and on behalf of similarly situated employees
9

10 **SUPERIOR COURT OF CALIFORNIA**
11 **FOR THE COUNTY OF SANTA CLARA**
12

13 JOSE DE JESUS LOPEZ VALDEZ,
14 individually and on behalf of all other
similarly situated employees,

15 Plaintiff,

16 vs.
17

18 HSSG INC., a California Corporation;
HATCHERI LLC, a California Limited
19 Liability Company; HATCHERI FOODS
INC., a California Corporation; HATCHERI
20 FOOD PLATFORM, a Delaware Special
Purpose Vehicle, Limited Partnership; and
21 DOES 1 to 100, inclusive,

22 Defendants.
23
24
25
26
27
28

Case No. Case No. 24CV435535

*Assigned for All Purposes to
Hon. Theodore C. Zayner
Department 19*

CLASS ACTION

PROOF OF SERVICE

Date: February 18, 2026
Time: 1:30 p.m.
Dept.: 19
Judge: Hon. Theodore C. Zayner

Filed: April 18, 2024
FAC Filed: June 13, 2024
Trial Date: None Set

Lopez Valdez v. HSSG Inc.
Santa Clara County Superior Court of California 24CV435535

**PROOF OF SERVICE — CCP §§ 1013a and 2015.5
and California Rules of Court, Rule 1.21 and Rule 2.150**

I, Shaniya Baird, declare that:

I am a citizen of the United States and am over the age of eighteen years and not a party to the within above-entitled action.

On January 21, 2026, I served the following documents on the party below:

- **PLAINTIFF’S NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT OF PLAINTIFF’S MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **EXHIBIT LIST AND EXHIBITS IN SUPPORT OF PLAINTIFF’S MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **DECLARATION OF GALEN T. SHIMODA IN SUPPORT OF PLAINTIFF’S MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **DECLARATION OF JOSE DE JESUS LOPEZ VALDEZ IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**
- **DECLARATION OF NATHALIE HERNANDEZ OF ILYM GROUP, INC., IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT**
- **[PROPOSED] ORDER GRANTING PLAINTIFF’S MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**

Collin D. Cook (SBN: 251606) Amaris M. Stich (SBN: 274477) FISHER & PHILLIPS LLP One Montgomery Street, Suite 3400 San Francisco, CA 94104 Telephone: (415) 490-9000 Facsimile: (415) 490-9001 Email: ccook@fisherphillips.com astich@fisherphillips.com kcstantino@fisherphillips.com	
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[] [By Mail] I am familiar with my employer’s practice for the collection and processing of correspondence for mailing with the United States Postal Service and that each day’s mail is deposited with the United States Postal Service that same day in the ordinary course of business. On the date set forth above, I served the aforementioned document(s) on the parties in said action

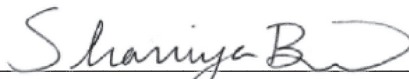
1 by placing a true copy thereof enclosed in a sealed envelope with postage
2 thereon fully prepaid, for collection and mailing on this date, following
ordinary business practices, at Salt Lake City, Utah, addressed as set forth
above.

3 [] [By Personal Service] By personally delivering a true copy thereof to the
4 office of the addressee above.

5 [XXX] [By Electronic Mail] I e-mailed the documents(s) to the person(s) shown
above. No error was reported by the e-mail service that I used.

6 [] [By Overnight Courier] By causing a true copy and/or original thereof to be
7 personally delivered via the following overnight courier service: _____.

8 I declare under penalty of perjury under the laws of the State of California that the foregoing is
9 true and correct, and that this declaration was executed on January 21, 2026, at Salt Lake City, Utah.

10 
11 _____
Shaniya Baird