

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
Email: attorney@shimodalaw.com
6 jrodriguez@shimodalaw.com
7 rkonini@shimodalaw.com
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

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

Date: August 6, 2025
Time: 1:30 p.m.
Dept.: 19
Judge: Hon. Theodore C. Zayner

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

1 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

2 PLEASE TAKE NOTICE that on August 6, 2025, 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, will move for entry of an
5 Order for the following:

- 6 1. Preliminarily certifying the proposed class herein for purposes of settlement;
- 7 2. Preliminarily appointing Plaintiff Jose De Jesus Lopez Valdez as Class Representative for
8 purposes of settlement;
- 9 3. Preliminarily appointing Shimoda & Rodriguez Law, PC, as Class Counsel for purposes of
10 settlement;
- 11 4. Preliminarily approving the proposed class action and Private Attorney's General Act
12 settlement, in the amount of \$225,000.00, which is incorporated herein by reference;
- 13 5. Preliminarily approving the appointment of ILYM Group, Inc. as the Settlement
14 Administrator and for payment to ILYM Group, Inc. for administering said class action
15 settlement in an amount not to exceed \$10,000.00;
- 16 6. Preliminarily approving the settlement of claims under the Private Attorneys General Act for
17 the total amount of \$10,000.00, 75% of which will be paid to the Labor and Workforce
18 Development Agency and 25% of which will be paid to Aggrieved Employees;
- 19 7. Approving as to form and content the Notice of Settlement, which provides Class Members
20 information regarding the Settlement, their ability to opt out of, or object to, the Settlement,
21 and which provides instruction on how to dispute an individual's settlement allocation under
22 the proposed Settlement;
- 23 8. Approving the proposed procedures to notify the class and determining that they comply with
24 Class Members' due process rights and directing the Notice of Settlement to be sent by first
25 class mail to Class Members;
- 26 9. Directing Defendants to report employment information as set forth in the Agreement to the
27 Settlement Administrator to administer the settlement proceeds;
- 28

1 10. Scheduling a fairness hearing on the question of whether the proposed Settlement should be
2 finally approved as fair, reasonable, and adequate;

3 11. Directing that any funds from settlement checks that were not cashed by the check cashing
4 deadline be donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc., and the Center for Workers
5 Rights under the doctrine of *cy pres*; and

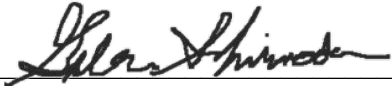
6 12. Preliminarily approving and adopting the Proposed Order and its implementation schedule,
7 which is filed herewith and incorporated by reference.

8 This motion is being made pursuant to Code of Civil Procedure section 382, Labor Code section
9 2699(l)¹, and California Rules of Court 3.769 and 3.764, on the grounds that the proposed class action
10 and Private Attorneys General Act settlement is fair, reasonable, and adequate as to all Class Members
11 and should be approved by the Court. This motion will be based on the notice of motion, memorandum
12 of points and authorities, the Declaration of Galen T. Shimoda, the Declaration of Jose De Jesus Lopez
13 Valdez, exhibits, the record and files of this case, and any further oral or documentary evidence
14 introduced at the hearing of this motion.

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

26 Dated: July 15, 2025

Shimoda & Rodriguez Law, PC

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

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 PAGA notice 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.

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Shimoda & Rodriguez Law, PC
9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
Facsimile: (916) 760-3733
Email: attorney@shimodalaw.com
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. 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 PRELIMINARY APPROVAL
OF CLASS ACTION AND PAGA
SETTLEMENT**

Date: August 6, 2025
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

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I. INTRODUCTION AND OPENING SUMMARY OF ARGUMENT

Plaintiff Jose De Jesus Lopez Valdez (“Plaintiff”) seeks preliminary 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). 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.

It is well within the discretion of this Court to grant preliminary approval of the Agreement as it satisfies all applicable criteria under California law. Accordingly, Plaintiff is requesting that the Court:

(1) certify the proposed settlement class on a preliminary and conditional basis; (2) grant preliminary and conditional approval of the proposed Agreement (Exhibit A); (3) approve the form and content of the Notice of Settlement (Exhibit F) and the method for providing notice to Class Members as set forth in the Agreement; and (4) adopt the implementation schedule contained in the proposed order.

II. PROCEDURAL AND LITIGATION HISTORY

Plaintiff filed a class action complaint on approximately April 18, 2024, in Santa Clara County Superior Court against Defendants. Plaintiff exhausted administrative remedies under the PAGA by providing notice of the claims and violations to the LWDA. *See* Exhibit C; Cal. Lab. Code § 2699.3(a), (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 id.* at ¶¶ 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

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 PAGA notice here 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 settlement. *See id.*

2 **IV. NEGOTIATION AND PROPOSED SETTLEMENT**

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

4 The final settlement occurred only after extended, arm's length negotiations. Over the course of
5 approximately seventeen months, Plaintiff has been investigating the claims and discussing with
6 Defendants' counsel the merits of the claims and issues present in this case. *See id.* at ¶¶ 3-7. The
7 Parties exchanged substantial amounts of information and legal analysis in connection with these
8 discussions. *See id.* It was only after these extended discussions, which included a full day mediation
9 with Russ J. Wunderli and a mediator's proposal, that the Parties were able resolve all claims and enter
10 into the Agreement. *See id.* at ¶ 9.

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

12 1. The following groups of individuals are covered by the Agreement: (a) Class Members,
13 which include all non-exempt employees who worked or continue to work for Defendants in California
14 at any time between April 18, 2020 and the date of preliminary approval of the class certification and
15 PAGA settlement; and (b) Aggrieved Employees, which include all non-exempt employees who
16 worked or continue to work for Defendants in California at any time between June 13, 2023 and the
17 date of preliminary approval of the class certification and PAGA settlement. *See Exhibit A, ¶¶ 1.2, 1.5.*
18 There are approximately 185 Class Members and 118 Aggrieved Employees. *See id.*

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

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

1 4. Subject to Court approval, the Parties have selected ILYM Group, Inc. to act as the
2 Settlement Administrator, who has provided a maximum cost estimate of \$7,000.00. *See* Exhibit D
3 (ILYM Group Inc. Bid); Exhibit A, ¶ 1.33; Decl. Shimoda, ¶ 20.

4 5. The Parties agree that \$10,000.00 of the Gross Settlement Amount shall be allocated to
5 resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment will be paid to
6 the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees. *See* Exhibit A, ¶
7 5.5. Given the risk to proving the claims on the merits, the derivative nature of the penalties, the efforts
8 by Defendants to maintain compliant policies and take corrective action, the presence of what may
9 likely be deemed good faith disputes, and the Court's discretion to reduce any penalty award, the
10 \$10,000.00 PAGA Payment allocation represents a meaningful settlement aimed at deterring non-
11 compliance given the facts of this case. *See* Decl. Shimoda, ¶¶ 5-11; *see also Nordstrom Com. Cases*,
12 186 Cal.App.4th 576, 589 (2010) (approving \$0 allocation to the resolution of PAGA claims based on
13 their being disputed and being part of a class settlement which was evaluated based on the terms of the
14 agreement overall); *Junkersfeld v. Med. Staffing Sols., Inc.*, 2022 WL 2318173, *8 n.2 (E.D. Cal. 2022)
15 (collecting cases with PAGA settlement values ranging from .037%-1%); *Jennings v. Open Door*
16 *Marketing, LLC*, 2018 WL 4773057, *9 (N.D. Cal. 2018) (approving settlement of PAGA claims at
17 0.6% of total estimated value due to risk of no recovery); *Ruch v. AM Retail Grp., Inc.*, 2016 WL
18 5462451, *7 (N.D. Cal. 2016) (approving \$10,000 PAGA settlement allocation where total PAGA
19 penalty exposure was approximately \$5.2 million, or 0.2% of total estimated value); *Davis v. Cox*
20 *Commc'ns California, LLC*, 2017 WL 1496407, *1 (S.D. Cal. 2017) (preliminarily approving \$4,000
21 PAGA allocation in \$275,000 settlement); *Moore v. Fitness Int'l, LLC*, 2014 WL 12571448, *5 (S.D.
22 Cal. 2014) (approving \$2,500 PAGA allocation when attorneys' fees award alone amounted to
23 \$200,000); *Jack v. Hartford Fire Ins. Co.*, 2011 WL 4899942, *6 (S.D. Cal. 2011) (approving \$3,000
24 PAGA allocation in \$1,200,000 settlement); *Singer v. Becton Dickinson & Co.*, 2010 WL 2196104, *2
25 (S.D. Cal. 2010); *Hopson v. Hanesbrands Inc.*, 2009 WL 928133, *1, *9 (N.D. Cal. 2009) (approving
26 \$1,500 PAGA allocation in \$1,026,000 settlement); *Syed v. M-I, L.L.C.*, 2017 WL 714367, *13 (E.D.
27 Cal. 2017) (approving \$100,000 PAGA allocation in \$3,950,000 gross settlement amount allocated to
28 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 id.* at ¶ 5.2. Additionally, the Parties agree that Plaintiff will also be entitled to the actual litigation costs as approved by the Court in an amount not to exceed \$12,000.00. *See id.* The proposed notice to be sent to Class Members will state this information. *See* Exhibit F.

7. Any amounts allocated under the Agreement for Settlement Administrator Costs, any Enhancement Payment, and attorney's fees and costs that are not ultimately awarded by the Court will remain part of the Net Settlement Amount and be paid out to Participating Class Members on a pro rata basis as set forth in the Agreement. *See* Exhibit A, ¶¶ 5.1-5.5, 5.8. These amounts will be paid out from the Gross Settlement Amount, not in addition to the Gross Settlement Amount. *See* Exhibit A, ¶¶ 5.1-5.5.

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

9. For any portion of the Net Settlement Amount or PAGA Payment allocated to Participating Class Members and/or Aggrieved Employees that is not claimed by them by cashing their respective settlement checks within 180 calendar days of issuance, that remaining amount shall be donated equally, *i.e.*, 50/50 to Capital Pro Bono, Inc., and the Center for Workers' Rights under the doctrine of *cy pres*. *See* Exhibit A, ¶ 5.6. Because the Agreement provides for the distribution of all funds such that there is no residue, the provisions of California Civil Procedure Code section 384 are

1 inapplicable. *See In re Microsoft I-V Cases*, 135 Cal.App.4th 706, 718, 720 (2006). The designated
2 beneficiaries clearly promote the law consistent with the objectives and purposes underlying the lawsuit
3 as they are non-profits aimed at assisting employees with wage and hour claims who cannot afford
4 legal representation, including providing representation for employees in wage claims before the
5 California Labor Commissioner. *See id.* at 722-724; *see also* Decl. Shimoda, ¶¶ 23-28.

6 **c. Allocation of Settlement Funds**

7 Payment to Participating Class Members and Aggrieved Employees will not require the
8 submission of a claim form. A Net Settlement Amount will be determined by subtracting from the
9 Gross Settlement Amount any attorneys' fees and costs, any Enhancement Payment, Settlement
10 Administrator Costs, and/or PAGA Payment that are approved and/or awarded by the Court. Each
11 Class Member's share will be determined by dividing their total weeks worked within the Class Period
12 by the total weeks worked by all Class Members within the Class Period. That fraction will then be
13 multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net
14 Settlement Amount. Fifteen percent (15%) of the payment to Participating Class Members will be
15 characterized as W-2 wages and eighty-five percent (85%) will be characterized as 1099 income for tax
16 reporting purposes. *See id.* ¶¶ 5.9.1-5.9.2.

17 Each Aggrieved Employee's share of the PAGA Payment will be determined by dividing their
18 total weeks worked within the PAGA Claim Period by the total weeks worked by all Aggrieved
19 Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of
20 the PAGA Payment to arrive at the Aggrieved Employee's individual share. *See* Exhibit A, ¶¶ 1.17,
21 5.5, 5.8. The payment to Aggrieved Employee's will be characterized as 1099 income for tax reporting
22 purposes. *See id.* at ¶ 5.9.3.

23 **V. THE PROPOSED PROCEDURES TO NOTIFY CLASS MEMBERS SATISFY DUE**
24 **PROCESS AS THEY PROVIDE THE BEST NOTICE PRACTICABLE UNDER THE**
25 **CIRCUMSTANCES**

26 It is not required that Class Members be given actual notice of a class settlement; instead, the
27 best practicable notice under the circumstances is all that is required. *See Silber v. Mabon*, 18 F.3d
28 1449, 1453 (9th Cir. 1994); *Briseno v. ConAgra Foods, Inc.*, 844 F.3d 1121, 1129 (9th Cir. 2017);
Walsh v. CorePower Yoga LLC, 2017 WL 4390168, *5 (N.D. Cal. 2017); *Wright v. Linkus Enters.*, 259

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

13 Under the proposed notice procedures, Class Members will have sixty (60) days from the date
14 of mailing to review and respond to the Notice of Settlement, which will also be available online. See
15 Exhibit A, ¶¶ 1.21, 7.2. The Notice of Settlement contains all information necessary for Class
16 Members to assess the litigation, the Settlement, and whether they want to participate, object, or opt-
17 out. See *id.* at ¶¶ 7.2, 7.4, 7.5.1-7.5.3; Exhibit F. National change of address database searches, skip-
18 traces, and surveying of current employees will be utilized as set out in the Agreement to provide the
19 best practical means of ensuring Class Members receive the notice mailing. See Exhibit A, ¶¶ 7.3-7.4.
20 Any individual whose initial mailing was deemed undeliverable will have additional time to respond.
21 See *id.* at ¶ 7.4. Additional time to respond will also be provided to cure any deficiencies in opt-outs,
22 objections, or disputes. See *id.* ¶ 7.5.4. This notice method is regularly utilized in wage and hour class
23 actions and similar to the one approved in *Rannis*. Thus, the proposed procedures for notifying Class
24 Members satisfy due process and should be approved in this case.

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

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

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

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

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 1794, 1801 (1996). However, this Court should begin its analysis with a presumption that the proposed
2 settlement is fair. “A presumption of fairness exists where: (1) the settlement is reached through arm’s
3 length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act
4 intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is
5 small.” *Id.* at 1802.

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

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

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

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

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

24 Plaintiff’s counsel have considerable experience in complex litigation such as class and PAGA
25 actions. *See* Decl. Shimoda, ¶¶ 13-19. Thus, Plaintiff’s counsel are qualified to evaluate the class
26 claims, the value of settlement versus moving forward with litigation, and viability of possible
27 affirmative defenses. Plaintiff’s counsel believe that the Agreement is fair, reasonable, and adequate in
28 light of the risks associated with the claims, the uncertainties of complex litigation, and the secured

benefit to Class Members. *See id.*

iv. The Settlement is Fair, Reasonable, and Adequate Based on the Strength of Plaintiff's Case and the Risks and Costs of Further Litigation

Plaintiff's claims and the ability to obtain and maintain certification all the way through trial were heavily disputed by Defendants. *See* Decl. Shimoda, ¶¶ 5-6. Based on the records and facts of this case, Plaintiff has secured a gross recovery of approximately 5.8% of the maximum value of all claims in this matter (\$3,822,837.66) and between 16% and 52% of the more realistic range of recovery (\$432,692.31 to \$1,406,250.00). *See* Decl. Shimoda, ¶¶ 10-11. The net recovery represents approximately 3% of the maximum value of the claims in this matter and 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). *See id.*

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

1 Court finds that the results achieved are good, which is highlighted by the fact that there was no
2 objection to the settlement amount or the attorneys' fees requested"), *report and recommendation*
3 *adopted*, 2012 WL 13040405 (E.D. Cal. 2012); *Gardner v. GC Servs., LP*, 2012 WL 1119534, *7 (S.D.
4 Cal. 2012) ("the results achieved in this case were very favorable. Class members are provided with
5 immediate monetary relief, with an average award of around several hundred dollars and a minimum
6 award of \$50").

7 **v. The Proposed Settlement is a Reasonable Compromise of Claims**

8 In *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116 (2008), the Court required additional
9 information be presented in class action settlements "to ensure that the recovery represents a reasonable
10 compromise, given the magnitude and apparent merit of the claims being released, discounted by the
11 risks and expenses of attempting to establish and collect on those claims by pursuing the
12 litigation" *Id.* at 129. *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal.App.4th 399
13 (2010), clarified that *Kullar* does not require an illusory prediction of the outer reaches of exposure
14 without taking into account the actual risks of litigation such as dispositive motions and trial. *Kullar*
15 also does not require an explicit statement of the maximum amount to be recovered if a plaintiff
16 prevailed on all the claims, provided there is a record that allows "an understanding of the amount that
17 is in controversy and the realistic range of outcomes of the litigation." *Id.* at 409.

18 Plaintiff has thoroughly set forth the realistic range of outcomes in this litigation as well as the
19 data points relied upon in reaching these ranges. *See* Decl. Shimoda ¶¶ 10-11. The record
20 demonstrates that the compromises made by Plaintiff was reasonable and have resulted in a settlement
21 with recovery percentage well within the range of what has been found to be sufficient in several other
22 cases. *See, supra*, Section VI.a.iv; *see also Linney v. Cellular Alaska P'ship*, 151 F.3d 1234, 1242 (9th
23 Cir. 1998) ("The fact that a proposed settlement may only amount to a fraction of the potential recovery
24 does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be
25 disapproved"); *City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 455 (2d Cir. 1974) ("In fact there is no
26 reason, at least in theory, why a satisfactory settlement could not amount to a hundredth or even a
27 thousandth part of a single percent of the potential recovery").
28

1 **b. Provisional Certification of the Class is Appropriate**

2 Class certification is appropriate when (1) the class is ascertainable and (2) there is “a well-
3 defined community of interest in the questions of law and fact involved affecting the parties to be
4 represented.” *Dunk*, 48 Cal.App.4th at 1806. The “community of interest” element “embodies three
5 factors: (1) common questions of law or fact predominate; (2) class representatives with claims or
6 defenses typical of the class; and (3) class representatives who can adequately represent the class.” *Id.*
7 Here, the Parties agree that, for the purposes of settlement, these prerequisites are met. *See* Exhibit A.

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

9 The proposed settlement class is ascertainable because all putative Class Members can be
10 readily identified through employee personnel and payroll files. *See Noel*, 7 Cal.5th at 980; *Rose v.*
11 *City of Hayward*, 126 Cal.App.3d 926, 932 (1981); *Lee v. Dynamex, Inc.*, 166 Cal.App.4th 1325, 1334
12 (2008). The numerosity requirement is met because there are 185 individuals who fall within the
13 definition of Class Member, which makes joinder of all members impracticable. *See Gay v. Waiters’ &*
14 *Dairy Lunchmen’s Union*, 489 F.Supp. 282 (N.D. Cal. 1980), *aff’d* 694 F.2d 531 (9th Cir. 1982);
15 *Hebbard v. Calgrove*, 28 Cal.App.3d 1017, 1030 (1972) (noting no set minimum to meet the
16 numerosity prerequisite, but a class as few as twenty-eight (28) members is acceptable). Thus, these
17 requirements are satisfied.

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

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

4 The common questions of law and fact in this case stem from Plaintiff's contention that
5 Defendants 1) failed to pay employees for overtime hours on days employees worked in excess of eight
6 (8) hours per day and or forty (40) hours per week; 2) Defendants did not authorize and permit Plaintiff
7 and similarly situated employees to take all meal and rest periods owed to them; 3) Plaintiff and
8 similarly situated employees were employed for periods of more than five hours without receiving an
9 uninterrupted thirty (30) minute meal period; 4) Plaintiff and similarly situated employees did not
10 receive an uninterrupted ten (10) minute rest period every four hours or major fraction thereof they
11 worked; 5) Defendant failed to accurately itemize the hours and wages earned on paystubs issued to
12 class members and failed to provided wage statements that included the actual dates and hours worked
13 by employees; and 6) Defendants required Plaintiff and similarly situated employees to incur expenses
14 for work without paying reimbursement for such expenses which included not paying reimbursement
15 for mandatory use of their personal cell phones, payments for store memberships, and travel. *See*
16 Exhibit B. The waiting time penalties, unfair competition, and PAGA claims are derivative of these
17 violations. *See id.* Plaintiff and the Class Members seek the same remedies under state law. Under
18 these specific circumstances, the commonality and predominance requirements are satisfied. Regarding
19 the typicality requirement, Plaintiff contends he suffered from the same unlawful policies, treatment,
20 and circumstances as Class Members did, will request the same remedies, and will rely on the same
21 methods of proof to establish liability and damages. *See id.* Thus, the typicality requirement is also
22 satisfied for settlement purposes.

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

24 The adequacy of representation requirement is met if the named representative and counsel have
25 no interests adverse to those of the putative class members and are committed to vigorously prosecuting
26 the case on behalf of the class. *See Hanlon*, 150 F.3d at 1020; *McGhee v. Bank of America*, 60
27 Cal.App.3d 442, 450-51 (1976). Those standards are met here. Under the proposed Agreement,
28 Plaintiff and the putative Class Members will receive a pro rata share of the settlement based on the

number of workweeks they worked for Defendants. *See* Exhibit A. Finally, any settlement class member who wishes to opt-out of the settlement may do so, and he or she may also dispute the number of workweeks stated in the Notice of Settlement (Exhibit F).

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

VII. ATTORNEY'S FEES AND COSTS, ENHANCEMENT PAYMENT TO THE CLASS REPRESENTATIVE, AND SETTLEMENT ADMINISTRATOR COSTS TO BE REQUESTED IN CONNECTION WITH FINAL APPROVAL

Plaintiff is not requesting any determination with respect to attorney's fees and costs, Enhancement Payment, or Settlement Administrator Costs at this time. Rather, should the Court grant preliminary approval, Plaintiff will make the request for these amounts as set out in the Agreement as part of their final approval briefing. Specifically, Plaintiff will request the Court award attorney's fees in the amount of \$74,250.00 (33% of the Gross Settlement Amount), costs in an amount not to exceed \$12,000.00, Settlement Administrator Costs in an amount not to exceed \$10,000.00, and an Enhancement Payment for the Class Representative in the amount of \$10,000.00.

Plaintiff believes an award of attorney's fees under the common fund doctrine is appropriate 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.").

1 In this case, the Agreement allocates thirty three percent (33%) of the Gross Settlement Amount
2 (\$74,250.00) as the maximum potential fee award. *See* Exhibit A, ¶ 5.2. This is well within the range
3 of fee awards percentages approved in common fund cases. *See, e.g., Martin v. AmeriPride Servs.,*
4 *Inc.*, 2011 WL 2313604, *8 (S.D. Cal. 2011) (collecting cases and noting fee awards may range
5 between 30%-40% where the gross settlement amount is less than \$10 million); *Singer*, 2010 WL
6 2196104, *8 (collecting cases wherein the fee awards ranged from 33.33% to 40% of the gross
7 settlement amount, including *Ingalls v. Hallmark Mktg. Corp.*, 08cv4342 VBF (Ex), Doc. No. 77, ¶ 6
8 (C.D. Cal. Oct. 16, 2009) [awarding 33.33% fee on a \$5.6 million wage and hour class action], *Birch v.*
9 *Office Depot, Inc.*, Case No. 06cv1690 DMS (WMC), Doc. No. 48, ¶ 13 (S.D. Cal. Sept. 28, 2007)
10 [awarding a 40% fee on a \$16 million wage and hour class action], and *Rippee v. Boston Mkt. Corp.*,
11 Case No. 05cv1359 BTM (JMA), Doc. No. 70, at 7–8 (S.D. Cal. Oct. 10, 2006) [awarding a 40% fee
12 on a \$3.75 million wage and hour class action]).

13 Similarly, the amounts allocated for any Enhancement Payment and Settlement Administrator
14 Costs are also within ranges that have been approved in similar cases. *See Cellphone Termination Fee*
15 *Cases*, 186 Cal.App.4th at 1393 (approving \$10,000 awards to each of the four (4) named plaintiffs);
16 *West v. Circle K Stores, Inc.*, 2006 WL 8458679, *2–3, *7–*8 (E.D. Cal. 2006) (awarding \$15,000 to
17 each of the named representatives who spent 100 hours and 80 hours, respectively, prosecuting the case
18 on behalf of class members)⁴; *Dent v. ITC Serv. Grp., Inc.*, 2013 WL 5437331, *4, *7, *9 (D. Nev.
19 2013) (awarding a \$15,000 representative enhancement out of a \$150,000 settlement for approximately
20 530 class members); *Patel v. Nike Retail Services, Inc.*, 2019 WL 2029061, *1, *4 (N.D. Cal. 2019)
21 (\$5,261 for settlement administrator’s fees was not excessive where PAGA group consisted of 40
22 employees). Any allocated amounts for attorney’s fees and costs, any Enhancement Payment, and/or
23 Settlement Administrator Costs that are not ultimately awarded by the Court will be distributed to Class
24 Members pro rata. *See* Exhibit A, ¶¶ 5.2–5.4, 5.8.

25
26 ⁴ In *West*, information necessary to assess enhancement payments relative to average payments received by class members
27 was stated in connection with preliminary approval proceedings. There were 1,752 class members in the vacation subclass
28 and 14,000 class members in the meal period subclass, totaling 15,752 class members in all. Thus, in a \$5,000,000 gross
settlement, the *West* Court approved the \$15,000 enhancements where the average gross award for class members was
\$317.42. *Compare West v. Circle K Stores, Inc.*, 2006 WL 1652598, *3 (E.D. Cal. 2006) with *West v. Circle K Stores, Inc.*,
2006 WL 8458679 at *2–3, *7–*8.

1 Plaintiff's final approval briefing will include information and analysis regarding the
2 appropriateness of the fee percentage sought, a lodestar cross check of the requested fee, a detailed
3 declaration from Plaintiff regarding their time spent on the case as well as any risks and burdens
4 incurred as the Class Representative, an itemized costs spreadsheet, and a declaration from the
5 Settlement Administrator detailing the work performed and Settlement Administrator Costs incurred.
6 See Decl. Shimoda ¶ 19. The Notice of Settlement will state the amounts to be requested to provide
7 Class Members the ability to comment thereon, providing evidence of whether the requested amounts
8 are reasonable. See Exhibit F at pg. 2, § II.A; see also *In re Heritage Bond Litig.*, 2005 WL 1594403,
9 *21 (C.D. Cal. 2005) (“The absence of objections or disapproval by class members to Class Counsel's
10 fee request further supports finding the fee request reasonable”).

11 **VIII. CONCLUSION**

12 For all of the foregoing reasons, the Court should preliminarily and conditionally certify the
13 class for settlement purposes; grant preliminary and conditional approval of the proposed settlement;
14 approve the proposed notification procedures, including the Notice of Settlement and proposed
15 deadlines relating thereto; and schedule the final approval hearing. A copy of Plaintiff's proposed order
16 is being filed concurrently herewith.

17
18 **Shimoda & Rodriguez Law, PC**

19
20 Dated: July 14, 2025

By: _____



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

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 (Cal. State Bar No. 360918)
Shimoda & Rodriguez Law, PC
9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
Facsimile: (916) 760-3733
Email: attorney@shimodalaw.com
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. 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
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: August 6, 2025

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 Preliminary Approval of Class Action and PAGA Settlement ("Motion"). A true
6 and 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 allegations that
15 Defendants violated California law by: 1) Defendants failed to pay employees for overtime hours on
16 days employees worked in excess of eight (8) hours per day and or forty (40) hours per week; 2)
17 Defendants did not authorize and permit Plaintiff and similarly situated employees to take all meal and
18 rest periods owed to them; 3) Plaintiff and similarly situated employees were employed for periods of
19 more than five hours without receiving an uninterrupted thirty (30) minute meal period; 4) Plaintiff and
20 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 and
12 Defendants did not utilize the cure procedures under the statute. As such, Plaintiff became authorized
13 to commence a civil action under the PAGA and filed a First Amended Complaint on June 13, 2024. A
14 true and correct copy of Plaintiff's operative Complaint is filed with this Motion as Exhibit B. A copy
15 of the Complaint was uploaded to the LWDA after we received a file stamped copy back from the
16 Court.

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

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

1 Plaintiff and Class Members. Also, Defendants have contended that this matter is not appropriate for
2 class certification outside of this proposed class settlement.

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

22 7. Another significant consideration in agreeing to the Settlement was Defendants' financial
23 condition. During negotiations, Defendants contended significant financial constraints impaired their
24 ability to pay any settlement or judgment beyond the Gross Settlement Amount. In order to assess the
25 claims of financial hardship and evaluate the potential for any bankruptcy filing, our office reviewed
26 Defendants' tax returns and year-to-date financial statements. The documents reviewed allowed us to see
27 the current debts, assets, and liabilities for the company and other potential sources of recovery if Plaintiff
28 was successful in obtaining a judgment in favor of the class. It also allowed us to review the company's

1 historical performance to determine if the condition was likely to improve, get worse, or stay the same.
2 After review of these documents, I believe the payment obligations set forth in the Agreement strike an
3 appropriate balance of maximizing payouts to Class Members while avoiding insolvency by Defendants.
4 It allows Class Members to still receive payment while also reducing the likelihood that currently
5 employed Class Members will lose their job due to layoffs or shutting down the company.

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

25 9. Throughout this litigation our office had numerous communications with Defendants'
26 Counsel discussing our respective positions. The parties engaged in mediation on December 6, 2024,
27 using an experienced mediator, Russ J. Wunderli. It was only after approximately fifteen months of
28 extensive, arm's length negotiations that the parties were able to reach a settlement, which only occurred

1 after full-day mediation and a mediator's proposal. The negotiations were, at all times, contentious,
2 adversarial, and at arms-length, though still professional in nature.

3 10. Based on my office's analysis of the informal discovery outlined above, there were
4 approximately 185 Class Members who worked 8,418 weeks in the Class Period, 118 Aggrieved
5 Employees who worked 2,471 pay periods during the PAGA Claim Period, an average base hourly rate
6 of approximately \$20.41, and an average overtime rate of approximately \$30.62. We did not find any
7 prior Labor Commissioner or Court decisions stating Defendants' practices and/or policies were
8 improper. As such, a "subsequent violation" may not be found for penalty calculation purposes, and
9 the penalty exposure analysis herein is based on an "initial violation" valuation being adopted by any
10 fact finder if this matter went to trial. *See Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1207-
11 1209 (2008). We also interviewed several employees, covering their work experiences in relation to
12 the asserted claims and have incorporated that information into the damages analysis. The following
13 represents the maximum recovery as well as the more realistic range of recovery for each of Plaintiff's
14 claims:

- 15 a) Minimum Wages: This claim is based on allegations that Defendants failed to pay
16 Plaintiff and Class Members at least the minimum wage for all hours worked due to
17 Defendants requiring employees to work off-the-clock while traveling and setting up
18 worksite locations, failed to accurately record employee's hours worked when
19 supervisors recorded working hours, underpaying employees as a result of rounding
20 their actual hours worked, deducting time from employee's time records for meal and/or
21 rest breaks that were not actually taken and/or shorter than the amount of time deducted,
22 failing to pay for non-productive time occurring as a result of Defendants' incentive
23 based compensation system. The maximum damages for this claim are approximately
24 \$97,859.25. This amount does not take into account any potential risks with respect to
25 Plaintiff certifying the claim, proving the merits, or proving damages. The maximum
26 damages available were calculated based on the upper range of estimated time Plaintiff
27 worked off-the-clock per week, which was .75 hours. Based on the weighted average
28 minimum wage rate of \$15.50 during the Class Period, this equals approximately

1 \$97,859.25 in unpaid minimum wages ([8,418 workweeks x .75 hours off-the-clock per
2 week] x \$15.50 average minimum wage rate). Because we also assumed that all unpaid
3 time qualified for overtime, only liquidated damages is being claimed to avoid double
4 recovery of substantive wage loss. Defendants heavily disputed this theory of liability.
5 First, Defendants allege that no such violations existed, and if they did, they were an
6 anomaly based on Plaintiff's supervisor. Second, Defendants argued it maintained, and
7 strictly enforced, policies against working off-the-clock, accurately recording hours
8 worked, and that overtime was regularly paid, undermining any contention that there
9 was any practice or policy promoting off-the-clock work. This presented a substantial
10 challenge to both certification and the merits of the claim. The written policy
11 prohibiting off-the-clock work would require Plaintiff to demonstrate, on a class wide
12 basis, that Defendants effectively maintained "a policy to violate the policy" against off-
13 the-clock work and that Defendants knew or should have known the off-the-clock work
14 was occurring despite the policies and payment of overtime. *See Brinker Rest. Corp. v.*
15 *Superior Ct.*, 53 Cal.4th 1004, 1051-1052 (2012). Finally, the presence of a good faith
16 dispute would eliminate liability for liquidated damages for unpaid minimum wages.
17 *See Cal. Lab. Code § 1194.2(b); Ridgeway v. Walmart Inc.*, 946 F.3d 1066, 1089-1090
18 (9th Cir. 2020). Taking all these factors into account, I believe it is likely a good faith
19 dispute would be found and there would be no recovery for this claim.

- 20 b) Unpaid Overtime Wages (Off-the-Clock): The off-the-clock theory of overtime liability
21 is based on the same factual allegations that formed the basis for the minimum wage
22 claims, which are stated above. The maximum damages for this claim are \$177,703.98
23 ([8,418 workweeks x 2 hours off-the-clock per week] x \$10.56 average overtime rate).
24 This amount does not take into account any potential risks with respect to Plaintiff
25 certifying the claim, proving the merits, or proving damages. Plaintiff has assumed that
26 all unpaid hours qualified as overtime. Because this theory of liability is based on the
27 same facts supporting the minimum wage claim, it is subject to the same risks identified
28 above. Further, Defendants' business model only allows for several days of work a

1 week, further reducing the likelihood of overtime hours. Taking all these factors into
2 account, I believe a more likely range of recovery for this claim is between \$35,540.80
3 to \$142,163.18, which is based on an 80% to 40% reduction based on risk;

- 4 c) Meal Periods: This claim is based on allegations that Defendants failed to authorize
5 meal periods due to work demands and staffing issues. The maximum damages for this
6 claim are \$351,853.88. This amount does not take into account any potential risks with
7 respect to Plaintiff certifying the claim, proving the merits, or proving damages. This
8 amount was calculated based on an average hourly rate of \$21.11, an average of 3 shifts
9 per week, and a violation rate of approximately 66% per shift based on Defendants'
10 payroll records, *i.e.* 66% of shifts had either no meal period punch, a late meal period
11 punch, a meal period lasting less than thirty (30) minutes, and/or a shift of more than ten
12 (10) hours without a second meal period. Defendants contended that these occurrences
13 were isolated incidents and that employees were adequately staffed and told to take meal
14 periods in accordance with California law. While Plaintiff can utilize the rebuttable
15 presumption of meal period violations based on the time records under *Donohue v. AMN*
16 *Servs., LLC*, 11 Cal.5th 58, 78 (2021), Plaintiff would still have the burden to establish a
17 theory of liability amenable to class treatment. Additionally, if Defendants' time
18 keeping policies and records were found to rebut the presumption of meal period
19 violations, this would substantially reduce the scope of Plaintiff's meal period claims to
20 only those instances where the alleged defective meal period policy would be at issue.
21 Without a presumption based on defective time records or a facially unlawful policy it is
22 very difficult to certify meal period violation claims. Thus, the disputes asserted by
23 Defendants substantially increases the risks to the claims. Taking these factors into
24 account, I believe a more realistic range of recovery for this claim is between \$70,370.78
25 to \$211,112.33 (reduction of 20-80% based on risk and employee records).
- 26 d) Rest Breaks: This claim was based on the same allegations as the meal period claim.
27 Plaintiff contended that Class members were not provided with lawful rest periods
28 approximately 85% of the time. Based on 3 shifts per week, 8,418 total weeks during

1 the Class Period, and an average \$21.11 hourly rate, this equates to a maximum
2 exposure of approximately \$453,145.15. This amount does not take into account any
3 potential risks with respect to Plaintiff certifying the claim, proving the merits, or
4 proving damages. Because this claim is based on the same factual basis as the meal
5 period claims, it is also subject to the same risks as detailed above. However, there is no
6 requirement that an employer keep records of rest periods, so this claim does not benefit
7 from any presumptive violation based on time records under the law like meal period
8 claims do. This presented an even greater risk for Plaintiff's rest period claims than is
9 present for the meal period claims. Taking these factors into account, I believe a more
10 realistic range of recovery for this claim would be between \$181,258.06 to \$362,516.12
11 (20% to 60% reduction based on risk);

12 e) Reimbursement: This claim was based on Plaintiff's contention that Class Members
13 were required to use cell phones for the job, and were required to purchase store
14 memberships to complete their employment duties. This is based on a monthly cell
15 phone bill of approximately \$100.00 and 25% work usage rate, which equates to
16 approximately \$6.92 owed per week and store memberships at \$60.00 annually, not
17 including private usage of these memberships. The maximum exposure for this claim is
18 \$58,246.08. This amount does not take into account any potential risks with respect to
19 Plaintiff certifying the claim, proving the merits, or proving damages. Defendants
20 heavily disputed whether use of personal cell phones was required given work was
21 conducted in person and in close proximity to coworkers and supervisors. Defendants
22 contended that the use of any applications on a personal device or using cell phones to
23 communicate with supervisory employees and/or clients was, at most, a personal choice
24 of convenience by Class Members. Furthermore, it is unlikely that Class Members all
25 had their own standalone cell phone plans as opposed to being billed as additional lines
26 on a pre-existing plan. In my experience there has always been a range of individuals
27 whose cell phone plans are \$30-\$60 per month as additional lines on a pre-existing plan.
28 Thus, it is unlikely that the full amount of damages Plaintiff calculated would be

1 established even if Plaintiff was successful in certifying the class and establishing
2 liability. Further, Defendant submitted evidence that it reimbursed employees for store
3 memberships if these reimbursements were properly and timely submitted in accordance
4 with Defendant's policies. Based on these risks, I believe a more realistic range of
5 recovery for this claim would be between \$23,298.43 to \$46,596.86 (20% to 60%
6 reduction based on risk);

7 f) Wage Statement Violations: This claim is derivative of Plaintiff's overtime, minimum
8 wage, and meal and rest period claims. The maximum exposure for this claim is
9 \$123,550.00, which is calculated based on an initial violation of \$50 per pay period per
10 employee and assumes a violation in each of the 2,471 pay periods within the one (1)
11 year penalty statute of limitations. This amount does not take into account any potential
12 risks with respect to Plaintiff certifying the claim, proving the merits, or proving
13 damages. Because this claim is derivative of Plaintiff's other claims, the same risks
14 identified above for the minimum wage, overtime, meal period, and rest period claims
15 apply here as well, substantially affecting the potential value of this claim. Furthermore,
16 under the recent California Supreme Court case, *Naranjo v. Spectrum Sec. Servs., Inc.*,
17 15 Cal.5th 1056 (2024), employers now have a good faith dispute defense against wage
18 statement claims. Given the factual and legal disputes presented in this fact, I believe it
19 is likely that a Court would find a good faith dispute exists. Thus, I believe it is more
20 realistic that there would be no recovery for this claim;

21 g) PAGA: This claim is derivative of the Labor Code violations identified above and would
22 be subject to all the same risks as the underlying claims it is based on. Again, we did
23 not find any prior Labor Commissioner or court decisions that stated Defendants'
24 practices and/or policies were improper, so the exposure analysis is based on an "initial
25 violation" valuation being adopted by any fact finder if this matter went to trial. *See*
26 *Amaral*, 163 Cal.App.4th at 1207-1209. Based on Class Members' payroll data, the
27 maximum exposure for this claim is \$1,534,521.60, which was calculated per violation
28 as follows:

- *Minimum Wages*: \$247,100.00 (2,471 pay periods x default \$100 per pay period per Labor Code section 2699(f));
- *Overtime*: \$123,550.00 (2,471 pay periods x \$50 per pay period per Labor Code section 558);
- *Meal Periods*: \$123,550.00 (2,471 pay periods x \$50 per pay period per Labor Code section 558);
- *Rest Periods*: \$247,100.00 (2,471 pay periods x default \$100 per pay period per Labor Code section 2699(f));
- *Wage Statements*: \$247,100.00 (2,471 pay periods x default \$100 per pay period per Labor Code section 2699(f));
- *Reimbursement*: \$247,100.00 (2,471 pay periods x default \$100 per pay period per Labor Code section 2699(f));
- *Failure to Maintain Accurate Records*: \$59,000.00 (\$500 x 118 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 Defendant 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

1 substantive loss experienced by Aggrieved Employees was substantially less per pay
2 period than the potential maximum penalty that could be imposed. Courts are statutorily
3 authorized to use discretion to reduce penalties and the range of discretion used varies
4 substantially. *See Thurman v. BayshoreTransit Mgmt., Inc.*, 203 Cal.App.4th 1112,
5 1135 (2012) (30% reduction); *Fleming v. Covidien, Inc.*, 2011 U.S. DIST. LEXIS
6 154590, *9 (C.D. Cal. 2011) (82% reduction). A reduction to roughly \$9-\$50 worth of
7 civil penalties per pay period per employee depending on the total potential value of the
8 civil penalty is more in line with actual awards based on my experience and review of
9 awards in other cases. Thus, even if using the maximum values and setting aside risks
10 of proving the claims on the merits, the total exposure may be cut to approximately
11 \$276,213.89 (82% reduction) to \$1,074,165.12 (30% reduction) or lower. It is important
12 to note that this discretionary reduction is completely separate and in addition to any
13 risks on the merits. Given the substantial risks associated with the claims, I believe the
14 amount that might ultimately be awarded under this claim would be significantly lower
15 than the maximum civil penalties available. I believe allocating \$10,000.00 to the
16 PAGA claims in this case is appropriate, especially in light of amounts that Courts have
17 approved as reasonable valuations in other cases. *See Nordstrom Com. Cases*, 186
18 Cal.App.4th 576, 589 (2010) (approving \$0 allocation to the resolution of PAGA claims
19 based on their being disputed and being part of a class settlement which was evaluated
20 based on the terms of the agreement overall); *Junkersfeld v. Med. Staffing Sols., Inc.*,
21 2022 WL 2318173, *8 n.2 (E.D. Cal. 2022) (collecting cases with PAGA settlement
22 values ranging from .037%-1%); *Jennings v. Open Door Marketing, LLC*, 2018 WL
23 4773057, *9 (N.D. Cal. 2018) (approving settlement of PAGA claims at 0.6% of total
24 estimated value due to risk of no recovery); *Ruch v. AM Retail Grp., Inc.*, 2016 WL
25 5462451, *7 (N.D. Cal. 2016) (approving \$10,000 PAGA settlement allocation where
26 total PAGA penalty exposure was approximately \$5.2 million, or 0.2% of total estimated
27 value); *Davis v. Cox Commc'ns California, LLC*, 2017 WL 1496407, *1 (S.D. Cal.
28 2017) (preliminarily approving \$4,000 PAGA allocation in \$275,000 settlement); *Moore*

1 *v. Fitness Int'l, LLC*, 2014 WL 12571448, *5 (S.D. Cal. 2014) (approving \$2,500 PAGA
2 allocation when attorneys' fees award alone amounted to \$200,000); *Jack v. Hartford*
3 *Fire Ins. Co.*, 2011 WL 4899942, *6 (S.D. Cal. 2011) (approving \$3,000 PAGA
4 allocation in \$1,200,000 settlement); *Singer v. Becton Dickinson & Co.*, 2010 WL
5 2196104, *2 (S.D. Cal. 2010); *Hopson v. Hanesbrands Inc.*, 2009 WL 928133, *1, *9
6 (N.D. Cal. 2009) (approving \$1,500 PAGA allocation in \$1,026,000 settlement); *Syed v.*
7 *M-I, L.L.C.*, 2017 WL 714367, *13 (E.D. Cal. 2017) (approving \$100,000 PAGA
8 allocation in \$3,950,000 gross settlement amount allocated to California class even
9 though PAGA exposure was calculated at \$53,600,000, or 0.2% of total estimated
10 potential value); *Garcia v. Gordon Trucking, Inc.*, 2012 WL 5364575, *6-*7 (E.D. Cal.
11 2012) (approving \$10,000 PAGA allocation in a \$3,700,000 settlement); *Franco v. Ruiz*
12 *Food Prod., Inc.*, 2012 WL 5941801, *14 (E.D. Cal. 2012) (\$10,000 PAGA allocation
13 from \$2,500,000 settlement fund); *Chu v. Wells Fargo Investments, LLC*, 2011 WL
14 672645, *1 (N.D. Cal. 2011) (\$10,000 PAGA allocation from \$6,900,000 settlement
15 fund).

16 11. In summary, Plaintiff's gross recovery of \$225,000.00 under the Agreement equals
17 approximately 5.8% of the maximum value of all claims in this matter (\$3,822,837.66) and between
18 16% and 52% of the more realistic range of recovery (\$432,692.31 to \$1,406,250.00). After deducting
19 the proposed allocations for attorneys' fees and costs, any Enhancement Payment, Settlement
20 Administrator Costs, and the PAGA Payment from the Gross Settlement Amount, the net recovery
21 under the Agreement, \$113,005.13, represents approximately 3% of the maximum value of the claims
22 in this matter. The net recovery also represents between 8% and 26% of the more realistic range of
23 recovery. The average net award is approximately \$610.84 (net settlement amount/ total class
24 members). I believe the Agreement is fair, reasonable, and adequate, representing a reasonable
25 compromise of claims based on the legal and factual disputes in this case. The ability to secure a
26 guaranteed settlement now and ensure Class Members receive some compensation, rather than proceed
27 to further litigation and potentially recover nothing, was a motivating factor in reaching this
28 Agreement.

1 12. In agreeing to represent Plaintiff and take on the case for all Class Members, our office
2 agreed to take this case on a contingency basis, meaning that we would take a percentage of any
3 settlement or judgment should we recover a monetary amount. We took a risk that we would not
4 recover any money in this matter if we were unsuccessful at trial. We also took on the risk that the case
5 may be subject to an unfavorable summary judgment ruling. However, we believe it is important to
6 make sure employees are able to find affordable representation in order to ensure that employers are
7 complying with all their legal obligations towards employees and paying employees all their hard-
8 earned wages.

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

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

1 Training (Apr. 25, 2017); 11) Sacramento County Bar Association, Labor and Employment Section –
2 PAGA Representative Litigation: Emerging Trends and Issues (May 17, 2016); 12) Sacramento
3 Business Journal Panel – Overtime Rules (Jun. 23, 2016); 13) Association of Defense Counsel of
4 Norther California & Nevada - Employment Law Update – Do the Math: Calculation Exposure and
5 Damages in Wage and Hour Cases (Aug. 12, 2016); 14) California Employment Lawyers Association -
6 PAGA Today and PAGA Tomorrow: Moderate-Advanced Issues In PAGA Litigation (Oct. 20, 2017);
7 15) California Employment Lawyers Association Advanced Wage and Hour Seminar – Better Know a
8 Venue Roundup (May 17, 2019). I have been AV rated by Martindale Hubbell since 2013, was
9 recognized as a Super Lawyer (Rising Star) from approximately 2009 to 2013 and was recognized as a
10 Super Lawyer from 2014 to present.

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

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

- Sup. Ct.);
- *Benak v. MDStat Urgent Care, Inc.*, No. 34-2015-00188181 (Sac. Sup. Ct.);
 - *Blig v. Medical Management International, Inc.*, Case No. 34-2017-00213906 (Sac. Sup. Ct.);
 - *Caguioa, et al. v. Fortune Senior Enterprises, et al.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
 - *Camacho, et al. v. Z Street, Inc., d.b.a. Tower Café, et al.*, Case No. 34-2014-00163880 (Sac. Sup. Ct.);
 - *Carlos v. Abel Mendoza, Inc., et al.*, Case No. 34-2016-00195806 (Sac. Sup. Ct.);
 - *Cannon v. Miller Event Management, Inc., et al.*, Case No. 34-2014-00168103 (Sac. Sup. Ct.);
 - *Carr et al. v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
 - *Chace v. Daisy Holdings, LLC, dba Pine Creek Care Center, et al.*, Case No. 34-2017-00209613 (Sac. Sup. Ct.);
 - *Clamens-Hollenback v. Atterro, Inc.*, Case No. 17-CV-305535 (Santa Clara Sup. Ct.);
 - *Colbert v. American Home Craft Inc.*, Case No. 05AS05012 (Sac. Sup. Ct.);
 - *De Arcos v. Amware Pallet Services, LLC*, Case No. CV-17-629 (Yolo Sup. Ct.)
 - *Diosdado v. Nor-Cal Venture Group, Inc., et al.*, Case No. STK-CV-UOE-2020-0008242 (San Joaquin Sup. Ct.);
 - *Dugue v. Sierra Forever Families, et al.*, Case No. 34-2017-00210770 (Sac. Sup. Ct.);
 - *Fadhl v. Siemens Healthcare Diagnostics, Inc., et al.*, Case No. 34-2017-00209518 (Sac. Sup. Ct.);
 - *Fujimoto v. Nabe-Ya, Inc., et al.*, Case No. 20CV01255 (Butte Sup. Ct.);
 - *Garcia v. A-L Financial Corp.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
 - *Gerard v. Les Schwab Tires Center of California, Inc.*, Case No. 34-2007-30000003 (Sac. Sup. Ct.);
 - *Gomez v. Mayflower Farms Incorporated, et al.*, Case No. CV24157 (Colusa Sup. Ct.);
 - *Gilliam v. Matrix Energy Services, Inc.* Case No. RG 11592345 (Alameda Sup. Court);

- *Hartwell v. Techforce Telecom, Inc.*, Case No. 39-2014-00307197 (San Joaquin Sup. Ct.);
- *Hernandez et al. v. MP Nexlevel, LLC et al.*, Case No. 3 :16-cv-03015-JCS (N.D. Cal.);
- *Hernandez v. Snyir, Inc.*, Case No. 34-2017-00207641 (Sac Sup. Ct.);
- *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.);
- *James v. Language World Services, Inc., et al.*, Case No. 34-2020-00279929 (Sac. Sup. Ct.);
- *Josol v. Dial Medical Corp.*, Case No. 34-2008-00010040 (Sac. Sup. Ct.);
- *Koretsky v. Furniture USA, Inc.*, Case No. 34-2014-00172142 (Sac. Sup. Ct.);
- *Muhieddine v. KBA Docusys, Inc.*, Case No. 34-2014-00164720 (Sac. Sup. Ct.);
- *Massey v. V3 Electric, Inc., et al.*, Case No. 34-2019-00263666 (Sac. Sup. Ct.);
- *Miller v. Caldwell Transportation Company, LLC, et al.*, Case No. 34-2018-00234954 (Sac. Sup. Ct.);
- *Miller v. Leaders in Community Alternatives*, Case No. FCSO47249 (Solano Sup. Ct.);
- *Pickens v. Elica Health Centers*, Case No. 34-2016-00200382 (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.);
- *Rickwalt v. Direct Reconditioning, LLC, et al.*, Case No. 34-2015-00175642 (Sac. Sup. Ct.);
- *Robinson v. West of Chicago Restaurants, Inc., dba Chicago Fire*, Case No. 34-2010-00082201 (Sac Sup. Ct.);
- *Rogers v. Les Scwhab Tires Center of California, Inc.*, Case No. 34-2009-00066320 (Sac. Sup. Ct.);
- *Schechter et al. v. Isys Solutions, Inc.*, Case No. RG10550517 (Alameda Sup. Ct.);
- *Smith v. Greyhound Lines, Inc.*, Case No. 34-2017-00219188 (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. No. 34-2017-00211553 (Sac. Sup. Ct.);
- *Valencia v. Lowbrau Bier Garten, LLC, et al.*, Case No. 34-2019-00258038 (Sac Sup. Ct.);
- *Watson v. Quarter At A Time, LLC*, Case No. 34-2017-00217570 (Sac. Sup. Ct.);

- *Williams v. Civic Development Group*, Case No. 06AS00267 (Sac. Sup. Ct.); and
- *Willis v. Premier Pools, Incorporated*, Case No. 34-2017-00211710 (Sac. Sup. Ct.).

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

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

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

Perspective (Sacramento County Bar Assoc., Sept. 2020); (4) How to Become a Pivotal Part of Any Wage and Hour Practice Group (Sacramento County Bar Assoc., Mar. 2021); (5) Emerging Trends and Issues Relating to Arbitration and PAGA Claims in a Post-*Viking River Cruises* World (Sacramento County Bar Assoc., Nov. 2022). Mr. Rodriguez was elected to the Sacramento County Bar Association Labor and Employment Law Section's executive committee in 2019 and was the Chair of the executive committee for 2022. Mr. Rodriguez has also been a member of the Presiding Judge Civil Law Advisory Committee for Sacramento County Superior Court since August 2020. His practice focuses on complex civil litigation, including wage and hour class actions, PAGA claims, and Fair Labor Standards Act ("FLSA") claims. He is actively involved in most all of the complex litigation handled by our firm. Class and/or PAGA actions he has litigated or is currently litigating, including the instant case, includes, but is not limited to, the following:

- *Aanerud v. Neumann Ltd., et al.*, Case No. 34-2014-00169324 (Sac. Sup. Ct.);
- *Adams-Angway v. Placer Title Company, et al.*, Case No. SCV0040845 (Placer Sup. Ct.);
- *Adewumi v. GHS Interactive Security, LLC*, Case No. 34-2017-00210768 (Sac. Sup. Ct.);
- *Arrington v. Capital Express Lines, Inc., et al.*, Case No. 34-2012-00134195 (Sac. Sup. Ct.);
- *Aslam v. American Custom Private Security, Inc.*, Case No. STK-CV-UOE-2018-0012080 (San Joaquin Sup. Ct.);
- *Aslam v. Cypress Security, LLC*, Case No. 34-2017-00220143 (Sac. Sup. Ct.);
- *Aslam v. Surveillance, Security, Inc.*, Case No. 34-2017-00220142 (Sac. Sup. Ct.);
- *Azzolino v. Brake Masters of Sacramento, LLC, et al.*, Case No. 34-2017-00218293 (Sac. Sup. Ct.);
- *Barkhausen v. Bank of Stockton*, Case No. STK-CV-UOE-2019-17145 (San Joaquin Sup. Ct.);
- *Benak v. MDStat Urgent Care, Inc.*, Case No. 34-2015-00188181 (Sac. Sup. Ct.);
- *Bigornia v. Quest Diagnostics Clinical Laboratories, Inc., et al.*, Case No. 34-2019-00271174 (Sac. Sup. Ct.);
- *Blig v. Medical Management International, Inc.*, Case No. 34-2017-00213906 (Sac. Sup. 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 • *Castorena v. Flowmaster, Inc.*, Case No. CV18-2191 (Yolo 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 • *Cress, et al. v. Mitsubishi Chemical Carbon Fiber and Composites, Inc.*, Case No. 34-2017-
- 13 00222101 (Sac. Sup. Ct.);
- 14 • *De Arcos v. Amware Pallet Services, LLC*, Case No. CV-17-629 (Yolo Sup. Ct.);
- 15 • *Ferreyra v. Point Digital Finance, Inc., et al.*, Case No. 20CV373776 (Santa Clara Sup. Ct.);
- 16 • *Foye v. The Golden 1 Credit Union*, Case No. 34-2018-00235003 (Sac. Sup. Ct.);
- 17 • *Garcia v. A-L Financial Corp.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
- 18 • *Garcia v. Royal Plywood Company, LLC, et al.*, Case No. 34-2017-00221627 (Sac. Sup. Ct.);
- 19 • *Gomes v. Progressive Casualty Insurance Company*, Case No. 34-2018-00241979 (Sac. Sup.
- 20 Ct.);
- 21 • *Gomez v. Mayflower Farms Incorporated, et al.*, Case No. CV24157 (Colusa Sup. Ct.);
- 22 • *Gilliam v. Matrix Energy Services, Inc.* Case No. RG 11592345 (Alameda Sup. Court);
- 23 • *Gonzalez v. Northcentral Pizza, LLC, et al.*, Case No. 34-2019-00252018 (Sac Sup. Ct.);
- 24 • *Gordon, et al. v. Hospice Source, LLC, et al.*, Case No. 34-2019-00250022 (Sac. Sup. Ct.);
- 25 • *Gotts v. John L. Sullivan Chevrolet, Inc.*, Case No. 34-2018-00231576 (Sac Sup. Ct.);
- 26 • *Hartwell v. Techforce Telecom, Inc.*, Case No. 39-2014-00307197 (San Joaquin Sup. Ct.);
- 27 • *Hellum v. AI Protective Services, LLC, et al.*, Case No. 34-2018-00234449 (Sac. Sup. Ct.);
- 28 • *Hercules v. Maximus Services, LLC, et al.*, Case No. 34-2019-00268385 (Sac Sup. Ct.);

- *Hernandez v. Snyir, Inc.*, Case No. 34-2017-00207641 (Sac. Sup. Ct.);
- *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. Ovarions 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. In connection with any final approval hearing, I will be seeking attorneys' fees and costs, an Enhancement Payment to the Class Representative, and Settlement Administrator Costs as set forth

1 in the Agreement. I will be requesting attorneys' fees and costs pursuant to the common fund doctrine
2 as I believe it to be applicable to the present case pursuant to *Serrano v. Priest*, 20 Cal.3d 25, 34-35
3 (1977), *Laffitte v. Robert Half Internat. Inc.*, 1 Cal.5th 480 (2016), and *Paul, Johnson, Alston & Hunt v.*
4 *Graulity*, 886 F.2d 268, 271 (9th Cir. 1989). The facts and case law supporting the requested amounts
5 will be set forth in the final approval motion, including information for the Court to perform a lodestar
6 cross check of the requested attorney's fees, quantify the amount of time spent by Plaintiff on this case
7 and any further risks and/or burdens incurred as a result of acting as Class Representative, an updated
8 declaration in support of actual litigation costs and itemized cost spreadsheet, and declaration from the
9 Settlement Administrator detailing the work performed and Settlement Administrator Costs incurred.
10 My firm's expected costs through final approval are not expected to exceed \$12,000.00. Attached as
11 Exhibit E is a true and correct copy of the costs incurred prior to the filing of this Motion and the
12 expected costs incurred through the final approval and fairness hearing. Any difference in the awarded
13 fees and costs, Class Representative's Enhancement Payment, and Settlement Administrator Costs and
14 the amounts allocated for each under the Agreement will be added back to the Net Settlement Amount
15 and distributed pro rata to Class Members.

16 20. I have used several class action administrator companies in the wage and hour class
17 actions I have resolved in the past and believe ILYM Group, Inc. ("ILYM") will provide the best service
18 to administer the proposed class settlement. ILYM has provided a quote for the estimated maximum
19 cost of administering the class settlement of approximately \$7,000.00. A true and correct copy of a cost
20 estimate provided by ILYM is filed with this Motion as Exhibit D. This is only an estimate, and final
21 pricing may vary depending on the issues, if any, that arise during the administration of the settlement.
22 However, the difference between the actual, lesser costs and \$10,000.00, if any, will be paid to the
23 Participating Class Members on a pro rata basis.

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

1 22. A true and correct copy of the proposed Notice of Settlement is being filed with this
2 Motion as Exhibit F. The Notice of Settlement will direct Class Members to the Court's public access
3 web portal and provide instructions on how to search for the case to find electronic copies of all filed
4 documents in this case and other pertinent case information found on the Court's public access web
5 portal. I believe utilizing the public access web portal is a superior method for online/electronic notice
6 to Class Members for several reasons. First, the case information and relevant settlement documents
7 will remain available for much longer on the public access web portal than on an administrator's
8 website. Generally, case web pages created by administrators are taken down shortly after any
9 compliance hearing whereas the case information on the public access web portal will remain available
10 for several years after any compliance hearing. Second, there are no added costs to Class Members in
11 utilizing the public access web portal. To the extent a Class Member has the means to access an
12 administrator web page (e.g. phone/computer & internet service), they will also be able to access the
13 public access web portal. There is no charge on the public access web portal for searches utilizing case
14 numbers and the Notice of Settlement will provide instructions for searching by case number. Third,
15 utilizing the public access web portal will result in fewer costs associated with settlement
16 administration, resulting in more funds to distribute to Class Members. Fourth, utilizing the public
17 access web portal will give Class Members a greater ability to keep apprised of the case status heading
18 into any final approval hearing(s) and/or compliance hearing(s). Finally, it will also help in
19 effectuating notice of final judgment to Class Members. To the extent final approval is granted, we
20 will file a notice of entry of judgement. For the reasons already stated above, the ease of access and
21 longevity of records on the public access web portal will make it easier for Class Members to obtain
22 and review the notice of judgment well into the future.

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

26 24. CPB is a 501(c)(3) nonprofit in good standing with the State of California that was
27 established in 1981 and incorporated in 1986 to provide free civil legal services to the indigent,
28 primarily through the use of volunteer attorneys. The formal service area includes Sacramento, Yolo,

1 San Joaquin, El Dorado and Placer counties, however it also regularly provides assistance, whether in
2 person or by phone, to individuals residing outside those counties, including Solano, Nevada, Merced,
3 Sutter, Yuba, and Stanislaus counties. CPB changed its name in 2020 from Voluntary Legal Services
4 Program of Northern California (“VLSP”) to Capital Pro Bono, Inc. CPB has been the recipient of *cy*
5 *pres* funds from several jurisdictions in the State of California, including from Sacramento County
6 Superior Court.

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

17 26. CFWR is also a qualified *cy pres* designee in class actions, under section 384, as it is a
18 501(c)(3) nonprofit in good standing with the State of California providing free civil legal services to the
19 indigent. Since its inception in 2014 and in partnership with Legal Aid at Work, the CFWR offers one-
20 on-one legal consultations for low-wage workers. The CFWR discusses employment issues with
21 workers and advises them as to the available legal remedies. In addition to individual counseling on
22 employment issues, the CFWR educates workers, unions, and community members about workplace
23 laws and remedies through “Know-Your-Rights” trainings conducted by the CFWR staff and volunteers.

24 27. The CFWR provides limited representation for low-wage workers in wage claims before
25 the California Labor Commissioner. The CFWR has provided services to low-wage workers in a variety
26 of industries across the entire state of California. CFWR primarily focuses on the enforcement of basic
27 workplace protections, including claims for unpaid wages, minimum wage violations, failure to pay
28 overtime, failure to pay reimbursement, waiting time penalties, and meal and rest period violations. The

CFWR helps workers navigate the wage claim process before the California Labor Commissioner through advice given at its legal consultation clinics and/or, in some cases, through representing workers in these claims. If the CFWR is approved as a *cy pres* beneficiary, the funds received will be dedicated towards assisting low-wage workers with wage claims and enforcing the California Labor Code with respect to those wage claims.

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

29. I have spoken with every other attorney at my firm to determine whether they have any relationship with either of the proposed *cy pres* beneficiaries.

30. I have volunteered for both organizations on and off over the past several years through either presenting wage and hour seminars to law students who staff the free advice clinics or helping at the advice clinics themselves. However, I have not performed any volunteer work with either organization since approximately March 2020. I have never received payment or compensation of any kind in connection with any work I have done with either of the proposed *cy pres* beneficiaries. Justin Rodriguez has volunteered for both CPB and the CFWR numerous times over the past several years, either directly in the advice clinics or by presenting seminars on wage and hour laws for law students seeking to also volunteer at advice clinics. He has also volunteered by sitting on CPB's advisory committee. Mr. Rodriguez has never received payment or compensation of any kind in connection with any work he's done with the CPB or CFWR. Austin Sork has never done any work, volunteer or otherwise with Capital Pro Bono, Inc. Furthermore, CFWR has not, and does not, provide any referrals to Shimoda & Rodriguez Law, P.C. Neither my firm, myself, Mr. Konini, Mr. Sork nor Mr. Rodriguez have 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 July 14, 2025 in Salt Lake City, Utah.



Galen T. Shimoda

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
Email: attorney@shimodalaw.com
6 jrodriguez@shimodalaw.com
rkonini@shimodalaw.com

7 Attorneys for Plaintiff JOSE DE JESUS LOPEZ VALDEZ
8 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

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

Date: August 6, 2025
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 Preliminary 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 contacted several law offices and researched potential
18 attorneys to bring the claims. I wanted to make sure the law firm I chose to bring the claims had
19 attorneys with experience and skill in bringing those types of claims. I also researched the typical issues
20 raised when litigating the potential claims. I wanted to make sure I could have an informed discussion
21 with an attorney about the claims and have a better idea of what to expect moving forward in litigation
22 and how to help the case proceed. After securing Shimoda & Rodriguez Law, PC, I continued to be
23 actively involved in the case to help ensure a positive outcome. I began working with Shimoda &
24 Rodriguez Law, PC, to investigate the claims on November 14, 2023, discussing the facts of the case,
25 showing and explaining the context behind the documents I had to support the claims, and discussing
26 potential witnesses to corroborate the information I was providing.

27 4. My attorneys explained to me the risks and benefits of bringing a class action and a claim
28 under the Private Attorneys General Act ("PAGA"). I understood that pursuing the case as a class and

1 PAGA action meant that it would take substantially longer than pursuing my claims individually,
2 whether in Court or with the California Labor Commissioner, and that I risked getting nothing in the
3 end, but I believed it was important to make sure that Defendants followed the law for everyone. I
4 undertook a professional and financial risk in pursuing the case as a class and PAGA action because my
5 name would be on a publicly available document showing that I had sued a former employer at a time
6 when I was unemployed and searching for a new job and, if unsuccessful in bringing the claims, I would
7 be obligated to pay Defendants' costs incurred over the course of this complex litigation. My
8 understanding is that this is a substantial risk because the costs associated with litigation, in general, are
9 very high and this cost is multiplied many times over in complex litigation like class actions.

10 5. During the course of this litigation, I have given detailed accounts of all the facts related
11 to my employment. I provided my attorneys with extensive documentation that I believe supported the
12 claims brought against Defendants. I met with and assisted my attorneys in understanding these
13 documents and providing context for Defendants' payroll process as it applied to me and how I believed
14 it applied to Defendants' other employees within the class. I was a reliable and consistent employee so I
15 was able to discuss the similarities of the wage and hour policies and practices among all Class
16 Members.

17 6. The work I performed for this case included an extensive review of documents and
18 payroll practices to show and explain to my attorneys what was happening and why I thought it was
19 unlawful. For example, I explained to my attorneys my job duties and responsibilities, the type of tasks
20 and work performed in a typical day, and any circumstances that would cause relevant differences to my
21 daily work that affected the class claims. We reviewed payroll and personnel file documents to see
22 whether and how any of the documents corroborated the validity of the claims and listed potential
23 witnesses related to any issues raised by the documents. This addressed all the claims alleged and we
24 continued to discuss and review these items throughout the case as more information was provided by
25 Defendants. The review became even more detailed when reviewing and discussing the payroll data
26 sample that was produced as part of informal discovery for mediation. I also spent a substantial amount
27 of time working to identify potential witnesses and speaking to others who could be interviewed by my
28

1 attorneys and provide declarations. I also drove a few times to my attorneys' Elk Grove office from my
2 home in Los Banos.

3 7. I participated in the negotiations and settlement discussions in this case, including
4 participating in mediation, speaking with my attorneys to answer questions, provide any additional
5 information needed to assist the negotiations, and discussing the potential terms of the Agreement to
6 evaluate its adequacy. Throughout the course of this litigation, I have asked questions when I needed
7 clarification about various aspects of this case to make sure steps were continually taken to advance the
8 interests of Class Members. I have reviewed the final Joint Stipulation of Class Action and PAGA
9 Settlement and Release, discussed the terms with my attorneys, and asked my attorneys any questions I
10 had. I believe the terms of the Settlement and allocations are fair and reasonable given the facts of the
11 case.

12 8. To date, I estimate that I have spent approximately 80-100 hours assisting my attorneys
13 in litigating this case. I expect that the amount of time I spend on this case will increase if preliminary
14 approval is granted because Class Members will likely reach out to me about the Settlement, the Notice
15 of Settlement, and the process for receiving payment.

16 9. I have not received any benefits as a result of filing this lawsuit. However, I believe I
17 have experienced several substantial burdens as a result of filing this lawsuit that other Class Members
18 were not subject to. As noted above, I took on the professional risk of lengthening my unemployment
19 after working for Defendants because future employers were able to see, from publicly available
20 documents, that I sued my former employer. Additionally, I undertook the risk of having to pay
21 Defendants' litigation costs if the Court or jury ruled against us on the claims. I have spent a substantial
22 amount of time in this case, securing a monetary benefit for many individuals who have not had to do
23 anything whatsoever to have the opportunity to receive it. After I eventually secured another job, the
24 time I have spent on this case has had to occur during my lunch and/or break times, after hours, and on
25 my days off. Rather than spend this time with friends and family, I have spent this time for the benefit
26 of Class Members. Finally, as part of the Settlement, I am the only individual providing a general
27 release of all my individual claims and waiving the protections of California Civil Code section 1542 for
28 unknown claims. No other Class Member is subject to such a broad release. I believe awarding the full

Enhancement Payment is warranted given the time I have spent on the case, the benefit secured for Class Members and the LWDA, my general waiver of all claims beyond the more limited release Class Members are subject to, and the risks and burdens I have experienced as a result of this litigation.

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

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

12. I have no interest in the designated *cy pres* beneficiaries, Capital Pro Bono, Inc., and the Center for Workers' Rights, whether financial, in their governance, or otherwise.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on 07/14/2025 in Roseburg, Oregon.


Jose De Jesus Lopez Valdez (Jul 14, 2025 16:48 PDT)

Jose De Jesus Lopez Valdez

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 (Cal. State Bar No. 360918)
Shimoda & Rodriguez Law, PC
9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
Facsimile: (916) 760-3733
Email: attorney@shimodalaw.com
jrodriguez@shimodalaw.com
rkonini@shimodalaw.com
asork@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. 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
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: August 6, 2025

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	ILYM Group, Inc. Bid
E	Plaintiff's Itemized Costs
F	Proposed Notice of Settlement
G	Proof of Submission of Proposed Settlement Agreement to LWDA

Dated: July 15, 2025

Shimoda & Rodriguez Law, PC

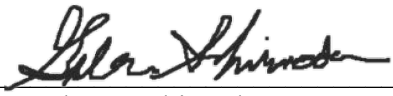
By: 
 Galen T. Shimoda
 Justin P. Rodriguez
 Renald Konini
 Austin Sork
 Attorneys for Plaintiff

EXHIBIT A

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 Blvd., Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
Facsimile: (916) 760-3733

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

Collin D. Cook (SBN 251606)
Amaris M. Stich (SBN 274477)
Fisher & Phillips LLP
One Montgomery Street, Suite 3400
San Francisco, California 94104
Tel: (415) 490-9000
Fax: (415) 490-9001

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.

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

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

3 10.3 No Prior Assignments: The Parties represent, covenant, and warrant that they have not
4 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
5 any person or entity any portion of any liability, claim, demand, action, cause of action or right released
6 and discharged in this Agreement.

7 10.4 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by
8 signing this Agreement, Defendants are waiving any rights to appeal from the Court's approval of the
9 settlement unless the Court materially modifies the settlement. Furthermore, by signing this Agreement
10 Plaintiff is waiving any right or ability to opt out of this Agreement during the Notice Period or otherwise.

11 10.5 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set
12 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
13 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

14 10.6 Judgment and Retention of Jurisdiction to Enforce: Upon the Effective Date, judgment will
15 be entered according to this Agreement. The Parties stipulate and agree that the Santa Clara County
16 Superior Court shall have continuing jurisdiction to enforce the terms of the Agreement pursuant to Code
17 of Civil Procedure section 664.6 and that the prevailing party any action necessary to enforce the terms of
18 the Agreement after default by the other party may recover reasonable attorney's fees and costs related
19 thereto.

20 10.7 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish
21 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution
22 of such other documents and the taking of such other action as may reasonably be necessary to fulfill the
23 terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts
24 contemplated by this Agreement and any other efforts that may become necessary by Court order, or
25 otherwise, to effectuate this Agreement and the terms set forth herein.

26 10.8 No Admission of Liability: Neither the acceptance nor the performance by Defendants of
27 the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to
28 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.

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

11 Date: Apr 16, 2025

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

14 Date: Apr 16, 2025

sean sheelen
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

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

EXHIBIT 1

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. 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 [REDACTED] (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 [REDACTED] weeks during the applicable Class Period (as defined below), which means your total share of the settlement proceeds is estimated to be [REDACTED]. 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. Case No. 24CV435535. The Class Period is April 18, 2020, to [REDACTED] (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 on-going

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 [REDACTED]. 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; Claims 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 timely submitted a Claim Form, which is enclosed in this mailing. 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 and PAGA Payment ("Claim Amount") is stated on the first page of this notice and the enclosed Claim Form. 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 and timely submit a Claim Form), 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. Claim Amounts and Allocation Between Class Members and Aggrieved Employees

Defendants will pay Claim Amounts through the Claims Administrator, as described below, to each Participating Class Member and to Aggrieved Employees. All Claim 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.

Payment to Class Members who do not opt out will require the submission of a Claim Form. Payment to Aggrieved Employees of their share of the PAGA Payment will not require the submission of a Claim Form. 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 [REDACTED]. Defendants' records indicate that you worked [REDACTED] weeks during the applicable PAGA Claim Period, which means your share of the PAGA Payment is estimated

to be [REDACTED]. This amount is included in your estimated Claim Amount stated on the first page of this notice, not in addition to it. You will still receive your share of the PAGA Payment even if you opt out of being a Class Member or fail to submit a Claim Form. Receipt of the Claim 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 Claims Administrator from Defendants' records. Defendants' records will be presumed correct unless evidence to the contrary is provided to the Claims Administrator. Defendants' records and any additional evidence will be reviewed by the Claims 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 [REDACTED]. 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 . . . [1.30]

Aggrieved Employees will be deemed to have released . . . [1.31]

The individuals released ("Released Parties") include [1.32].

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. Participating in the Settlement as a Class Member

If you wish to be a Participating Class Member, you must complete and return the enclosed Claim Form post marked no later than [date]. Failure to timely submit a Claim Form without opting out of the settlement will cause you to be bound by release of claims identified above, but you will not receive any share of the Net Settlement Amount.

B. Excluding Yourself from the Settlement as a Class Member

The Court will exclude you from being a Class Member if you request this by [REDACTED]. 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 Claims 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 [REDACTED]. The request to opt out must be mailed by First Class U.S. Mail, or the equivalent, to:

[admin info]

If you submit a request to opt out which is not postmarked by [REDACTED], 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 Claims 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.

C. 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 [redacted]. 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 timely submit your Claim Form as stated above. If the Court approves the Agreement despite any objections and you have not submitted a Claim Form, you will not receive your share of the Net Settlement Amount.

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 [redacted], at [redacted] 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.

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://santaclara.courts.ca.gov/online-services/case-information-online>. 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 [redacted]

BY ORDER OF THE COURT

EXHIBIT B

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

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

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**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

**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**

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.

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

41. Plaintiff was also not reimbursed for all costs that he was required to pay to perform his job duties.

42. 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.

43. Plaintiff later asked to be reimbursed for the Costco Membership but did not receive any reimbursement for that expense from Defendant.

44. In addition to using his phone to clock in and out, Plaintiff used his personal cell phone to perform required job duties. This included using 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.

45. Plaintiff also 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 thus necessarily communicated with his managers using his personal phone without reimbursement.

CAUSES OF ACTION

FIRST CAUSE OF ACTION
FAILURE TO PAY OVERTIME WAGES
(As to all Defendants)

46. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 45 as though fully set forth herein.

47. During the period Plaintiff was employed by Defendants, Defendants were required to compensate Plaintiff at one and one-half (1½) times the regular rate of pay for hours worked in excess of eight (8) hours per day and/or forty (40) hours per week, and two (2) times the regular rate of pay for hours worked in excess of twelve (12) hours per day. *See, e.g.*, IWC Wage Order No. 4, section (3)(A); Cal. Lab. Code §§ 510, 1194.

48. Plaintiff and similarly situated employees worked in excess of eight (8) hours per day and/or forty (40) hours per week on several occasions while employed by Defendants. However,

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

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

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

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

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

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

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

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

TENTH CAUSE OF ACTION
PRIVATE ATTORNEYS GENERAL ACT
(As to all Defendants)

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;

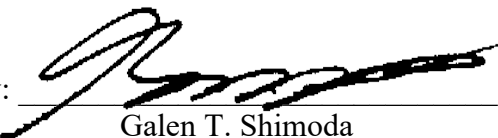
- b. Injunctive and Declaratory relief;

- 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



Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd.
Suite #120
Elk Grove, CA 95624
Ph. (916) 525-0716
Fax (916) 760-3733
www.shimodalaw.com

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.

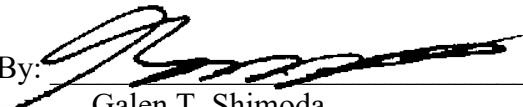
Count 9 – Violation of Labor Code §§ 226.3, 1174 (Failure to Maintain Accurate Records)

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
24 is true and correct, and that this declaration was executed on April 8, 2024, at Salt Lake City, Utah.

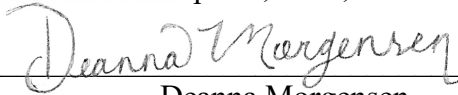
25 
26 Deanna Morgensen
27
28

EXHIBIT D

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Lopez v. HSSG Inc., et al.
Monday, December 9, 2024

Requesting Attorney:

Austin Sork
Shimoda & Rodriguez Law, PC
asork@shimodalaw.com
833.201.0213

ILYM Group Contact:

Lisa Mullins
ILYM Group, Inc.
Lisa@ilymgroup.com
714.878.8836

Estimate For Administrative Solutions: Class & PAGA

KEY ASSUMPTIONS	
Total Number of Class Members	203
Estimated Percentage of Remails	15%
Certified Spanish Translation	Yes
ILYM Group Static Website	No
Case Duration (Years)	1

Summary of ILYM Group, Inc.'s Fees & Expenses

Case Startup:	\$325.00
Project Management:	\$1,995.00
Notification & Mailing:	\$649.60
Distribution (Includes EIN, Bank Acct * /QSF Setup):	\$3,015.40
Case Conclusion:	\$1,015.00
Capped ILYM Fees & Expenses:	\$7,000.00

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Lopez v. HSSG Inc., et al.

Monday, December 9, 2024

Requesting Attorney's Name: Austin Sork

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	1	\$150.00
Programming of Class Database	Hourly	\$175.00	1	\$175.00
Subtotal				\$325.00

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.*

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	3	\$360.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	1	\$70.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	1	\$70.00
Report Processing	Hourly	\$70.00	1	\$70.00
Certified Spanish Translation	Flat Fee	\$1,250.00	1	\$1,250.00
NCOA	Flat Rate	\$75.00	1	\$75.00
Toll Free Customer Service Representative	Flat Fee	\$100.00	1	\$100.00
Weekly Reports	Flat Rate	\$750.00	1	Waived
Subtotal				\$1,995.00

NOTIFICATION & MAILING				
Fulfillment of Notice, English and Spanish	Per Piece	\$1.50	203	\$304.50
USPS First Class Postage	Per Piece	\$0.75	203	\$152.25
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	\$2.00	30	\$60.90
Storage, Photocopies, Deliveries	Flat Fee	\$131.95	1	\$131.95
Subtotal				\$649.60

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Lopez v. HSSG Inc., et al.

Monday, December 9, 2024

Requesting Attorney's Name: Austin Sork

Activity	Rate Type	Unit Cost	Volume	Amount
DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	2	\$300.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	2	\$250.00
Check, Stub & Release - Print & Mail (W2/1099)	Per Check	\$1.00	203	\$203.00
USPS First Class Postage	Per Piece	\$0.65	203	\$131.95
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	\$1.50	20	\$30.45
Preparation of Taxes	Hourly	\$120.00	5	\$600.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$3,015.40

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	1	\$100.00
Project Manager Final Reporting	Hourly	\$120.00	2	\$240.00
Process Unclaimed Funds	Flat Fee	\$550.00	1	\$550.00
Declaration	Hourly	\$125.00	1	\$125.00

Subtotal \$1,015.00

Capped ILYM Fees & Expenses: \$7,000.00

ILYM Group's Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT E

Date	Description	Amount
4/28/2023	Case Management Statement 20281134	\$61.26
6/16/2023	One Legal Service Fee - Declaration order 20584072	\$78.76
3/14/2024	Administration/Copy Fee - Class Action - Administration/Copy Fee - Class Action - Phone, Fax, Scan, Copying, Westlaw Legal Research Fees	\$500.00
4/8/2024	Certified Mail - PAGA Letters (4) to HSSG Inc. and Entities	\$10.88
4/8/2024	Payment to LWDA - PAGA Filing Fee	\$75.00
4/18/2024	One Legal Service Fee -Complaint 22707999	\$1,497.15
5/16/2024	One Legal Service Fee -proof of service, complaint, summons, 22915314	\$19.74
6/13/2024	One Legal Service Fee - Amended complaint order 23115180	\$19.74
6/21/2024	Affordable Legal Service Fee -	\$195.00
8/30/2024	One Legal Service Fee -case management statement order 23635959	\$19.74
8/30/2024	One Legal Service Fee - case management 23635959	\$750.00
9/4/2024	Mediation - Russ Wunderli	\$41.18
9/12/2024	One Legal Service Fee - stipulation 23716062	\$40.41
9/12/2024	One Legal Service Fee - stipulation 23716211	\$512.50
10/22/2024	Expenses - AS Pro Hac Vice	\$19.88
10/30/2024	One Legal Service Fee - proposed order 24045284	\$31.35
12/4/2024	Mediation - travel	\$603.77
12/4/2024	Mediation hotel (GS)	\$573.76
12/4/2024	Mediation hotel (AS)	\$250.00
12/4/2024	Mediation - car rental	\$375.00
12/4/2024	Mediation flight (AS) - to be confirmed	\$375.00
12/4/2024	Mediation flight (GS) - to be confirmed	\$51.50
12/5/2024	Mediation - meal	\$56.49
12/5/2024	Mediation -meal	\$24.00
12/6/2024	Mediation - parking	\$3,000.00
12/10/2024	Mediation - remaining balance to Russ Wunderli	\$21.73
12/20/2024	One Legal Service Fee - Case management statement 24369706	\$24.00
4/30/2025	One Legal Service Fee - case management 25270115	\$125.00
Anticipated	One Legal Service Fee - PAM	\$125.00
Anticipated	One Legal Service Fee - FAM	\$25.00
Anticipated	One Legal Service Fee - Notice of Judgement of Order	\$25.00
Anticipated	One Legal Service Fee - Compliance Declarations	\$9,547.58
Total:		

EXHIBIT F

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. **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 [REDACTED] (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 [REDACTED] weeks during the applicable Class Period (as defined below), which means your total share of the settlement proceeds is estimated to be [REDACTED]. 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. Case No. 24CV435535. The Class Period is April 18, 2020, to [REDACTED] (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 on-going

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 [REDACTED]. 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; Claims 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 timely submitted a Claim Form, which is enclosed in this mailing. 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 and PAGA Payment ("Claim Amount") is stated on the first page of this notice and the enclosed Claim Form. 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 and timely submit a Claim Form), 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. Claim Amounts and Allocation Between Class Members and Aggrieved Employees

Defendants will pay Claim Amounts through the Claims Administrator, as described below, to each Participating Class Member and to Aggrieved Employees. All Claim 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.

Payment to Class Members who do not opt out will require the submission of a Claim Form. Payment to Aggrieved Employees of their share of the PAGA Payment will not require the submission of a Claim Form. 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 [REDACTED]. Defendants' records indicate that you worked [REDACTED] weeks during the applicable PAGA Claim Period, which means your share of the PAGA Payment is estimated

to be [REDACTED]. This amount is included in your estimated Claim Amount stated on the first page of this notice, not in addition to it. You will still receive your share of the PAGA Payment even if you opt out of being a Class Member or fail to submit a Claim Form. Receipt of the Claim 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 Claims Administrator from Defendants' records. Defendants' records will be presumed correct unless evidence to the contrary is provided to the Claims Administrator. Defendants' records and any additional evidence will be reviewed by the Claims 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 [REDACTED]. 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 . . . [1.30]

Aggrieved Employees will be deemed to have released . . . [1.31]

The individuals released ("Released Parties") include [1.32].

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. Participating in the Settlement as a Class Member

If you wish to be a Participating Class Member, you must complete and return the enclosed Claim Form post marked no later than [date]. Failure to timely submit a Claim Form without opting out of the settlement will cause you to be bound by release of claims identified above, but you will not receive any share of the Net Settlement Amount.

B. Excluding Yourself from the Settlement as a Class Member

The Court will exclude you from being a Class Member if you request this by [REDACTED]. 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 Claims 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 [REDACTED]. The request to opt out must be mailed by First Class U.S. Mail, or the equivalent, to:

[admin info]

If you submit a request to opt out which is not postmarked by [REDACTED], 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 Claims 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.

C. 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 [redacted]. 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 timely submit your Claim Form as stated above. If the Court approves the Agreement despite any objections and you have not submitted a Claim Form, you will not receive your share of the Net Settlement Amount.

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 [redacted], at [redacted] 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.

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://santaclara.courts.ca.gov/online-services/case-information-online>. 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 [redacted]

BY ORDER OF THE COURT

EXHIBIT G

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 **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,
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21 Defendants.
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Case No. 24CV435535

CLASS ACTION

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

Date: August 6, 2025

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

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
20 Preliminary Approval of Class Action and PAGA Settlement, the declarations in support, the
21 Agreement, the proposed Notice of Settlement, and other evidence, HEREBY ORDERS AND
22 MAKES DETERMINATIONS AS FOLLOWS:

23 **I. PRELIMINARILY CERTIFYING A SETTLEMENT CLASS; APPOINTMENT OF**
24 **CLASS 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 the date
of preliminary approval of the class action and PAGA settlement.

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

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

26 The Court finds that Plaintiff Jose De Jesus Lopez Valdez and Plaintiff's counsel, Galen T.
27 Shimoda, Justin P. Rodriguez, Renald Konini, and Austin Sork of Shimoda & Rodriguez Law, PC, to be
28

adequate representatives of the settlement class. The Court appoints them as Class Representative and Class Counsel, respectively.

II. PRELIMINARILY APPROVING CLASS ACTION AND PAGA SETTLEMENT

The Court has reviewed the Agreement, which was submitted with Plaintiff's Motion as Exhibit A. The Court finds, on a preliminary and conditional basis, that the Settlement is fair, reasonable, and adequate and falls within a range of reasonableness for a settlement that could ultimately be given final approval by this Court. The Court finds the Settlement was agreed upon only after extensive investigation, litigation, and arms-length negotiations by counsel experienced in complex litigation, who took reasonable steps and measures to weigh the potential value of the disputed claims against the risks of continued litigation. The Court also acknowledges that Class Members may present any objections to the Settlement at a fairness hearing approved by this Court or opt-out of being bound by the preliminarily approved Agreement. The Court preliminarily approves the Agreement and all terms therein as if stated here in full, including the \$225,000.00 Gross Settlement Amount.

The Court approves of ILYM Group, Inc. acting as the Settlement Administrator in this case and hereby appoints them to fulfill those duties as outlined in the Agreement.

The Court finds that an award of fees under the common fund doctrine may be appropriate in this case because there is a sufficiently identifiable class of beneficiaries (*i.e.* Class Members), the benefits that Plaintiff and Class Counsel were able to negotiate on behalf of Class Members can be accurately traced as set forth in the Agreement, and the fee can be shifted with exactitude to those benefiting as the fee request is a specific, lump-sum percentage of the Gross Settlement Amount. *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 amounts allocated under the Agreement for attorney's fees and costs, an Enhancement Payment to the Class Representative, and Settlement Administrator Costs shall be included in the Notice of Settlement to enable Class Members to review and comment thereon. The Court will consider the reaction of Class Members when evaluating the reasonableness of the requested amounts at final approval. *See In re Heritage Bond Litig.*, 2005 WL 1594403, *21 (C.D. Cal. 2005)

1 (“The absence of objections or disapproval by class members to Class Counsel's fee request further
2 supports finding the fee request reasonable”). Plaintiff and Class Counsel are directed to provide
3 information in connection with the motion for final approval that will enable the Court to assess the
4 appropriateness of any requested fee percentage, to perform a lodestar cross check of the requested fee
5 percentage, and to quantify the amount of time spent by Plaintiff on this case and any further risks
6 and/or burdens incurred as a result of acting as Class Representative. Class Counsel is also directed to
7 provide an updated declaration and itemization regarding actual litigation costs incurred. The
8 Settlement Administrator shall also submit a declaration attesting to Settlement Administrator Costs
9 incurred. The Court will review these amounts and allocations in connection with the final approval
10 hearing. To the extent the Court ultimately awards less than the amounts allocated under the Agreement
11 for attorney’s fees and costs, any Enhancement Payment, and/or Settlement Administrator Costs, the
12 difference between the amounts awarded and the amounts requested shall be added to the Net Settlement
13 Amount for distribution to Participating Class Members pro rata as set forth in the Agreement.

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

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

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

1 **III. APPROVAL OF THE NOTICE OF SETTLEMENT AND METHOD FOR**
2 **DISTRIBUTING THE NOTICE OF SETTLEMENT**

3 The Court finds that the proposed Notice of Settlement, attached to this Order as Exhibit F and
4 incorporated by reference, fairly and adequately advises Class Members of the terms of the Agreement,
5 the rights being waived, their right to opt out, the ability to dispute the number of workweeks worked
6 during the Class Period, their pro rata share of the Net Settlement Amount, how to participate in the
7 settlement, how to file documentation in opposition to the proposed settlement, and when to appear at
8 the fairness hearing to be conducted on the date set forth below. The Court further finds that the Notice
9 of Settlement and proposed distribution of such notice by first class mail to each identified Class
10 Member at his or her most recent address based on a National Change of Address database search from
11 the Class Members' last known address and a skip trace on any Class Members who have the Notice of
12 Settlement returned as "undeliverable" or "not at this address" comports with all constitutional
13 requirements, including those of due process.

14 The Court also finds that because there is a strong interest in providing Class Members the
15 opportunity to participate in the settlement, along with the parties' efforts to minimize any intrusion of
16 privacy rights, the sharing of employment information as set forth in the Agreement is not a serious
17 intrusion on their privacy rights. Hence, the Court orders Defendants to provide Class Member
18 information to the Settlement Administrator as set forth in the Agreement and any other information the
19 Settlement Administrator needs to effectuate notice to Class Members and Aggrieved Employees. The
20 Class Member information will be provided to the Settlement Administrator only, and not to Plaintiff or
21 Class Counsel, as contemplated within the Agreement and approved by this Order. The Settlement
22 Administrator shall only use this information for the purposes identified in the Agreement and shall keep
23 this information confidential consistent with the terms of the Agreement, including maintaining all
24 information received from Defendants confidential to itself and Defendants' counsel.

25 **IV. IMPLEMENTATION SCHEDULE**

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

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Last day for Settlement Administrator to provide Parties with compliance declaration
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Within 21 calendar days after settlement check cashing deadline

V. FINAL APPROVAL AND HEARING

The Court hereby grants Plaintiff's Motion and sets final approval hearing on the proposed date of _____, at _____ a.m./p.m., with briefs and supporting documentation to be submitted according to the California Code of Civil Procedure, in this Department. Participating Class Members may object as set forth in the Agreement as well as appear and present such objections at the fairness hearing in person or by counsel.

If for any reason the Court does not grant final approval of the Agreement, all evidence and proceedings held in connection therewith shall be without prejudice to the status quo and rights of the parties to the litigation, including all challenges to personal jurisdiction and to class certification for any purpose other than approving a settlement class. The parties will revert to their respective positions as if no settlement had been reached at all.

IT IS SO ORDERED.

Date: _____

By: _____
Judge of the Superior Court