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ROBERTO HERNANDEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF YOLO

ROBERTO HERNANDEZ, individually, and
on behalf of other members of the general
public similarly situated, and as an aggrieved
employee and Private Attorney General;

Plaintiff,

vs.

ADAMS GRAIN CO., a California
corporation; ADAMS VEGETABLE OILS,
INC., a California corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No.: CV2022-1642

**DECLARATION OF HEATHER
DAVIS, ESQ. IN SUPPORT OF
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

Hearing Date: February 13, 2025
Hearing Time: 9:00 A.M.
Department: TBD

Reservation No.:

Complaint Filed: September 27, 2022
Trial Date: Not set

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1. I am an attorney duly admitted to the Bar of the State of California and licensed to practice before all courts of the State of California. I am an Owner and Partner with the Protection Law Group, LLP, counsel of record for Plaintiff ROBERTO HERNANDEZ (“Plaintiff”). I have personal knowledge of the facts stated herein and if called as a witness I could and would competently testify thereto.

2. I am a duly licensed attorney and have been a member of the Colorado State Bar since 1998, the California State Bar since 2005 and the Arizona State Bar since 2007. I graduated from the University of Denver School of Law in 1998 and I am licensed to practice before all courts of the State of California and Colorado as well as the State of Arizona and District Courts throughout the country.

4. During my employment with Littler Mendelson, P.C., I continued my practice of employment law and was responsible for and defended dozens of complex class actions, including some of the largest representative and class actions brought under the California Labor Code, including meal and rest break violations, overtime, minimum wage claims, off the clock work and other related wage claims. My practice included the management of dozens of class actions. My management of these cases included taking and defending hundreds of depositions and interviews of hundreds of putative class members, as well as extensive state, federal and appellate briefing on hundreds of wage and hour issues involving class actions.

5. During my employment at Littler Mendelson, I played a significant role in the class actions for which I was responsible. In particular, I was often in charge of the leading the strategy of the cases and drafting all of the briefs. I received a wide-array of wage and hour class action experience performing the following types of tasks: drafting demurrers; motions to strike

1 and/or dismiss; removing actions from state court to federal court; drafting and responding to
2 written discovery; drafting and opposing discovery related motions; arguing discovery related
3 motions; drafting motions to consolidate related matters; interviewing putative class members
4 and obtaining declarations in connection with class certification; drafting oppositions to motions
5 for class certification; drafting motions for decertification following class certification;
6 conducting exposure analyses to assess the strengths and weaknesses of asserted claims, the
7 likelihood of prevailing at class certification and potential damages resulting from such claims;
8 drafting mediation briefs; and serving as the primary contact to in-house counsel. In short, I
9 played an integral role in all aspects of litigation from the inception of a matter through and
10 beyond class certification.

11 6. During my practice in other jurisdictions and continuing today, I have been
12 primarily devoted to working in employment law and on complex class action and representative
13 litigation and multi-plaintiff work.

14 7. Protection Law Group LLP is a law firm specifically devoted to the representation
15 of employees against employers in California involving claims relating to violations of the
16 California Labor Code, including claims for failure to pay all wages owed, failure to pay overtime
17 premiums, failure to pay meal and rest premiums and failure to provide accurate wage records.
18 The practice of employment law is a very specific, narrow field which requires diligence in an
19 ever-evolving field of substantive and procedural law.

20 8. Although not exhaustive, below is a representative list of several of the wage and
21 hour class actions that I performed substantial work on while I was an attorney with Littler
22 Mendelson, including, but not limited to: *Villacres v. ABM Industries, Inc.*, 189 Cal.App.4th 562
23 (2010); *Brizuela v. Copart, Inc.*, CIVRS11101592, (San Bernardino Superior Court class action
24 settlement); *Augustus v. ABM Industries, Inc.*, BC336416, 2 Cal. 5th 257 (2016); *Tagaki v. United*
25 *Airlines*, 2:11-CV9191 (Central District class action settlement), *Babasa v. Comerica, Inc.*, 3:11-
26 CV00595, *Leyva v. Medline Industries, Inc.* 5:11-cv-00164 (Central District), *Blue v. Coldwell*
27 *Banker Residential Brokerage Co.*, BC417335, (Los Angeles Superior Court, class action
28 settlement), and *Acosta v. Texwood Industries, Inc.*, 2:07-cv-03237-DDP-PLA (Central District

1 class action settlement).

2 9. Since opening my firm, I have served as lead counsel or co-class counsel in several
3 wage and hour class and/or representative actions seeking wages and penalties owed on behalf of
4 employees for which final approval of the settlement or class certification has been granted,
5 including, but not limited to the following:

- 6 • *Holzer v. Wedbush Securities, Inc.*, BC550462 (Los Angeles Superior Court wage and
7 hour class action certifying class of independent contractors and appointing Protection
8 Law Group, LLP as class counsel);
- 9 • *White v. Windy Pizza Plus, LLC*, BC593377 (Los Angeles Superior Court wage and
10 hour class action certifying class of all non-exempt employees and appointing
11 Protection Law Group, LLP as class counsel);
- 12 • *Morera v. Continental Assets Mgmt.*, BC502003 (Los Angeles Superior Court wage
13 and hour class action appointing Protection Law Group, LLP as class counsel in
14 settlement);
- 15 • *Fong et al. v. Regis Corporation*, 3:13-cv-13-04497-VC (United States District Court,
16 Northern District of California, wage and hour class action settlement and
17 appointment Protection Law Group, LLP as class counsel in settlement);
- 18 • *Espinoza v. Financial Partners Credit Union*, BC502165 (Los Angeles Superior Court
19 wage and hour Class action appointing Protection Law Group, LLP as class counsel
20 in settlement);
- 21 • *Kesheshian, et al v. S. Cal. Logistics*, BC557981 (Los Angeles Superior Court wage
22 and hour class action appointing Protection Law Group, LLP as class counsel in
23 settlement);
- 24 • *Sampson v. 24 HR Homecare LLC*, BC586019 (Los Angeles County Superior Court
25 wage and hour class action);
- 26 • *Glenn v. Decron Properties Corp.*, BC578035 (Los Angeles Superior Court wage and
27 hour class action appointing Protection Law Group, LLP as class counsel in
28 settlement);

- 1 • *Torres v. Auto Rescue et al.*, RIC1509900 (Riverside County Superior Court wage and
2 hour class action appointing Protection Law Group, LLP as class counsel in
3 settlement);
- 4 • *Kashanian v. Plus Labs, Inc.*, 2016-1-CV-294231 (Santa Clara County Superior Court
5 wage and hour class action appointing Protection Law Group, LLP as class counsel in
6 settlement);
- 7 • *Cadena v. Tetra Property Management*, 257425 (Tulare County Superior Court wage
8 and hour class action appointing Protection Law Group, LLP as class counsel in
9 settlement);
- 10 • *Drayton v. Hollywood Park Casino*, BC593935 (Los Angeles Superior Court wage
11 and hour class action appointing Protection Law Group, LLP as class counsel in
12 settlement);
- 13 • *Khan v. FPI Management, Inc.*, JCCP4819 (Los Angeles Superior Court wage and
14 hour class action appointing Protection Law Group, LLP as class counsel in
15 settlement);
- 16 • *Byrd v. Masonite Corp.*, 5:16-cv-00035-JGBKK (United States District Court, Central
17 District of California appointing Protection Law Group, LLP as class counsel in
18 settlement);
- 19 • *Hadrick v. Woodmont Real Estate Serv., et al.*, CIV530405 (San Mateo County
20 Superior Court wage and hour class action appointing Protection Law Group, LLP as
21 class counsel in settlement);
- 22 • *Utterbach v. Daylight Transport, LLC et al.*, BC600994 (Los Angeles Superior Court
23 wage and hour class action appointing Protection Law Group, LLP as class counsel in
24 settlement);
- 25 • *Eiden v. Olive & June*, BC654685 (Los Angeles Superior Court wage and hour class
26 action appointing Protection Law Group, LLP as class counsel in settlement);
- 27 • *Lemus v. Slater Inc.*, CIVDS1703633 (San Bernardino Superior Court wage and hour
28 class action appointing Protection Law Group, LLP as class counsel in settlement);

- 1 • *Deluna v. Amerit Fleet Solutions et al.*, CIVDS1721564 (San Bernardino Superior
2 Court wage and hour class action appointing Protection Law Group, LLP as class
3 counsel in settlement);
- 4 • *Stone v. Universal Protection Services*, AAA Case No. 01-15-0002-7497 (American
5 Arbitration Association wage and hour class action appointing Protection Law Group,
6 LLP as class counsel in settlement on behalf of class of 75,000+ putative class
7 members);
- 8 • *Commick v. Prometheus Real Estate Group*, CIV531264 (San Mateo Superior Court
9 wage and hour class action appointing Protection Law Group, LLP as class counsel in
10 settlement);
- 11 • *Martinez v. AMRO Fabricating Corp.*, BC681938 (Los Angeles Superior Court wage
12 and hour class action appointing Protection Law Group, LLP as class counsel in
13 settlement);
- 14 • *Ramirez v. Western National Properties*, BC639319 (Los Angeles Superior Court
15 wage and hour class action appointing Protection Law Group, LLP as class counsel in
16 settlement);
- 17 • *Hernandez v. Access Dental Plan et. al*, 34-2017-00220944 (Sacramento Superior
18 Court wage and hour class action appointing Protection Law Group, LLP as class
19 counsel in settlement);
- 20 • *Fernandez v. Sumitomo Rubber North America, Inc.*, CIVDS1803211 (San
21 Bernardino Superior Court wage and hour class action appointing Protection Law
22 Group, LLP as class counsel in settlement);
- 23 • *Gomez v. Fairway Staffing Services, Inc.*, BC689771 (Los Angeles Superior Court
24 wage and hour class action appointing Protection Law Group, LLP as class counsel in
25 settlement);
- 26 • *Fuentes v. Communications Test Design, Inc.*, CIVDS1802427 (San Bernardino
27 Superior Court wage and hour class action appointing Protection Law Group, LLP as
28 class counsel in settlement);

- 1 • *Hartline v. Senior Operations, LLC*, BC697665 (Los Angeles Superior Court wage
2 and hour class action appointing Protection Law Group, LLP as class counsel in
3 settlement);
- 4 • *Carrozzella v. Basalite Concrete Products, LLC*, 34-2014-00220214 (Sacramento
5 Superior Court wage and hour class action appointing Protection Law Group, LLP as
6 class counsel in settlement);
- 7 • *Howey v. Battery Systems, Inc.*, 2026114 (Stanislaus Superior Court wage and hour
8 class action appointing Protection Law Group, LLP as class counsel in settlement);
- 9 • *Correa v. Cashbak, LLC*, BC723845 (Los Angeles Superior Court wage and hour class
10 action appointing Protection Law Group, LLP as class counsel in settlement);
- 11 • *Lemus v. Cass Construction*, 37-2017-00028180 (San Diego Superior Court wage and
12 hour class action appointing Protection Law Group, LLP as class counsel in
13 settlement);
- 14 • *Sales v. J.S. International Shipping Corp.*, 18CIV05048 (San Mateo Superior Court
15 wage and hour class action appointing Protection Law Group, LLP as class counsel in
16 settlement);
- 17 • *Aparicio v. Advantage Painting*, CIVDS2013809 (San Bernardino County Superior
18 Court approving PAGA Settlement);
- 19 • *Rodriguez v. TheRealReal, Inc.*, CGC-19-574661 (San Francisco County Superior
20 Court approving PAGA Settlement);
- 21 • *Parm v. Think Together*, CIVDS1823659 (San Bernardino County Superior Court
22 approving PAGA Settlement);
- 23 • *Casey-Neith v. Pacific Union Financial*, 30-2018-01014980 (Orange County Superior
24 Court approving PAGA Settlement);
- 25 • *Wallace v. Alvarado Restaurant Group, LLC*, 20STCV26260 (Los Angeles County
26 Superior Court approving PAGA Settlement);
- 27 • *Adams v. West Marine Products, Inc.*, 19CIV00436 (San Mateo Superior Court wage
28 and hour class action appointing Protection Law Group, LLP as class counsel in

- 1 settlement); and
- 2 • *Coronel, et al. v. CMH Manufacturing, Inc., et al.*, RIC2003070 (Riverside County
 - 3 Superior Court approving PAGA Settlement);
 - 4 • *Elliott v. Safeamerica Credit Union*, RG19016356 (Alameda County Superior Court
 - 5 approving Class Action and PAGA Settlement)
 - 6 • *Herrera et al. v. Anixter, Inc. et al.*, 30-2020-01142893-CU-OE-CXC (Orange County
 - 7 Superior Court approving Class Action and PAGA Settlement);
 - 8 • *Alvarez v. 2H Construction, Inc.*, 21STCV05675 (Los Angeles County Superior Court
 - 9 approving Class Action and PAGA Settlement);
 - 10 • *Bahena v. New Way Landscape & Tree Services*, 37-2020-00030533-CU-OE-CTL
 - 11 (San Diego County Superior Court approving Class Action and PAGA Settlement);
 - 12 • *Guerrero v. Food Technology and Design, LLC*, 18STCV02304 (Los Angeles County
 - 13 Superior Court approving Class Action Settlement);
 - 14 • *Gonzalez v. Vista Pacifica Enterprises, Inc.*, RIC2001557 (Riverside County Superior
 - 15 Court approving PAGA Settlement);
 - 16 • *Alvarado v. Kiwi II Construction, Inc.*, RIC2001558 (Riverside County Superior
 - 17 Court approving PAGA Settlement);
 - 18 • *Maldonado v. P&K Investment Co., LLC*, RIC2002722 (Riverside County Superior
 - 19 Court approving PAGA Settlement)
 - 20 • *Sanchez v. MBK Senior Living*, 30-2019-01115793-CU-OE-CXC (Orange County
 - 21 Superior Court approving PAGA Settlement)
 - 22 • *Aguirre v. Prudential Overall Supply*, RICJCCP5046 (Riverside County Superior
 - 23 Court approving PAGA Settlement) July 27, 2022
 - 24 • *Carrillo v. Weartech International, Inc.*, 30-2020-01151333-CU-OE-CXC (Orange
 - 25 County Superior Court approving Class Action and PAGA Settlement);
 - 26 • *Salinas v. Brasstech Inc., et al.*, 30-2020-01141960-CU-OE-CXC (Orange County
 - 27 Superior Court approving PAGA Settlement)
 - 28 • *McCrumb v. Trifecta Management Group, Inc. et al.*, BCV-19-100621 (Kern County

- Superior Court approving Class Action and PAGA Settlement);
- *Andrade v. Dirt Movers, Inc.*, STK-CV-UOE-2021-0008346 (San Joaquin County Superior Court approving Class Action and PAGA Settlement);
 - *Barela v. Quail Park Retirement Village, LLC*, VCU282224 (Tulare County Superior Court approving Class Action Settlement)
 - *Martinez v. Merit Logistics, LLC*, RIC2001625 (Riverside County Superior Court approving Class Action an PAGA Settlement)
 - *Aguilar v. Animal Supply Company, LLC*, 19STCV31413 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *Marquez v. Collabera Inc.*, 37-2022-00010988-CU-0E-CT (San Diego Superior Court approving Class Action and PAGA Settlement);
 - *Hernandez v. Baltazar Construction, Inc.*, 21STCV11456 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *Cortez v. Perfect Pac L.P.*, MCV084722 (Madera County Superior Court approving Class Action and PAGA Settlement)
 - *Rivera v. J.B. Wholesale Roofing and Building Supplies, Inc.*, 21TRCV00503 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *McCoy v. Road Runner Sports, Inc.* 19STCV37733 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *Lopez v. Bio-Reference, LLC*, 21STCV46533 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *Holladay v. Grandcare Health Services, LLC et al.*, 20STCV42115 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *Brooks v. Younger MFG, Co.*, 19STCV20386 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *Jurado v. Aequor Health Services, LLC.*, 21STCV06001 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *Ray et.al v. Unical Aviation, Inc.*, CIVDS1804952 (Lead Case) (San Bernardino

- County Superior Court approving Class Action and PAGA Settlement)
- *McGrew v. Pabon Construction Company*, 21STCV30819 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *Mijangos v. Grant Construction Inc.*, BCV-23-102043-TMS (Kern County Superior Court approving Class Action and PAGA Settlement)
 - *Parrott v. Knorr Systems Int'l, LLC et.al.*, 30-2022-01268047-CU-OE-CXC (Orange County Superior Court approving Class Action and PAGA Settlement)
 - *Gonzalez et.al. v. Children's Home of Stockton*, STK-CV-UOE-2022-0006373 (San Joaquin County Superior Court approving Class Action and PAGA Settlement)
 - *Varela v. McKinley Children's Center*, 22STCV17487 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
 - *Torres v. Jan Marini Skin Research, Inc.*, 22CV401294 (Santa Clara County Superior Court approving Class Action and PAGA Settlement)
 - *Muir v. Dave's World, Inc. dba Tahoe Dave's Skis & Boards*, S-CV-0049251 (Placer County Superior Court approving Class Action and PAGA Settlement)
 - *Garcia v. City Wide Property Services Inc.*, 34-2022-00328787 (Lead Case) (Sacramento County Superior Court approving Class Action and PAGA Settlement)

10. I am fully familiar with the legal and factual issues in the Action and have specific experience litigating complex wage and hour actions as class actions, including employment cases as set forth above.

11. Including myself, Protection Law Group includes nine attorneys, all of whom actively and continuously represent plaintiffs in employment class actions and representative actions, in Superior Courts throughout the State of California, in the Court of Appeal, and in various Federal courts. Because of the unique history and nature of our practice, all of the attorneys at Protection Law Group have a high level of knowledge and experience in labor and employment law. Besides myself, the following attorneys at Protection Law Group expended significant time in connection with this matter:

- a. Amir Nayebdadash – Founding Partner of Protection Law Group, LLP. Mr.

1 Nayebdadash received his Bachelor of Arts degree from University of California,
2 Los Angeles and a Juris Doctor degree from Pepperdine University School of Law.
3 He was admitted to practice law in California in November of 2004, and has been
4 admitted to practice in all federal district courts in the State of California. Prior to
5 founding Protection Law Group, LLP, Mr. Nayebdadash worked at Littler
6 Mendelson, P.C., the largest labor and employment law firm in the United States.
7 In 2013, Mr. Nayebdadash and I founded Protection Law Group LLP. Since the
8 inception of Protection of Law Group, LLP, Mr. Nayebdadash has focused his
9 practice on the representation of employees against employers in California. Mr.
10 Nayebdadash has extensive experience in all aspects of employment litigation,
11 with a focus on wage and hour class and representative action, including, but not
12 limited to taking and defending depositions, briefing and arguing motions,
13 preparing for class certification, negotiating complex wage and hour settlements,
14 trial and appeal.

15 b. Susan Huerta – (Former) Senior Attorney at Protection Law Group, LLP. Ms.
16 Huerta received her Bachelor's of Science degree from California State
17 University, Northridge and a Juris Doctor degree from Southwestern Law School.
18 Ms. Huerta was admitted to practice in California in June 2008 and is admitted to
19 practice law in all California Federal Courts and United States Court of Appeals
20 for the Ninth Circuit. Prior to joining Protection Law Group, LLP, Ms. Huerta's
21 practice focused on representing plaintiffs in individual employment and class
22 actions. Since joining Protection Law Group, LLP, Ms. Huerta's practice has
23 focused solely on the representation of employee plaintiffs in complex
24 wage and hour class and representative actions.

25 c. Brendan J. Burton – Senior Associate at Protection Law Group, LLP. Mr. Burton
26 received his Bachelor of Arts degree from the University of San Diego and a Juris
27 Doctor degree from California Western School of Law. Mr. Burton was
28 admitted to practice in California in December 2018 and is admitted to practice

1 law in all California Federal Courts and United States Court of Appeals for the Ninth
2 Circuit. Prior to joining Protection Law Group, LLP, Mr. Burton's practice
3 focused on recovering damages for injured victims. Since joining Protection Law
4 Group, LLP, Mr. Burton's practice has focused solely on the representation
5 of employee plaintiffs in complex wage and hour class and representative actions.
6 Mr. Burton has extensive experience briefing and arguing motions, and
7 managing written discovery.

- 8 d. Shadi Sahebghalam – Associate Attorney at Protection Law Group, LLP. Ms.
9 Sahebghalam received her Bachelor of Liberal Arts degree from University of
10 California, Los Angeles and a Juris Doctor degree from Pacific Coast University,
11 School of Law. Ms. Sahebghalam was admitted to practice in California in
12 April 2022 and is admitted to practice law in Eastern and Southern Districts of
13 California Federal Courts. Prior to joining Protection Law Group, LLP, Ms.
14 Sahebghalam's practice focused on representing plaintiffs in individual
15 employment discrimination cases and wage and hour disputes in state and federal
16 court as well as arbitration. After joining Protection Law Group, LLP, Ms.
17 Sahebghalam's practice has focused solely on the representation of employee
18 plaintiffs in complex wage and hour class and representative actions.

19 12. The Settlement presented here only resulted after having engaged in formal
20 discovery, extensive informal discovery and investigation and is the product of hard-fought
21 litigation and extensive arms' length negotiations. In my opinion as an experienced class counsel,
22 the Settlement is fair, reasonable, adequate, and in the best interests of the Class.

23 **PROCEDURAL HISTORY AND FACTUAL BACKGROUND**

24 13. Defendant ADAMS GRAIN CO. specializes in merchandizing and warehousing
25 wheat, corn, safflower, barley, rice, and other grains. Defendant ADAMS VEGETABLE OILS,
26 INC., is the leading processor and marketer of specialty organic vegetable oils worldwide and
27 specializes in palm oil, soybean oil, coconut oil, high-oleic sunflower oil, linoleic sunflower oil,
28 canola oil, and lecithin oil. Defendant ADAMS GRAIN CO. and Defendant ADAMS

1 VEGETABLE OILS, INC., (“Defendants”) offer services and products to customers throughout
2 California. Plaintiff Roberto Hernandez alleges he was employed by Defendant as an hourly-paid,
3 non-exempt employee in the position of Extractor Operator from approximately November 2014
4 to approximately January 2020.

5 14. On April 4, 2024, Plaintiff provided notice to Defendants and the California Labor
6 and Workforce Development Agency (“LWDA”) of the alleged wage and hour violations and his
7 intent to seek civil penalties pursuant to the Private Attorneys General Act of 2004 (“PAGA”).
8 Attached hereto as **Exhibit 1** is a true and correct copy of the PAGA Notice provided to the
9 LWDA and Defendants.

10 15. On September 27, 2022, Plaintiff filed a class action complaint with the Yolo
11 County Superior Court, Case No. CV2022-1642 (“the Action”), against Defendants, alleging the
12 following causes of action: (1) Unpaid Overtime; (2) Unpaid Meal Period Premiums; (3) Unpaid
13 Rest Period Premiums; (4) Unpaid Minimum Wages; (5) Final Wages Not Timely Paid; (6)
14 Wages Not Timely Paid During Employment; (7) Failure to Provide Accurate Wage Statements;
15 (8) Failure to Keep Accurate Payroll Records; (9) Failure to Reimburse Expenses; and (9)\
16 Violation of California Business & Professions Code §§ 17200, *et. seq.*

17 16. On December 29, 2022, Plaintiff propounded the following discovery: (i) Form
18 Interrogatories – General, Set One, (ii) Special Interrogatories, Set One, (iii) Requests for
19 Production of Documents, Set One, and (iv) a Deposition Notice of Defendants’ Person(s) Most
20 Qualified.

21 17. On February 23, 2023, Defendants provided written responses to Plaintiff’s (i)
22 Form Interrogatories – General, Set One, (ii) Special Interrogatories, Set One, and (iii) Requests
23 for Production of Documents, Set One.

24 18. On March 21, 2023, the Parties met and conferred, negotiated, and filed a Joint
25 Stipulation and Protective Order.

26 19. Thereafter, the Parties engaged in discussions to attend a formal private mediation.
27 Plaintiff requested certain documents and data be produced in order to accurately and fairly
28 evaluate the claims and claimed damages. The Parties agreed, and decided to mediate with March

Feder, Esq., on the nearest available date, March 12, 2024. On November 13, 2023, the Parties filed a Joint Stipulation regarding Discovery and Mediation, setting forth duties and responsibilities of each party prior to mediation.

20. In advance of mediation, Defendants provided Plaintiff's Counsel with extensive informal discovery including all relevant policies and handbooks in place during the Class Period, which included all applicable policies relating to meal breaks, rest breaks, timekeeping, the payment of wages and other relevant areas of investigation, a randomly selected 20% sampling of time and payroll data for the putative class, and figures and information regarding the class size and composition. The randomly-selected 20% sampling included records for putative class members who were employed throughout different time periods during the Class Period, that is representative of the Class. With this data for the Class, Plaintiff's Counsel and their retained expert were able to perform a comprehensive damages analysis and estimate Defendants' potential alleged violations, liability, and exposure, including, and not limited to, analyzing time and pay data, considering potential meal period violations, potential rest period violations, potential synthetic meal period recordings, unpaid and rest period premiums, rounding, overtime and premium payments, etc. This discovery and investigation allowed Plaintiff's Counsel to perform a comprehensive damages analysis and estimate Defendants' potential alleged liability and damages for mediation.

21. After extensive review of the mediation documents and other information, on March 12, 2024, the Parties attended a full day mediation before Marc Feder, Esq. At the mediation, the Parties engaged in intensive settlement discussions during which they debated their respective positions and exchanged views regarding the strengths and weaknesses of the alleged claims and defenses, but despite the help of the mediator were unable to reach an agreement on the day of mediation.

22. The Parties endeavored to diligently continue discussions through the mediator, and after mediation on March 12, 2024, the Parties each agreed to a mediator's proposal, assenting to the essential terms of settlement.

23. Thereafter the Parties diligently worked to draft and negotiate a Memorandum of

Understanding (“MOU”), which was executed on May 13, 2024.

24. As a negotiated term of the MOU, the Parties worked to file a Joint Stipulation to allow Plaintiff to file a First Amended Complaint adding one cause of action for violation of California Labor Code § 2699 – the Private Attorneys General Act of 2004 (“PAGA Action”). On June 11, 2024, the Parties filed the Joint Stipulation to File First Amended Complaint.

25. Thereafter the Parties diligently worked to draft and negotiate a long form Joint Stipulation of Class Action and PAGA Settlement (“Settlement Agreement”). On October 10, 2024, the Parties fully-executed the long form Settlement Agreement.

26. Now, following substantial investigation and extensive settlement negotiations, Plaintiff moves for preliminary approval of this Settlement Agreement. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 2**.

27. Pursuant to California Labor Code § 2699(l)(2), a copy of the proposed Class, Collective, and Representative Settlement Agreement and Class Notice, as well as information regarding the preliminary approval hearing on this matter, were submitted to the LWDA via online filing at <https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html> on January 13, 2025. Attached hereto as **Exhibit 3** is a true and correct copy of the online submission.

SUMMARY OF THE TERMS OF SETTLEMENT

28. Plaintiff seeks preliminary approval of the proposed Joint Stipulation of Class Action and PAGA Settlement Agreement. Attached hereto as **Exhibit 2** is a true and correct copy of the Parties’ Class Action and PAGA Settlement Agreement (hereinafter “Settlement Agreement” or “Settlement”). A true and correct copy of the proposed Class Notice, Request for Exclusion Form, and Objection Form are attached to the Settlement Agreement as **Exhibits A, B, and C**.

29. Plaintiff seeks to provisionally certify the following class for settlement purposes: all current and former hourly-paid, non-exempt employees of Adams Grain Co. and Adams Vegetable Oils, Inc. who were employed by Adams Grain Co. and Adams Vegetable Oils, Inc. in the state of California at any time between September 27, 2018, through May 24, 2024. *See*

Settlement Agreement ¶¶3, 7.

30. The Parties have agreed that PAGA Members shall be defined as: all current and former hourly-paid, non-exempt employees of Adams Grain Co. and Adams Vegetable Oils, Inc. who were employed by Adams Grain Co. and Adams Vegetable Oils, Inc. in the state of California at any time between April 4, 2023, through June 11, 2024. *See* Settlement Agreement ¶¶22, 24.

31. According to information provided to Class Counsel by Defendants' Counsel, there are 320 Class Members and 90 PAGA Members.

32. Subject to Court approval, the Parties have agreed to settle the Class and PAGA claims at issue for a non-reversionary Gross Settlement Amount of \$855,000.00, exclusive of any employer-side payroll taxes. Settlement Agreement ¶¶16, 41, 48.

33. The Gross Settlement Amount is based on Defendants' representation that the Class Members worked a total of 28,500 Workweeks during the Class Period. Should the qualifying Workweeks worked by the Class Members during the Class Period ultimately increase by more than 10% (*i.e.*, exceed more than 31,350 Workweeks), Defendants shall have right at their sole discretion to either (1) reduce the Class Period such that the Workweeks do not exceed 31,350, or (2) pay a *pro rata* increase in the Gross Settlement Amount equal to the percentage increase in Workweeks above 31,350. For example, if the Workweek count increases by 12%, then Defendants may, at their sole discretion, elect to pay a 2% increase to the Gross Settlement Amount. Settlement Agreement ¶42.

34. The Gross Settlement Amount will initially be allocated as follows:

- a. Class Counsel's Fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount, amounting to \$299,250.00.
- b. Class Counsel's Costs, not to exceed \$30,000.00.
- c. Settlement Administration Costs for services performed by the Settlement Administrator Phoenix Class Action Administrators, not to exceed \$9,250.00.
- d. Class Representative Incentive Payment to named Plaintiff in the amount

of \$7,500.00.

- e. PAGA Payment of \$75,000.00, including the distribution of \$56,250.00 to the LWDA, which constitutes 75% of the settlement amount allocated to PAGA claims, and \$18,750.00 of which will be distributed to PAGA Members.

Settlement Agreement ¶¶41, 44, 45, 46, 47, 48.

35. After deducting these amounts, the Net Settlement Amount of approximately \$434,000.00 shall be distributed to the Participating Class Members. The Net Settlement Amount will be distributed and paid to Participating Class Members on a *pro-rata* basis based on the number of weeks worked during the Class Period. Settlement Agreement ¶49(a)-(c).

36. In addition, as stated above, PAGA Members shall receive a *pro-rata* share of the 25% portion of the PAGA Payment allocated for aggrieved employees. Settlement Agreement ¶47.

37. The payment to each Class Member will vary based on the number of Workweeks the Class Member worked, and whether they are entitled to a share of the PAGA Payment, but will provide an average estimated payment of \$1,831.22.

38. PAGA Members shall receive their portion of the PAGA Payment regardless of their decision to opt-out of the Class Settlement. Settlement Agreement ¶49(b).

39. Each Class Member's settlement allocation will be allocated between wage and nonwage payments as follows: twenty percent (20%) wages, forty percent (40%) penalties, and forty percent (40%) interest. Settlement Agreement ¶49(c).

40. Employer-side payroll taxes shall be paid by Defendants separately from and in addition to the Gross Settlement Amount. Settlement Agreement ¶14.

41. The proposed Settlement Agreement is a non-reversionary and non-claims made settlement. All money from the Net Settlement Amount will be distributed to the Class Members. No money from the Settlement will revert to Defendants. *See* Settlement Agreement ¶¶16, 41.

42. Any residue from checks issued to Participating Class Members and PAGA Members remaining uncashed after 180 days will be distributed to the State Controller's Office

Unclaimed Property division as unclaimed property to be held in trust for such Participating Class Members pursuant to California's Unclaimed Property Law. As such, no "unpaid residue" under California Code of Civil Procedure § 384 will result from the settlement. Settlement Agreement ¶63.

43. This proposed Settlement resolves all of the Participating Class Members' claims against Defendants and their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers (the "Released Parties") as to the facts alleged in the First Amended Complaint ("FAC" or "Operative Complaint") and all claims that could have been alleged based on such facts. The Released Class Claims are all claims, rights, demands, liabilities, and causes of action that are alleged, or reasonably could have been alleged based on the same or similar facts and claims asserted in the operative FAC in this Action, specifically including the following claims: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (4) Violation of California Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), including any alleged failure to provide complete and/or accurate wage statements; (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business and Professions Code § 17200, *et seq.*, including all claims for injunctive relief, declaratory relief, restitution, unfair business practices alleged or which could have been alleged in connection with any other claims; and (11) Violation of Labor Code

§ 2698, *et seq.* (Private Attorneys General Act of 2004 (PAGA))), including those claims set forth in Roberto Hernandez’s Letter to the Labor & Workforce Development Agency for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, including but not limited to overtime pay, minimum wage, regular wages and/or sick pay whether contractual or statutory, as well as any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Action, also including any claims for penalties (statutory, civil or otherwise), attorneys’ fees, costs, interest, penalties, or premiums in connection with the claims in this paragraph. All federal claims shall likewise be released, and shall be barred by the settlement by virtue of res judicata, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.* 889 F.3d 1106 (9th Cir. 2018) (the “Released Claims”). Settlement Agreement ¶¶30, 68.

44. The proposed Settlement also resolves all PAGA Members’ claims arising under PAGA that were alleged in the operative Complaint, or could have been alleged, for the PAGA Period. Settlement Agreement ¶¶31, 69.

THE SETTLEMENT IS REASONABLE

Method of Distribution

45. The proposed settlement is based on the number of Workweeks worked by each Class Member. This method is commonly used in wage and hour class actions because it relies upon objective evidence of the total days of employment, which Class Members can easily review and confirm for themselves. This information is readily available from Defendants’ records, and the Settlement Administrator can apply the formula in a fair and transparent manner.

46. Additionally, this method of distribution is commonly used in wage and hour class actions because it allows for a distribution that corresponds closely to the alleged damages since employees experience the same working conditions, so their damages are directly related to the

1 amount of time they were employed.

2 47. The effectiveness of Class Counsel in prosecuting this case has translated into
3 monetary benefits for the Class, PAGA Members, and State of California in the following
4 respects: (1) the Class, PAGA Members, and State of California will recover over a reasonably
5 short period of time as opposed to waiting additional years for the same, or possibly, a worse,
6 result; (2) a guaranteed result that compares favorably with other similar class action settlements
7 of this type, (3) significant savings in Class Counsel's fees and costs which would have only
8 increased significantly had the case progressed through trial, appeals, and continued litigation.

9 **Discovery and Informed Arms-Length Negotiations**

10 48. Settlement was reached in this matter only after engaging in formal and informal
11 discovery and investigations. Prior to mediation, Defendants informally produced time and
12 payroll records for all Class Members, written policies including the employee handbooks in
13 effect during the Class Period, stand-alone wage and hour policies, and other relevant documents.
14 Defendants also provided information regarding the number of putative class members, the
15 number of current versus former employees, the total workweeks and pay periods worked by the
16 Class; and the Class Members' average rate of pay. With the time and pay records, Class Counsel
17 and our retained expert were able to perform a comprehensive damage analysis and estimate
18 Defendants' potential violations, liability, and exposure, including, and not limited to analyzing
19 time and pay data, considering potential meal period violations, potential rest period violations,
20 potential synthetic meal period recordings, rounding, overtime and premium payments, etc. The
21 Parties extensively briefed issues regarding class certification and liability and provided their
22 analyses to the mediator for his consideration.

23 49. Thereafter, the Parties engaged in a full day of mediation with Marc Feder, Esq.,
24 a highly-respected mediator with substantial experience mediating wage and hour class actions,
25 during which the Parties engaged in extensive settlement negotiations. The settlement
26 negotiations were at arm's length and, although conducted in a professional manner, were
27 adversarial. Defendants at all times maintained that they had complied with California wage and
28 hour laws. Likewise, if this matter had not been resolved, Plaintiff was willing and prepared to

1 vigorously litigate this dispute. The proposed settlement was reached at the end of a process that
2 was neither fraudulent nor collusive and was reached only after a full day of mediation that
3 allowed the Parties to reach a compromise of the hotly disputed claims with the help of the
4 mediator.

5 **Estimate of Potential Value**

6 50. Class Counsel analyzed all available data and estimated Defendant's maximum
7 potential exposure at approximately \$13,110,903.06 assuming the litigation was successful at trial
8 on the principal claims at issue, and then reduced this exposure analysis based on the likelihood
9 of obtaining class certification, prevailing at trial, and other attendant risks. This amount is based
10 on the total estimated maximum liability for all the workweeks at the time of mediation. At
11 mediation, there were approximately 28,500 workweeks at issue. Based on the average rate of
12 pay during the Class Period of \$20.91 and finding a presumptive meal period violation rate of
13 22.8%, Class Counsel estimated the total meal break damages owed at \$894,626.27. Rest breaks
14 were unrecorded and were thus difficult to gauge. However, based on the same types of practices
15 that were leading to employees missing meal breaks, or receiving short and late meal periods,
16 Class Counsel estimated a 22.8% violation rate with respect to rest periods, which resulted in
17 approximately \$894,626.27 in potential damages. Plaintiff's claims for overtime and minimum
18 wage were based on off-the-clock work performed including off-the-clock work as a result of
19 Defendants' meal period practices. Based on these practices, Class Counsel estimated that
20 Defendants owed the Class approximately \$1,177,325.72 in unpaid wages. Waiting time penalties
21 amounted to \$1,088,992.80. Penalties for inaccurate wage statements amounted to \$1,192,500.00.
22 Plaintiff's claims for reimbursement of business expenses were estimated to amount to
23 \$85,500.00. Finally, Class Counsel estimated non-duplicative penalties arising under PAGA,
24 including violations of Labor Code §§ 204 and 1174(d) could amount to as much as
25 \$7,777,332.00. However, during the mediation, Defendants raised several issues which impacted
26 the risks attendant with the continued litigation of these claims.

27 51. Class Counsel did not separately value Plaintiff's claim for violation of California
28 Business and Professions Code §17200. California Business and Professions Code § 17208

1 extends the statute of limitations on Plaintiff's other allegations, which qualify as unfair business
2 practices, to four (4) years and Plaintiff has incorporated this expanded statute of limitations in
3 considering the potential damages associated with Plaintiff's other claims. Plaintiff did not
4 separately value the injunctive relief associated with this claim or potential equitable relief that
5 was more directly sought through other claims.

6 **Analysis of Specific Claims and Risks Considered**

7 52. Although the investigation and information discovered supports Plaintiff's
8 contentions, the strengths of these claims varied and Defendants raised potential defenses and
9 other circumstances that impacted the risk of proceeding on a class-wide basis. Defendants
10 proffered defenses to both certification and the merits of Plaintiff's claims. Defendant contended
11 that Plaintiff's claims are not suitable for class certification because individual issues and
12 affirmative defenses would predominate should this case go to trial. As with all class actions,
13 these complex cases raise difficult management and proof issues and, accordingly, there is a
14 significant risk that the Court may deny class certification.

15 ***Meal Period Analysis***

16 53. A large portion of Defendants' estimated liability lies in Plaintiff's meal period
17 claims. Plaintiff's theory of liability was based upon Defendants' failure to provide timely, full,
18 and/or uninterrupted meal periods. Plaintiff contended that Defendants' practices throughout the
19 Class Period were unlawful, required employees to perform work and monitor their issued radio
20 devices during their meal periods and interfered with employees' rights to take meal breaks where
21 they were completely relieved of their duties. Plaintiff contended that Defendants failed to pay
22 meal period premiums for missed, late, short, or interrupted meal periods that arose as a result of
23 these practices. Based on a review and analysis of the time and payroll data, my office estimated
24 a meal period violation rate of approximately 22.8%. Accordingly, based upon information
25 regarding the Class workweeks and average rate of pay, Class Counsel estimated potential meal
26 period damages of \$894,626.27.

27 54. However, meal period claims have been increasingly difficult to certify in recent
28 years and Defendants argued that their meal period policies and practices throughout the Class

1 Period were lawful. Defendants contended that to the extent that putative class members failed to
2 take their meal periods or took a short or late meal period, they did so voluntarily. As such,
3 Defendants contended the records that indicated non-compliant meal periods had been waived.
4 Defendants argued that investigation into these meal periods would raise multiple individual
5 issues that would pose challenges to certification, including and whether meal periods were non-
6 compliant, why they were non-compliant, and whether they had been waived. Defendants
7 contended that these highly individualized questions of fact would prevent class certification.

8 55. While Class Counsel disagreed with Defendants' arguments and factual
9 contentions, Class Counsel recognized the circumstances and realities of the case, applicable case
10 law and regulations, costs and expenses of further litigation and certification, and risks to
11 recovery, associated with this claim. Accordingly, Plaintiff applied a 70% discount for risks
12 associated with certification of this claim and a 70% discount associated with the risks of
13 succeeding on the merits, establishing liability, and proving damages, leaving a resulting value of
14 \$80,516.36.

15 ***Rest Period Analysis***

16 56. Similarly, Plaintiff would likely face difficulties proving the alleged rest period
17 violations, as Defendants were not required to record these breaks. Plaintiff contended that
18 Defendants failed to provide class members with timely, full, and uninterrupted rest periods and
19 also failed to implement a compliant rest period policy during the class period. Plaintiff believed
20 that Defendants' written policy on rest breaks was unlawful and violated California law. Plaintiff
21 estimated that putative class members received a non-compliant a rest period on average 22.8%
22 of the time throughout the Class Period and estimated damages of approximately \$894,626.27.

23 57. In contrast, Defendants argued that their written policies were lawful and that all
24 employees were provided an opportunity to take a rest period for every four hours worked or
25 major fraction thereof. Defendants argued that whether employees had received a compliant rest
26 period, the reasons why a putative class member failed to receive a compliant rest period, and
27 whether such rest period was waived raised individual issues that could not be certified and that
28 even if such a claim could be certified, Plaintiff would be unable to adequately prove the alleged

1 damages given the lack of records.

2 58. Litigating rest period claims is inherently difficult as an employer's records, as is
3 the case here, do not usually indicate when a rest period is short, late, interrupted or missed
4 entirely. While Class Counsel disagree with Defendants' arguments and factual contentions, there
5 were significant risks associated with this claim. Accordingly, a discount of 70% was applied to
6 account for the risks associated with obtaining and maintaining certification and a discount of
7 70% was applied to account for the risks associated with succeeding on the merits, establishing
8 liability, proving the extent of damages and ultimately obtaining this award. This resulted in a
9 risk-based estimate of approximately \$80,516.36.

10 ***Unpaid Wages - Minimum Wage and Overtime Claims***

11 59. Plaintiff alleges that Defendants failed to pay putative Class Members overtime
12 and minimum wages as a result of uniform policies, practices, and procedures, that required
13 putative class members to perform work during meal periods and before clocking-in and after
14 clocking-out in order to complete heavy workloads. This off-the-clock work was work for which
15 Plaintiff alleges he and other putative class members failed to receive payment at all and
16 additionally regularly caused Plaintiff and other putative class members to work more than eight
17 hours in a day or 40 hours in a week thereby incurring additional overtime compensation. Plaintiff
18 estimated as a result of these violations, Class Members incurred approximately one hour of
19 unpaid wages (combination of unpaid straight time as well as the additional overtime premium)
20 per week amounting to \$1,177,325.72 in damages. This estimated one (1) hour of off-the-clock
21 work/overtime for each workweek includes Plaintiff's estimate of \$586,662.86 in unpaid wages
22 and \$586,662.86 in unpaid overtime premiums.

23 60. Defendants contended that their overtime policies and practices comply with the
24 law and that they paid putative class members over the minimum wage for all hours worked.
25 Defendant also produced wage records reflecting overtime compensation paid to many of the
26 putative class members. Defendants further contended that all employees were required to record
27 all time worked and that Defendants were not aware that any work had been performed off-the-
28 clock to the extent such off-the-clock work was, in fact, performed. Defendants also argued that

individual liability issues predominate, including: (1) whether each employee worked off-the-clock; (2) whether Defendants knew or should have known about each employee's off-the-clock work; (3) whether each employee received non-discretionary bonuses and commissions; (4) whether each employee worked overtime; and (5) whether Defendants knew or should have known that each putative class member performed overtime work. Moreover, given that the bulk of these claims were based on off-the-clock work not reflected in Defendants' time records, Defendants argued that proving damages at trial would not be manageable.

61. Plaintiff disagrees with Defendants' contentions but acknowledges that claims regarding off-the-clock work involve substantial challenges in obtaining and maintaining class certification, establishing liability and providing damages, in light of potential individualized issues and the lack of records. Accordingly, Class Counsel discounted their initial valuation of this claim by 70% to account for risks regarding certification and 70% for the risks associated with succeeding on the merits, establishing liability, proving the extent of damages and ultimately obtaining this award. This resulted in a risk-based estimate of approximately \$105,959.31 with respect to these claims.

Waiting Time Penalties

62. Plaintiff alleges that Defendants intentionally and willfully failed to pay Plaintiff and other putative class members all wages due to them upon termination, within the time period permissible under California law as a result of Defendants' failure to pay employees all wages due from off-the-clock work, as well as unpaid meal and rest period premiums. Based on the information provided by Defendants at mediation there were approximately 149 former employees within the three-year statute of limitations who Plaintiff believes were entitled to waiting time penalties of approximately \$1,088,992.80 total.

63. However, there were substantial risks associated with Plaintiff's waiting time penalties claims. First, these claims were derivative of Plaintiff's previous claims and if certification was denied on those underlying claims, these claims would also likely fail. Even if Plaintiff prevailed on his underlying off-the-clock claims, he would still be required to demonstrate that Defendants' violations of Labor Code § 203 were willful violations, a difficult

prospect. Accordingly, Class Counsel discounted their initial valuation of this claim by 70% to account for risks regarding certification and 70% for the risks associated with succeeding on the merits, establishing liability, proving the extent of damages, and ultimately obtaining this award. This resulted in a risk-based estimate of approximately \$98,009.35 with respect to these claims.

Wage Statement Claims

64. Plaintiff contended that throughout the Class Period there were derivative violations arising from the claims alleged above such that the wage statements failed to list the total number of hours worked, the actual gross wages earned, and the correct rates of pay. Based on these claims and assuming a violation could be proven once per pay period for each of the 90 employees employed during the 1-year time period employees were eligible for penalties, Plaintiff estimated potential penalties for wage statement violations of approximately \$1,192,500.00.

65. Defendants contended that Plaintiff and putative class members suffered no actual injury from the alleged facial wage statement violations. Defendants also contended that derivative violations would rise or fall based on the prior claims and that it could not be demonstrated that these violations for items such as off-the-clock work were knowing and intentional. Wage statement claims have also seen varying treatment at the appellate level because such claims have an element of discretion attached to them rather than a pure calculation of damages after liability is proven. *Cf., Jaimez v. DAIOHS USA, Inc.*, 181 Cal.App.4th 1286 (2010) with *Price v. Starbucks Corp.*, 192 Cal.App.4th 1136 (2011). While Class Counsel does not agree with this assessment, in light of the risks raised by Defendants, Class Counsel discounted their initial valuation 70% for risks pertaining to certification and 70% for risks pertaining to the merits, establishing liability, proving the extent of damages, and obtaining this award. This resulted in a risk-based adjustment of \$107,325.00 for this claim.

Business Expense Claims

66. Plaintiff contends that Defendants failed to reimburse Plaintiff and other putative class members for mileage for the use of employees' personal vehicles for travel between job sites for work, as well as for the purchase of work-related uniforms and tools. Defendants disputed

1 that Plaintiff and any putative class member were required to incur these expenses and moreover
2 contends that Plaintiff and other putative class members never requested reimbursement from
3 Defendants. Plaintiff estimated that even if it could be established that employees were required
4 to undertake these expenses employees were unlikely to have incurred more than \$200 in
5 unreimbursed business expenses or approximately \$85,500.00 at the time of mediation. Class
6 Counsel then discounted this amount by 75% for issues relating to certification of this claim and
7 75% for issues pertaining to the merits, establishing liability, proving damages, and obtaining an
8 award. This resulted in a risk-based adjustment of \$5,343.75 for this claim.

9 ***PAGA Claims***

10 67. Class Counsel also separately contemplated the risks of proceeding with the
11 PAGA cause of action and potential liability Defendants could face from this cause of action.

12 68. As part of the valuation of the potential PAGA claims, Class Counsel included
13 claims under Labor Code §§ 204 and 1174(d). My office did not assign independent value for
14 Plaintiff's Claims arising under Labor Code § 204, Labor Code § 1174(d), or Violation of
15 California Business and Professions Code § 17200 *et. seq.* Plaintiff's claims were violations of
16 Labor Code § 204 and Labor Code § 1174(d) were included in my office's evaluation of Plaintiff's
17 PAGA claims. Labor Code § 210 authorizes the recovery of penalties arising from violations of
18 Labor Code § 204, but explicitly states that such penalties may be recovered either through section
19 § 210 or PAGA, but not both. *See* Labor Code §210(c) (permitting recovery of penalties through
20 section 210 or PAGA but prohibiting duplicative recovery). Penalties under 1174(d) may
21 arguably only be recovered by the Labor Commissioner, *see Caliber Bodyworks, Inc. v. Superior*
22 *Court*, 134 Cal.App.4th 365, 383 (2005), and accordingly my office included this recovery when
23 evaluating Plaintiff's PAGA claims, but again Plaintiff would not appear to be entitled to a
24 duplicative recovery even if Plaintiff successfully persuaded the Court that an independent right
25 to such recovery exists.

26 69. The Parties agreed during settlement negotiations to allocate \$75,000.00 of the
27 Settlement towards the PAGA claims, which represents approximately 8.77% of the Gross
28 Settlement Amount. This percentage of the settlement is well above the range of PAGA

1 settlements regularly approved in both state and federal court for cases that include both a class
2 and PAGA action. Settlements that allocate only 1% of the total settlement value to resolve PAGA
3 claims is typical of wage and hour settlements and PAGA amounts as little as 0.27% of the Gross
4 Settlement Amount have been approved as reasonable by courts. *See, e.g.,*

- 5 • *Davis v. Brown Shoe Co.*, 2015 U.S. Dist. LEXIS 149010 (E.D. Cal. 2015) (PAGA
6 Payment of \$5,000 in a \$1.5 million class settlement);
- 7 • *Zamora v. Ryder Integrated Logistics, Inc.*, 2014 U.S. Dist. LEXIS 184096 (S.D. Cal.
8 2014) (\$7,500 payment to LWDA for PAGA on a \$1.5 million class settlement);
- 9 • *Lusby v. Gamestop Inc.*, 2015 U.S. Dist. LEXIS 42637 (N.D. Cal. 2015) (PAGA
10 Payment of \$5,000 in a \$500,000 class settlement);
- 11 • *Cruz v. Sky Chefs, Inc.*, 2014 U.S. Dist. Lexis 17693 (N.D. Cal. 2014) (approving
12 payment of \$10,000 to the LWDA for PAGA out of \$1,750,000 class settlement);
- 13 • *Chu v. Wells Fargo Investments, LLC*, 2011 WL 672645, *1 (N.D. Cal. 2011)
14 (approving PAGA payment of \$7,500 to the LWDA out of \$6.9 million common-fund
15 settlement);
- 16 • *Martino v. Ecolab Inc.*, No. 3:14CV04358 (N.D. Cal. 2017) (\$100,000 allotted as
17 PAGA penalties or 0.48% of \$21,000,000 settlement amount);
- 18 • *East v. Comprehensive Educational Services Inc.*, Case No. 11-CECG-04226 (2015)
19 (\$10,000 allotted as PAGA penalties or 0.13% of \$7,595,846 settlement amount);
- 20 • *Bararsani v. Coldwell Banker Residential Brokerage Company*, Case No. BC495767
21 (2016) (\$10,000 allotted as PAGA penalties or 0.22% of \$4,500,000 settlement
22 amount);
- 23 • *Rico v. Cardinal Health 200 Inc.*, No. CIVRS-14-01451 (2017) (\$5,000 allotted as
24 PAGA penalties or 0.14% of \$3,500,000 settlement amount);
- 25 • *Moppin v. Los Robles Medical Center*, No. 5:15CV01551 (C.D. Cal. 2017) (\$15,000
26 allotted as PAGA penalties or 0.40% of \$3,775,000 settlement amount);
- 27 • *Scott-George v. PVH Corporation*. No., 2:13CV00441 (E.D. Cal. 2017) (\$15,000
28 allotted as PAGA penalties or 0.46% of \$3,250,000 settlement amount);

- *Hart v. Parkview Community Hospital Medical Center*, No. RIC-14-06044 (2016) (\$10,000 allotted as PAGA penalties or 0.39% of \$2,550,000 settlement amount);
- *Nehrlich v. RPM Mortgage Inc.*, No. 30-2013-00666783-CU-OE-CXC (2017) (\$10,000 allotted as PAGA penalties or 0.40% of \$2,500,000 settlement amount);
- *Kelley v. The Related Companies of California L.L.C.*, No. CIVDS-13-07167 (2016) (\$10,000 allotted as PAGA penalties or 0.50% of \$2,000,000 settlement amount); and
- *Castrejon v. O'Connell Landscape Maintenance Inc.*, No. RIC-12-12798 (2015) (\$5,000 allotted as PAGA penalties or 0.33% of \$1,500,000 settlement amount.

70. In allocating \$75,000.00 to Plaintiff's PAGA claims, Class Counsel considered that PAGA penalties would be subject to the same defenses and risks as Plaintiff's class claims, as well as defenses unique to PAGA.

71. For instance, Defendants contended that penalties could not be stacked, that Plaintiff would be unable to obtain penalties for derivative labor code violations based on underlying wage violations.

72. Moreover, since Defendants denied and continued to deny that they ever violated any provision of the California Labor Code, Defendants would likely have argued, that, even if, *arguendo*, such violations occurred, heightened penalties should not apply because Defendants had not received notice from a labor agency or Court that they were violating the law. *See, e.g., Amaral v. Cintas Corp. No. 2*, 163 Cal.4th 1157, 1209 (2008).

73. Defendants also contended that when determining whether or not to assess a penalty, the court exercises the same discretion as the Labor Commissioner and may reduce the penalties to be assessed against the employer pursuant to California Labor Code section 2699(e)(1)-(2). As such, Defendants contended that, with respect to a PAGA claim, the Court was unlikely to assess cumulative penalties for the maximum number of possible, separate California Labor Code violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory, especially where certain conduct may be governed by multiple provisions of the California Labor Code that are interrelated and work in tandem.

74. Defendants also contended that adjudication of claims arising under PAGA would

not be manageable and that the individualized inquiries Defendants argued would defeat certification of the alleged claims would also prevent Plaintiff from demonstrating that the PAGA claim could be successfully managed and adjudicated without abridging Defendants' due process rights.

75. Defendants maintained that, in addition to their strong arguments against the underlying claims, taking the current unsettled state of law, it would be unjust to award the maximum potential PAGA penalties. There was a dearth of law and guidance regarding trials and/or assessment of penalties under the PAGA statute, and there is no clearly-established methodology for the valuation and/or assessment of PAGA penalties.

76. Based upon the violations alleged above Class Counsel estimated PAGA penalties in this matter could exceed \$7,777,332.00. However, a discount of 75% was applied to account for the risks associated with establishing manageability, a discount of 65% was applied to account for the risks associated with succeeding on the merits, establishing liability, and proving the extent of penalties that are warranted, and a discount of 55% was applied in light of the unique risks to PAGA including the likely discretionary reduction of penalties by the Court given the circumstances of the Action and outside considerations. This brought the relative value of the PAGA claim to approximately \$367,478.94.

General Considerations

77. For all claims and when considering the settlement generally, Class Counsel recognized that, even if Plaintiff prevailed at class certification, proving the amount of wages due to each Class Member would be an expensive, time-consuming, and extremely uncertain proposition. In order to prove liability and damages, Class Counsel will need to request and analyze thousands of pages of documents, contact Class Members and obtain numerous declarations at great expense. Obtaining the cooperation of current employees would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current employer. On the other hand, Defendants would likely be able to obtain the cooperation of their employees. Moreover, even if Plaintiff prevails at class certification and trial, possible appeals would substantially delay any recovery by the Class.

1 78. Therefore, taking into account the strengths and weaknesses of each claim, the
2 unique risks associated therewith, the general risks associated with litigating the case and the
3 significant additional costs and expenses that would be incurred by both sides in litigating the
4 Action through class certification, trial, and appeals, and the unique risks of this particular Action,
5 resulted in an adjusted risk-based estimated liability of approximately \$845,149.08. The slightly
6 higher figure achieved on behalf of the Settlement Class is warranted not only because it benefits
7 the Class, but it may address any conservative calculations that cannot be accounted for from off-
8 the-clock work as this time was unrecorded. Moreover, the Settlement Amount of \$855,000.00
9 achieves about 6.5% of the total exposure, which in my opinion is fair, adequate, and reasonable.

10 79. Based on these factors, I therefore submit that the Settlement is fair, reasonable,
11 and adequate. The Settlement is in the best interest of the Class Members, PAGA Members, and
12 State of California and is within the accepted range of recoveries for this type of litigation given
13 the inherent risk of litigation, the risk of obtaining and maintaining class certification, and the costs
14 of further litigation.

15 **REQUESTED ENHANCEMENT PAYMENT**

16 80. As part of the settlement agreement, Plaintiff is requesting a reasonable
17 Enhancement Payment of \$7,500.00. This Enhancement Payment is imminently reasonable given
18 the time and effort Plaintiff spent on this case, and the benefit to the other putative class members
19 as a result of Plaintiff's actions. The Motion for Final Approval and Plaintiff's declaration in
20 support thereof will also elaborate on the time and effort Plaintiff spent on the litigation of this
21 Action.

22 81. Moreover, notice of the requested Class Representative Enhancement Payment is
23 disclosed to the Class Members in the Class Notice and should be preliminarily approved by the
24 Court. *See* Settlement Agreement, Ex. A.

25 **ATTORNEYS' FEES AND COSTS**

26 82. The attorneys' fees incurred by Class Counsel are in line with the common fund
27 requested. Class Counsel is seeking thirty-three and one-third percent (35%) of the Gross
28 Settlement Amount or \$299,500.00. Class Counsel has achieved an excellent result for the Class

1 during hard-fought negotiations. Class Counsel has extensive experience in wage and hour
2 disputes, and we were able to use our extensive experience and skills to achieve this result. The
3 Motion for Final Approval will elaborate on the nature of the legal services provided, the time
4 incurred in performing those services, and Class Counsel's hourly rates. The Motion for Final
5 Approval will also elaborate on the reimbursement for costs sought by Class Counsel, which are
6 estimated not to exceed \$30,000.00. Notice of Class Counsel's requested fees and costs are
7 disclosed to the Class in the Notice. *See* Settlement Agreement, Ex. A.

8 **THE METHOD OF NOTICE IS VERY LIKELY TO GIVE ACTUAL NOTICE**

9 83. Subject to the Court's Approval, the Parties have agreed to having Apex Class
10 Action Administration Solutions ("Settlement Administrator" or "Apex") administer the
11 Settlement. The Parties do not have any financial interest in the Settlement Administrator or
12 otherwise have a relationship with the Settlement Administrator that could create a conflict of
13 interest. Settlement Agreement ¶36.

14 84. No later than twenty-one (21) days after the Court grants preliminary approval of
15 the Settlement, Defendants will provide the Class List and Tax Rate Information to the Settlement
16 Administrator. Defendants shall provide the Settlement Administrator with a Microsoft Excel
17 spreadsheet containing the following information for each Class Member: (1) full name; (2) last
18 known home address; (3) last known telephone number; (4) social security number; (5) start and
19 end dates of active employment as a non-exempt employee of Defendants in the State of
20 California; (6) total Workweeks during the Class Period; (7) total Workweeks during the PAGA
21 Period; and (8) any other information required by the Settlement Administrator in order to
22 effectuate the terms of the Settlement. The Settlement Administrator shall perform any searches
23 necessary for confirmation of the Class Members' addresses, translate the Notice to Spanish, and
24 shall mail the Notice to all Class Members in both English and Spanish within seven (7) calendar
25 days of receiving the Class List. Settlement Agreement ¶¶51-55.

26 85. I am not aware of an alternative method of providing notice to the Class which
27 would result in a higher likelihood of actual notice. The original source of the mailing addresses
28 is from each Class Member, who provided the information to Defendants. As a fail-safe to this

highly reliable method, additional searches will be performed on any notice returned as non-deliverable. Settlement Agreement ¶54.

OTHER PENDING ACTIONS

86. I am not aware of any other currently pending individual, class or PAGA actions that would be affected by the proposed settlement.

INFORMATION TO BE SUPPLIED AT FINAL APPROVAL

87. At final approval, my office will submit billing records for Class Counsel's fees and costs.

88. At final approval, my office will submit a declaration from the Settlement Administrator regarding the services it has performed and costs associated therewith. The declaration from the Settlement Administrator shall also include the high, low, and average payments to the Class Members.

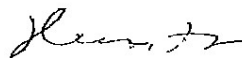
89. At final approval, Plaintiff will provide a declaration regarding the time he spent working on this matter his efforts throughout the litigation on behalf of the putative class members.

NOTICE TO THE LWDA

90. Pursuant to California Labor Code § 2699(1)(2), my office submitted a copy of the fully executed Settlement Agreement, as well as information regarding the preliminary approval hearing on this matter, to the California Labor Workforce Development Agency via online filing at <https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html> on January 13, 2025. A true and correct copy of an email confirming submission of the Settlement to the LWDA on January 13, 2025, is attached hereto as **Exhibit 3**.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 13, 2025.



Heather Davis

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EXHIBIT 1



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April 4, 2024
Page 1 of 7

VIA ONLINE FILING

Labor and Workforce Development Agency

800 Capitol Mall, MIC-55

Sacramento, CA 95814

PAGAfilings@dir.ca.gov

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: Roberto Hernandez v. Adams Grain Co.; Adams Vegetable Oils, Inc.

Dear Representative:

This office represents Roberto Hernandez (“**Mr. Hernandez**”) with respect to his claims under the California Labor Code against Adams Grain Co. and Adams Vegetable Oils, Inc. (collectively “**Employers**”). This letter is being sent simultaneously to Employers by certified mail.

Mr. Hernandez is a former employee of Employers and was employed as an hourly, non-exempt employee. During his employment with Employers, Mr. Hernandez was employed as an Extractor Operator at Employers’ location at 7301 John Galt Way, Arbuckle, California 95912. Employers specialize in merchandizing and warehousing wheat, corn, safflower, barley, rice, and other grains.

Mr. Hernandez intends to seek penalties for violations of the California Labor Code which are recoverable under California Labor Code section 2698, *et seq.*, the Private Attorneys General Act of 2004 (“**PAGA**”). Mr. Hernandez is seeking penalties on behalf of himself and in a representative capacity on behalf of the State of California and all current and former non-exempt employees of Employers (“**Aggrieved Employees**”). This letter is being sent in compliance with California Labor Code section 2699.3.

As detailed below, Employers violated several of California’s wage and hour laws during Mr. Hernandez’s employment, including but not limited to violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 246, *et seq.* 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the Industrial Welfare Commission Wage Orders (“**IWC Wage Order**”) including *inter alia*, IWC Wage Order No. 8. The claims made on behalf of Mr. Hernandez and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Mr. Hernandez alleges that Employers have engaged in numerous unlawful practices which resulted in the failure to pay Mr. Hernandez and Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation at the appropriate rate of pay.



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First, Mr. Hernandez alleges that Employers regularly required Mr. Hernandez and Aggrieved Employees to work more than eight (8) hours in a day or forty (40) hours in a workweek, but failed to pay them some or all overtime compensation for such work. Mr. Hernandez further alleges that Employers also failed to provide Mr. Hernandez and Aggrieved Employees with adequate training as to the payment of overtime compensation, all in an effort to keep their workers uninformed as to their legal right to overtime compensation. In addition, Mr. Hernandez alleges that Employers regularly required Mr. Hernandez and Aggrieved Employees to work off-the-clock in order to complete their duties and responsibilities. This off-the-clock work included, amongst other things, requiring Mr. Hernandez and Aggrieved Employees to: (1) respond to Employers and work-related requests and perform work while clocked out for purported meal breaks; (2) perform work before clocking in for the start of their shift; and (3) perform work after clocking out for the end of their shift. Mr. Hernandez and Aggrieved Employees were not compensated for this off-the-clock work, resulting in a failure to pay minimum wages and straight time wages. Moreover, this off-the-clock work typically caused Mr. Hernandez and Aggrieved Employees to work more than eight (8) hours in a day and forty (40) hours in week, resulting in a failure to pay overtime compensation.

In addition to requiring Mr. Hernandez and Aggrieved Employees to perform work off-the-clock without compensation, Mr. Hernandez alleges that Employers also failed to accurately record the actual time worked by Mr. Hernandez and Aggrieved Employees, which resulted in a failure to pay Mr. Hernandez and Aggrieved Employees for all hours actually worked, including minimum wages, straight time wages, and overtime wages. Finally, and as a matter of policy and/or practice, Mr. Hernandez alleges that Employers failed to pay overtime to Mr. Hernandez and Aggrieved Employees for all overtime hours worked and/or sick pay based on regular rates of pay correctly calculated to include all applicable remuneration.

As a result of the foregoing practices, Mr. Hernandez alleges that Employers have failed to pay Mr. Hernandez and Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Order No. 8 and California Labor Code sections 204, 246, *et seq.*, 510, 1194, 1197, 1197.1, and 1198.

Mr. Hernandez and Aggrieved Employees will therefore seek unpaid and/or underpaid wages; PAGA default penalties; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 8; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; compensation pursuant to Labor Code Section 1194; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

Mr. Hernandez further alleges that Employers failed to provide Mr. Hernandez and Aggrieved Employees with legally compliant 30-minute meal periods. Mr. Hernandez alleges that Mr. Hernandez and Aggrieved Employees were required by Employers to work more than five (5) hours per day, but were not provided with uninterrupted 30-minute meal periods. Further, Mr. Hernandez alleges that Mr.



Hernandez and Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Mr. Hernandez alleges that Employers regularly required Mr. Hernandez and Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. On the occasions that Mr. Hernandez and Aggrieved Employees did take a meal period, Mr. Hernandez alleges that their meal periods were frequently interrupted or cut short.

Mr. Hernandez alleges that Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Mr. Hernandez and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally compliant policies regarding the provision and timing of meal periods or systematically disregarded their own purported meal period policies; (2) Employers' management at various levels, affecting all hourly, non-exempt employees, failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Mr. Hernandez and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Mr. Hernandez and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Mr. Hernandez and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Mr. Hernandez and other Aggrieved Employees to remain on-call and respond to work-related requests at all times, including during meal periods, which included responding to telephone calls, pages, intercom announcements, and in-person verbal interruptions; and (7) Employers' policy and culture prevented Mr. Hernandez and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on completing job requirements over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Mr. Hernandez alleges that Mr. Hernandez and Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law.

Accordingly, Mr. Hernandez alleges that Employers violated IWC Wage Order No. 8 and California Labor Code sections 226.7, 512(a), and 1198.

Mr. Hernandez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 8; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

Mr. Hernandez further alleges that Employers failed to authorize and permit Mr. Hernandez and Aggrieved Employees take legally compliant 10-minute rest periods. Mr. Hernandez alleges that



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Employers required Mr. Hernandez and Aggrieved Employees to work through rest periods. Mr. Hernandez alleges that Mr. Hernandez and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Mr. Hernandez alleges that Mr. Hernandez and Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Mr. Hernandez alleges that Mr. Hernandez and Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Mr. Hernandez alleges that Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Mr. Hernandez and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally compliant policies regarding the provision and timing of rest periods or systematically disregarded their own purported rest period policies; (2) Employers' management at various levels, affecting all hourly, non-exempt employees, failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Mr. Hernandez and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Mr. Hernandez and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Mr. Hernandez and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Mr. Hernandez and other Aggrieved Employees to remain on the premises and/or otherwise on-call and respond to work-related requests at all times, including during rest periods, which included responding to telephone calls, pages, intercom announcements, and in-person verbal interruptions; and (7) Employers' policy and culture prevented Mr. Hernandez and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Mr. Hernandez alleges that Mr. Hernandez and Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law.

Accordingly, Mr. Hernandez alleges that Employers violated IWC Wage Order No. 8 and California Labor Code sections 226.7 and 1198.

Mr. Hernandez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 8; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.



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April 4, 2024
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4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

As to each pay period, Mr. Hernandez alleges that Employers have failed to timely pay all wages earned because Mr. Hernandez and Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums, including at the proper rate of pay. Accordingly, Mr. Hernandez alleges that Employers violated California Labor Code section 204(a).

Mr. Hernandez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

As a result of the practices described above, Mr. Hernandez alleges that the wage statements provided to Mr. Hernandez and Aggrieved Employees failed to include the actual hours worked, the actual gross wages earned, and the correct rates of pay. Accordingly, Mr. Hernandez alleges that Employers violated California Labor Code section 226(a).

Mr. Hernandez and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

Mr. Hernandez further alleges that Employers have failed to maintain accurate records relating to Mr. Hernandez and Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Mr. Hernandez alleges that Employers violated IWC Wage Order No. 8 and California Labor Code sections 1198.5 and 1174(d).

Mr. Hernandez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 8; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. IWC Wage Order No. 8 requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Mr. Hernandez alleges that Mr. Hernandez and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include, but are not limited to, regularly utilizing personal



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vehicles to conduct Employers' business, travel sometimes far distances for work, utilize personal cell phone to conduct company business, the purchase of safety equipment required to be used while operating heavy machinery, and the purchase and maintenance of a uniform.

Accordingly, Mr. Hernandez alleges that Employers violated IWC Order No. 8 and California Labor Code sections 2800 and 2802.

Mr. Hernandez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 8; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

Upon the termination of employment, Mr. Hernandez alleges that Mr. Hernandez and Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Mr. Hernandez and Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Mr. Hernandez alleges that Employers failed to pay Mr. Hernandez and Aggrieved Employees for all straight time wage, minimum wages, and overtime compensation owed to them upon termination of their employment. Mr. Hernandez alleges that Employers also failed to pay Mr. Hernandez and Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages, including sick pay, at the proper rate of pay. Accordingly, Mr. Hernandez alleges that Employers violated California Labor Code sections 201 and 202.

Mr. Hernandez and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 203, 1199, and 2699(f)(2); and attorneys' fees and costs.

Therefore, on behalf of himself, the State of California and all Aggrieved Employees, Mr. Hernandez may seek all applicable penalties related to these violations of the California Labor Code pursuant to PAGA. If you have any questions or require additional information, please do not hesitate to contact us.

Thank you for your attention to this matter.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read "Priscilla Gamino", is written over a light blue circular stamp.

Priscilla Gamino



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April 4, 2024
Page 7 of 7

Notice provided to Employers via Certified Mail (7020 1290 0001 4025 6771)

Adams Grain Co.
Adams Vegetable Oils, Inc.
c/o
Noah J. Woods
Kara Adelle Ritter Cole
LITTLER MENDELSON, P.C.
501 W. Broadway, Suite 900
San Diego, California 92101-3577

Evelyn Sandoval

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov>
Sent: Thursday, April 4, 2024 2:04 PM
To: Evelyn Sandoval
Subject: Thank you for submission of your PAGA Case.

4/4/2024

LWDA Case No. LWDA-CM-1020442-24
Law Firm : Protection Law Group
Plaintiff Name : Roberto Hernandez
Employer: Adams Grain Co.
Filing Fee : \$75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

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EXHIBIT 2

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Attorneys for Plaintiff

[Caption continued on next page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF YOLO**

ROBERTO HERNANDEZ, individually, and
on behalf of other members of the general
public similarly situated, and as an aggrieved
employee and Private Attorney General;

Plaintiff,

vs.

ADAMS GRAIN CO., a California
corporation; ADAMS VEGETABLE OILS,
INC., a California corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No.: CV2022-1642

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

Complaint Filed: September 27, 2022
Trial Date: None Set

NOAH J. WOODS, SBN 264823

nwoods@littler.com

KARA ADELLE RITTER COLE, SBN 306515

kcole@littler.com

LITTLER MENDELSON, P.C.

501 W. Broadway, Suite 900

San Diego, CA 92101.3577

Tel: (619) 232-0441 / Fax: (619) 232-4302

Attorneys for Defendants

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff Roberto Hernandez, individually and on behalf of the Settlement Class, and as an aggrieved employee and Private Attorney General, and Defendants Adams Grain Co. and Adams Vegetable Oils, Inc.

DEFINITIONS

1. “Action” means the court action entitled “*Roberto Hernandez v. Adams Grain Co., et al.*”, Case No. CV2022-1642, pending before the Yolo County Superior Court.

2. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action and PAGA Settlement.

3. “Class” or “Class Members” means all current and former hourly paid or non-exempt employees of any Defendant within the state of California at any time during the Class Period.

4. “Class Counsel” means Lawyers *for* Justice, PC and Protection Law Group, LLP.

5. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys’ fees not to exceed thirty-five percent (35%) of the Gross Settlement Amount, *i.e.*, Two Hundred Ninety-Nine Thousand Two Hundred Fifty Dollars and Zero Cents (\$299,250.00), and the reimbursement of costs and expenses associated with the litigation and settlement of the Action not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs and expenses in the amounts set forth above.

6. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator within twenty-one (21) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member’s: (1) full name; (2) last known home address; (3) last known

telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendants in the State of California; (6) total Workweeks during the Class Period; (7) total Pay Periods during the PAGA Period; and (8) any other information required by the Settlement Administrator in order to effectuate the terms of the Settlement.

7. “Class Period” means the period from September 27, 2018 through May 24, 2024.

8. “Class Representative” means Plaintiff Roberto Hernandez in his capacity as representative of the Participating Class Members.

9. “Class Representative Enhancement Award” means the amount that the Court authorizes to be paid to Plaintiff in addition to his Individual Settlement Payment, in recognition of the efforts and risks he has taken in assisting with the prosecution of the Action and in exchange for the General Release of his claims as provided herein.

10. “Court” means the Superior Court of the State of California for the County of Yolo.

11. “Defendants” means Adams Grain Co. and Adams Vegetable Oils, Inc.

12. “Defendants’ Counsel” means Littler Mendelson, P.C.

13. “Effective Date” means the date that all of the following events have occurred: (i) the long-form Joint Stipulation of Class Action and PAGA Settlement (this Agreement) has been executed by Plaintiff, Defendants, Class Counsel, and Defendants’ Counsel; (ii) the Court has given preliminary approval to the Settlement; (iii) the Class Notice has been sent to the Class Members, providing them the opportunity to object to the Settlement and the opportunity to opt out of the Settlement; (iv) the Court has held a Final Approval Hearing and entered a Final Approval Order and Judgment and sixty (60) days have elapsed; and (v) the later of the following events: (A) when the period for filing any appeal, writ, intervention, or other proceeding opposing the Settlement has elapsed without any appeal, writ, intervention, or other proceeding having been filed; (B) when any appeal, writ, intervention, or other proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or (C) when any appeal, writ, intervention, or other proceeding has upheld the Court’s Final Approval Order and Judgment with no right to pursue further remedies or relief. If the Court declines to

1 approve the Settlement or the Effective Date otherwise fails to occur, the entire Settlement is
2 deemed void and unenforceable as if no settlement of any claim was ever reached. All
3 negotiations, statements, proceedings, and data relating thereto shall be protected by California
4 Evidence Code § 1152 and shall be without prejudice to the rights of any of the Parties.

5 14. “FAC” means the operative First Amended Complaint filed by Plaintiff in the
6 Action on June 11, 2024.

7 15. “Final Approval” means the Court entering an order granting final approval of the
8 Settlement Agreement.

9 16. “Gross Settlement Amount” means the sum of Eight Hundred Fifty-Five Thousand
10 Dollars and Zero Cents (\$855,000.00). The Gross Settlement Amount is non-reversionary; no
11 portion of the Gross Settlement Amount will return to Defendants, and includes all: (1) payments
12 to the participating Class Members; (2) Class Counsel’s Fees and Costs; (3) Settlement
13 Administration Costs; (4) Class Representative Enhancement Award to Plaintiff; and (5) PAGA
14 Penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”) and
15 PAGA Members. The Gross Settlement Amount is exclusive of the employer’s share of any
16 applicable payroll taxes, and any such employer-side payroll taxes shall be paid by Defendants to
17 the Settlement Administrator separately and in addition to the Gross Settlement Amount. The
18 Gross Settlement Amount plus any applicable employer-side payroll taxes shall be the maximum
19 amount Defendants are required to pay under the Settlement.

20 17. “Individual Settlement Payment” means the amount payable from the Net
21 Settlement Amount to each Participating Class Member combined with any payment a PAGA
22 Member is eligible to receive from the employee portion of the PAGA Penalties. Individual
23 Settlement Payments shall be paid by checks made payable to Participating Class Members and/or
24 PAGA Members.

25 18. “Net Settlement Amount” means the funds available for payments to the Class,
26 which shall be the amount remaining after the following amounts are deducted from the Gross
27 Settlement Amount: (1) Class Counsel’s Fees and Costs; (2) Settlement Administration Costs; (3)
28 Class Representative Enhancement Award to Plaintiff; and (4) the PAGA Penalties to be paid to

the LWDA and PAGA Members.

19. “Notice” means the Notice of Proposed Class Action Settlement in a form substantially similar to the form attached hereto as Exhibit A, that will be mailed to Class Members’ last known addresses, and which will provide Class Members with information regarding the Action and the Settlement.

20. “Objection” means a Class Member’s valid and timely written objection to the Settlement Agreement. For an Objection to be valid, it must include: (a) the objector’s full name, address, telephone number, and last four digits of the employee’s social security number; (b) the name of the case; and (c) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection.

21. “PAGA” means the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*).

22. “PAGA Members” means all current and former hourly paid or non-exempt employees of any Defendant within the State of California at any time during the PAGA Period.

23. “PAGA Penalties” means the amount that the Parties have agreed to allocate in order to settle claims arising under PAGA. The Parties have agreed that Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiff’s PAGA Claims. Seventy-five percent (75%) of this amount (\$56,250.00) will be paid to the LWDA in accordance with Labor Code §§ 2698, *et seq.* The remaining twenty-five percent (25%) of this amount (\$18,750.00) will be distributed to PAGA Members. PAGA Members will receive payment from the employee portion of the PAGA Penalties regardless of their decision to participate in the Class if the PAGA Penalties are approved by the Court.

24. “PAGA Period” means the period from April 4, 2023 through June 11, 2024.

25. “Participating Class Members” means all Class Members who do not submit valid and timely Requests for Exclusion.

26. “Parties” means Plaintiff and Defendants, collectively, and “Party” shall mean either Plaintiff or any Defendant, individually.

27. “Pay Period” shall mean any pay period in which a PAGA Member worked at least

one (1) day during the PAGA Period.

28. “Plaintiff” means Roberto Hernandez.

29. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

30. “Released Class Claims” means all claims, rights, demands, liabilities, and causes of action that are alleged, or reasonably could have been alleged based on the same or similar facts and claims asserted in the operative FAC in this Action, specifically including the following claims:

- a. (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (4) Violation of California Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), including any alleged failure to provide complete and/or accurate wage statements; (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business and Professions Code § 17200, *et seq.*, including all claims for injunctive relief, declaratory relief, restitution, unfair business practices alleged or which could have been alleged in connection with any other claims; and (11) Violation of Labor Code § 2698, *et seq.* (Private Attorneys General Act of 2004 (PAGA)), including those claims set forth in Roberto Hernandez’s Letter to the Labor & Workforce Development Agency for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221,

226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, including but not limited to overtime pay, minimum wage, regular wages and/or sick pay whether contractual or statutory, as well as any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Action, also including any claims for penalties (statutory, civil or otherwise), attorneys' fees, costs, interest, penalties, or premiums in connection with the claims in this paragraph. All federal claims shall likewise be released, and shall be barred by the settlement by virtue of res judicata, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.* 889 F.3d 1106 (9th Cir. 2018).

b. This release shall apply to claims arising during the Class Period.

31. "Released PAGA Claims" means any and all PAGA claims that could have been asserted under the PAGA based on the same or similar factual allegations and claims in the operative FAC in this Action or any PAGA notice submitted by Plaintiff to the LWDA covering the PAGA Period.

32. "Released Parties" means the named Defendants Adams Grain Co., Adams Vegetable Oils, Inc., and any and all of their past, present, and future direct or indirect parents, sister or related entities, expressly including the Adams Group, Inc., acquired companies, subsidiaries, predecessors, successors, and affiliates as well as each of its or their past, present, and future owners, including the Adams family, officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, heirs, representatives, accountants, auditors, consultants, and any individual or entity which could be jointly liable with Defendants.

33. "Request for Exclusion" means a valid and timely written statement submitted by a Class Member requesting to be excluded from the Class Settlement. To be effective, the Request

1 for Exclusion must contain: (a) the Class Member's full name, address, telephone number, and
2 the last four digits of their social security number; and (b) a statement requesting to be excluded
3 from the settlement of the Class claims. To be effective, the Request for Exclusion must be
4 postmarked by the Response Deadline and actually received by the Settlement Administrator. The
5 Request for Exclusion shall not be effective as to the release of claims arising under the PAGA.

6 34. "Response Deadline" means the date sixty (60) calendar days after the Settlement
7 Administrator mails Notice to Class Members and the last date on which Class Members may
8 submit Requests for Exclusion, written Objections to the Settlement, or Workweek/Pay Period
9 disputes. In the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline
10 will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline
11 for Requests for Exclusion, written Objections, and Workweek disputes will be extended fifteen
12 (15) calendar days for any Class Member who is re-mailed a Notice by the Settlement
13 Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the
14 Response Deadline will be extended to the next day on which the U.S. Postal Service is open.
15 The Response Deadline may also be extended by express agreement between Class Counsel and
16 Defendants' Counsel. Under no circumstances, however, will the Settlement Administrator have
17 the authority to unilaterally extend the deadline for Class Members to submit a Request for
18 Exclusion or Objection to the Settlement.

19 35. "Settlement" means the disposition of the Action pursuant to this Agreement.

20 36. "Settlement Administrator" means Apex. The Parties each represent that they do
21 not have any financial interest in the Settlement Administrator or otherwise have a relationship
22 with the Settlement Administrator that could create a conflict of interest.

23 37. "Settlement Administration Costs" mean the costs payable from the Gross
24 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
25 but not limited to, translating the Notice, printing, distributing, and tracking documents for this
26 Settlement, confirming each Class Member's Workweeks and each PAGA Member's Pay
27 Periods in the Class List, calculating Individual Settlement Payments, tax reporting, distributing
28 the Gross Settlement Amount, providing necessary reports and declarations, and other duties and

responsibilities set forth herein to process this Settlement, and as requested by the Parties. Settlement Administration Costs shall not exceed Nine Thousand Two Hundred and Fifty Dollars and Zero Cents (\$9,250.00).

38. “Tax Rate Information” shall mean the tax rate currently paid by Defendants for the employer’s share of employment taxes in California.

39. “Workweek” shall mean any calendar week (*i.e.*, a week beginning with Sunday and ending with Saturday), in which a Class Member worked at least one (1) day during the Class Period.

TERMS OF AGREEMENT

40. Filing of Amended Complaint: The Parties have agreed to allow Plaintiff’s filing of the FAC in this Action to add representative claims under PAGA. Plaintiff’s FAC was filed with the Court on June 11, 2024.

41. Settlement Consideration: Defendants shall fund the Gross Settlement Amount and all applicable employer-side payroll taxes following Final Approval by the Court and the Effective Date, and no later than the first business day after sixty (60) days from the entry of the Order granting Final Approval, and after which time such Order becomes final and is no longer appealable. The following will be paid out of the Gross Settlement Amount: (a) the sum of the Individual Settlement Payments; (b) the Class Representative Enhancement Award; (c) Class Counsel’s Fees and Costs; (d) the PAGA Penalties; and (e) the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual Settlement Payments, or as a result of an increase in the number of Workweeks as set forth below, Defendants shall not be required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendants.

42. Potential Increase to the Gross Settlement Amount: The Gross Settlement Amount is based on Defendants’ representation that the Class Members worked a total of 28,500 Workweeks during the Class Period. Should the qualifying Workweeks worked by the Class Members during the Class Period ultimately increase by more than 10% (*i.e.*, exceed more than

31,350 Workweeks), Defendants shall have right at their sole discretion to either (1) reduce the Class Period such that the Workweeks do not exceed 31,350, or (2) pay a *pro rata* increase in the Gross Settlement Amount equal to the percentage increase in Workweeks above 31,350. For example, if the Workweek count increases by 12%, then Defendants may, at their sole discretion, elect to pay a 2% increase to the Gross Settlement Amount.

43. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue payments for: (a) Individual Settlement Payments; (b) the PAGA Penalties to the LWDA; (c) the Class Representative Enhancement Award; (d) Class Counsel's Fees and Costs; and (e) Settlement Administration Costs.

44. Attorneys' Fees and Costs: Defendants agree not to oppose any application or motion by Class Counsel for attorneys' fees of not more than Two Hundred Ninety-Nine Thousand Two Hundred Fifty Dollars and Zero Cents (\$299,250.00) plus the reimbursement of costs and expenses associated with the litigation and settlement of the Action, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), both of which will be paid from the Gross Settlement Amount. Any portion of the requested fees or costs that are not awarded to Class Counsel shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

45. Class Representative Enhancement Award: Defendants agree not to oppose or object to any application or motion by Plaintiff for a Class Representative Enhancement Award of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00). The Class Representative Enhancement Award is in exchange for the General Release of the Plaintiff's individual claims and for his time, effort, and risk in bringing and prosecuting the Action. Any portion of the requested Class Representative Enhancement Award that is not awarded to the Class Representative shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

46. Settlement Administration Costs: The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the

Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not exceed Nine Thousand Two Hundred Fifty Dollars and Zero Cents (\$9,250.00).

47. PAGA Penalties: Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Penalties, or Fifty-Six Thousand Two Hundred Fifty Dollars and Zero Cents (\$56,250.00), to the LWDA. The remaining twenty-five percent (25%) of the PAGA Penalties, or Eighteen Thousand Seven Hundred Fifty Dollars and Zero Cents (\$18,750.00) will be distributed to PAGA Members on a *pro rata* basis based on the total number of Pay Periods worked by each PAGA Member during the PAGA Period. PAGA Members shall receive their portion of the PAGA Penalties regardless of their decision to opt-out of the Class settlement.

48. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount will be used to satisfy the Class portion of Participating Class Members' Individual Settlement Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	855,000.00
Enhancement Award:	\$	7,500.00
Class Counsel's Fees:	\$	299,250.00
Class Counsel's Costs:	\$	30,000.00
PAGA Penalties	\$	75,000.00
Settlement Administration Costs:	\$	9,250.00
Estimated Net Settlement Amount	\$	434,000.00

49. Individual Settlement Payment Calculations: Individual Settlement Payments will be paid from the Net Settlement Amount and the twenty-five percent (25%) portion of the PAGA Penalties allocated for PAGA Members and shall be paid pursuant to the formula set forth herein:

a) Calculation of Class Portion of Individual Settlement Payments: The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of Workweeks worked by each Participating Class Member during the

1 Class Period. The respective Workweeks for each Participating Class Member will be divided by
2 the total Workweeks for all Participating Class Members, resulting in the Payment Ratio for each
3 Participating Class Member. Each Participating Class Member's Payment Ratio will then be
4 multiplied by the Net Settlement Amount to calculate each Participating Class Member's
5 estimated share of the Net Settlement Amount.

6 b) Calculation of PAGA Portion of Individual Settlement Payments: The
7 Settlement Administrator will calculate the total Pay Periods for all PAGA Members by adding
8 the number of Pay Periods worked by each PAGA Member during the PAGA Period. The
9 respective Pay Periods for each PAGA Member will be divided by the total Pay Periods for all
10 PAGA Members, resulting in the Penalties Ratio for each PAGA Member. Each PAGA
11 Member's Penalties Ratio will then be multiplied by the employee portion of the PAGA Penalties
12 to calculate each PAGA Member's estimated share of the PAGA Penalties. PAGA Members shall
13 receive this portion of their Individual Settlement Payment regardless of whether they opt out of
14 the participation regarding the Class claims.

15 c) Allocation of Individual Settlement Payments: All Individual Settlement
16 Payments will be allocated as follows: Twenty percent (20%) will be allocated as wages; forty
17 percent (40%) shall be allocated as interest; and forty percent (40%) shall be allocated as
18 penalties. The portion of the Individual Settlement Payment allocated to wages will be reported
19 by the Settlement Administrator on an IRS Form W-2. The remaining non-wage payments will
20 be reported on an IRS Form 1099 by the Settlement Administrator.

21 50. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
22 Participating Class Members under this Settlement, as well as any other payments made pursuant
23 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
24 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
25 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
26 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
27 affect any rights, contributions, or amounts to which any Class Members may be entitled under
28 any benefit plans.

51. Settlement Administration Process: The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement. The Settlement Administrator will provide the following services:

- a) Establish and maintain a Qualified Settlement Fund.
- b) Calculate the Individual Settlement Payment that each Participating Class Member is eligible to receive and the portion of the PAGA Penalties each PAGA Member shall receive.
- c) Translate the Notice from English to Spanish.
- d) Print and mail the Notice in English and Spanish.
- e) Conduct additional address searches for mailed Notices that are returned as undeliverable.
- f) Process Requests for Exclusion and field inquiries from Class Members.
- g) Print and issue checks for Individual Settlement Payments and prepare IRS Forms W-2 and 1099 and any other filings required by any governmental taxing authority.
- h) Provide declarations and/or other information to the Court as requested by the Parties and/or the Court regarding the settlement administration process.
- i) Provide weekly status reports to counsel for the Parties.
- j) Post of the Order and Final Judgment online at the Settlement Administrator's website.

52. Delivery of the Class List and Tax Rate Information: Within twenty-one (21) calendar days of Preliminary Approval, Defendants will provide the Class List and Tax Rate Information to the Settlement Administrator.

53. Notice by First-Class U.S. Mail: Within fourteen (14) calendar days after receiving the Class List from Defendants, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses

identified in the Class List.

54. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and will correct any known or identifiable address changes. Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address, and/or social security number of the Class Member involved and will then perform a single re-mailing. If any Notice sent to a Class Member by the Settlement Administrator is returned as undeliverable to a current employee, then Defendants shall make all reasonable efforts to obtain the current address from the Class Member and provide the same within seven (7) calendar days of notice from the Settlement Administrator. Those Class Members who receive a re-mailed Notice, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days, or (b) the Response Deadline to postmark a Request for Exclusion, Objection, or Workweek dispute to the Settlement Administrator.

55. Notice: All Class Members will be mailed a Notice in English and Spanish. Each Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks and Pay Periods each respective Class Member and/or PAGA Member worked for Defendants during the Class Period and PAGA Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period and PAGA Period; (g) the deadlines by which the Class Member must postmark Requests for Exclusion, Objections to the Settlement, or Workweek disputes; (h) the claims to be released, as set forth herein; and (i) the date for the Final Approval Hearing.

56. Disputed Information on Notice: Class Members will have an opportunity to

1 dispute the information provided in their Notice. To the extent Class Members dispute the number
2 of Workweeks with which they have been credited or the amount of their Individual Settlement
3 Payment, Class Members may produce evidence to the Settlement Administrator showing that
4 such information is inaccurate. Absent evidence rebutting Defendants' records, Defendants'
5 records will be presumed determinative. However, if a Class Member produces evidence to the
6 contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class
7 Member and the Parties will make the final decision as to the number of eligible Workweeks that
8 should be applied and/or the Individual Settlement Payment to which the Class Member may be
9 entitled. If the Parties do not agree, the dispute will be submitted to the Court.

10 57. Defective Submissions: If a Class Member's Request for Exclusion is defective as
11 to the requirements listed herein, that Class Member will be given an opportunity to cure the
12 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
13 business days of receiving the defective submission to advise the Class Member that his or her
14 submission is defective and that the defect must be cured to render the Request for Exclusion
15 valid. The Class Member will have until the later of (a) the Response Deadline, or (b) fifteen (15)
16 calendar days from the date of the cure letter to postmark a revised Request for Exclusion. If a
17 Class Member responds to a cure letter by filing a defective Request for Exclusion, then the
18 Settlement Administrator will have no further obligation to give notice of a need to cure. If the
19 revised Request for Exclusion is not postmarked within that period, it will be deemed untimely.

20 58. Request for Exclusion Procedures: Any Class Member wishing to opt out from the
21 Class portion of the Settlement must sign and postmark a written Request for Exclusion to the
22 Settlement Administrator by the Response Deadline. The Request for Exclusion must include: (a)
23 the Class Member's full name, address, telephone number, and the last four digits of their social
24 security number; and (b) a statement requesting to be excluded from the Settlement of the Class
25 claims. The date of the postmark on the return mailing envelope receipt confirmation will be the
26 exclusive means to determine whether a Request for Exclusion has been timely submitted. All
27 Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly
28 to Class Counsel and Defendants' Counsel the Requests for Exclusion that were timely submitted.

1 All Class Members who do not request exclusion from the Action will be bound by all terms of
2 the Settlement Agreement if the Settlement is granted final approval by the Court. The Request
3 for Exclusion shall not be effective as to the release of claims arising under the PAGA. The Parties
4 agree that there is no right for a PAGA Member to opt out of our object to the PAGA portion of
5 the Settlement.

6 59. Defendants' Right to Rescind: If ten percent (10%) or more of the Class Members
7 (rounded to the next whole number) elect not to participate in the Settlement, Defendants may, at
8 their election, rescind the Settlement Agreement and all actions taken in furtherance of it will be
9 thereby null and void. Defendants' Counsel must meet and confer with Class Counsel prior to
10 exercising this right and must make clear their intent to rescind the Agreement within fourteen
11 (14) calendar days of the expiration of the opt-out period. If Defendants exercise their right to
12 rescind the Agreement, Defendants shall be responsible for all Settlement Administration Costs
13 incurred to the date of rescission.

14 60. Settlement Terms Bind All Class Members Who Do Not OptOut: Upon the
15 complete funding of the Gross Settlement Amount, any Class Member who does not affirmatively
16 opt out of the Settlement by submitting a timely and valid Request for Exclusion will be bound
17 by all of its terms, including those pertaining to the Released Class Claims, as well as any
18 Judgment that may be entered by the Court if it grants Final Approval to the Settlement. Class
19 Members who opt out of the Settlement shall not be bound by such Judgment or release. The
20 names of Class Members who have opted out of the settlement shall be disclosed to both Class
21 Counsel and Defendants' Counsel and noted in the proposed Judgment submitted to the Court.

22 61. Objection Procedures: To object to the Settlement, a Participating Class Member
23 must postmark a valid Objection to the Settlement Administrator on or before the Response
24 Deadline. The Objection must be signed by the Participating Class Member and contain all
25 information required by this Settlement Agreement, including: (a) the employee's full name,
26 address, telephone number, and the last four digits of their social security number; (b) the name
27 of the case; and (c) the specific reason including any legal grounds for the Participating Class
28 Member's objection. The postmark date will be deemed the exclusive means for determining that

1 the Objection is timely. Participating Class Members who fail to object in the manner specified
2 above will be foreclosed from making a written Objection, but shall still have a right to appear at
3 the Final Approval Hearing in order to have their objections heard by the Court. At no time will
4 any of the Parties or their counsel seek to solicit or otherwise encourage Participating Class
5 Members to submit Objections to the Settlement or appeal from the Order and Judgment. Class
6 Counsel will not represent any Class Members with respect to any Objections to this Settlement.

7 62. Certification Reports Regarding Individual Settlement Payment Calculations: The
8 Settlement Administrator will provide Defendants' Counsel and Class Counsel a weekly report
9 which certifies: (a) the number of Class Members who have submitted valid Requests for
10 Exclusion; (b) the number of Notices returned and re-mailed; and (c) whether any Class Member
11 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement
12 Administrator will provide to Class Counsel and Defendants' Counsel any updated reports
13 regarding the administration of the Settlement as needed or requested.

14 63. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
15 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
16 eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his
17 or her Settlement check within one hundred eighty (180) days, the uncashed funds, subject to
18 Court approval, shall be distributed to the Controller of the State of California to be held pursuant
19 to the Unclaimed Property Law, California Civil Code §§ 1500, *et. seq.* for the benefit of those
20 Participating Class Members and PAGA Members who did not cash their checks, until such time
21 that they claim their property. The Parties agree that this disposition results in no "unpaid residue"
22 under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid
23 out to Participating Class Members and PAGA Members, whether or not they all cash their
24 Settlement checks. Therefore, Defendants will not be required to pay any interest on such
25 amounts. The Individual Settlement Payments provided to Participating Class Members and to
26 PAGA Members shall prominently state the expiration date or a statement that the Settlement
27 check will expire in one hundred eighty (180) days, or alternatively, such a statement may be
28 made in a letter accompanying the Individual Settlement Payment. Expired checks for Individual

1 Settlement Payments will not be reissued, except for good cause and as mutually agreed by the
2 Parties in writing. The Parties agree no unclaimed funds will result from the Settlement, and
3 therefore Defendants will not be required to pay any interest on such amounts.

4 64. Administration of Taxes by the Settlement Administrator: The Settlement
5 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class
6 Counsel any W-2s, 1099s, or other tax forms as may be required by law for all amounts paid
7 pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding
8 all payroll taxes and penalties to the appropriate government authorities.

9 65. Tax Liability: Defendants make no representations as to the tax treatment or legal
10 effect of the payments called for hereunder, and Plaintiff, Class Counsel, Participating Class
11 Members nor PAGA Members are relying on any statement, representation, or calculation by
12 Defendants or by the Settlement Administrator in this regard. Plaintiff, Class Counsel,
13 Participating Class Members, and PAGA Members understand and agree they will be solely
14 responsible for the payment of any taxes and penalties assessed on the payments described herein.
15 Defendants' share of any employer payroll taxes and other required employer withholdings due
16 on the Individual Settlement Payments, including, but not limited to, Defendants' FICA and
17 FUTA contributions, shall be paid separate and apart from the Gross Settlement Amount.

18 66. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this
19 section, the "acknowledging party" and each Party to this Agreement other than the
20 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this
21 Agreement, and no written communication or disclosure between or among the Parties or their
22 attorneys and other advisers, is or was intended to be, nor shall any such communication or
23 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United
24 States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging
25 party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for
26 advice (including tax advice) in connection with this Agreement, (b) has not entered into this
27 Agreement based upon the recommendation of any other Party or any attorney or advisor to any
28 other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney

1 or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging
2 party; and (3) no attorney or adviser to any other Party has imposed any limitation that protects
3 the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such
4 limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or
5 tax structure of any transaction, including any transaction contemplated by this Agreement.

6 67. No Prior Assignments: The Parties, Class Counsel, and Defendants' Counsel
7 represent, covenant, and warrant that they have not directly or indirectly assigned, transferred,
8 encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of
9 any liability, claim, demand, action, cause of action, or right herein released and discharged.

10 68. Release by Participating Class Members: Upon the complete funding of the Gross
11 Settlement Amount and all applicable employer-side payroll taxes by Defendants, Participating
12 Class Members shall fully and finally release and discharge the Released Parties from the
13 Released Class Claims that arose during the Class Period. This release shall be binding on all
14 Participating Class Members.

15 69. Release by the PAGA Members, State of California and LWDA: As of the date on
16 which Defendants fully fund the Settlement, Plaintiff, PAGA Members, the LWDA, and the State
17 of California release the Released Parties of and from the Released PAGA Claims. A copy of this
18 Agreement will be provided to the LWDA concurrently with submission of the Motion for
19 Preliminary Approval. Eligible PAGA Members will receive their share of the employee portion
20 of the PAGA Penalties and will be deemed to have released any claims arising out of PAGA and
21 all PAGA Released Claims, regardless of whether they opt out of the release of their Class claims.

22 70. Release of Additional Claims and Rights by Plaintiff: Upon the funding of the
23 Gross Settlement Amount, Plaintiff Hernandez agrees on behalf of himself and his heirs,
24 representatives, attorneys, executors, administrators, successors, and assigns to the additional following
25 General Release: In consideration of Defendants' promises and agreements as set forth herein,
26 Plaintiff hereby fully releases the Released Parties from any and all Released Class Claims and
27 Released PAGA Claims and any and all claims whatsoever that Plaintiff may have against
28 Released Parties regarding Plaintiff's employment and/or the termination of his employment,

1 including, but not limited to, any claims for wages, penalties, bonuses, business-related expenses,
2 severance pay, vacation pay, employment benefits, stock options, violation of any personnel
3 policy, any claims based on discrimination, harassment, retaliation, violation of public policy, or
4 damages of any kind whatsoever, arising out of any common law torts, contracts (express or
5 implied), any covenant of good faith and fair dealing, any theory of wrongful discharge, any
6 theory of negligence, any theory of retaliation, any legal restriction on Defendants' right to
7 terminate the employment relationship, or any federal, state, or other governmental statute,
8 executive order, regulation, ordinance, or common law, or any other basis whatsoever, to the
9 fullest extent provided by law. Plaintiff shall be deemed to have, and by operation of the Judgment
10 shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions,
11 rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision
12 under federal or state law that purports to limit the scope of a general release. Plaintiff, for himself,
13 has read Section 1542 of the Civil Code of the State of California, which provides as follows:

14 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
15 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
16 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
17 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
18 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
19 DEBTOR OR RELEASED PARTY.

20 Plaintiff understands that Section 1542 gives the right not to release existing claims of
21 which he is not now aware, unless Plaintiff voluntarily chooses to waive this right. Having been
22 so apprised, Plaintiff nevertheless voluntarily waives his rights described in Section 1542, and
23 elects to assume all risks for claims that now exist in his favor, known or unknown. This release
24 specifically excludes claims that cannot lawfully be released for unemployment insurance,
25 disability, social security, and certain workers' compensation benefits claims.

26 71. Neutral Employment Reference: In the event that any potential or future employers
27 of Plaintiff request a reference regarding Defendants' employment of Plaintiff, Plaintiff shall
28 direct such inquiries to the Human Resources Department/Director for Adams Grain Co., and

Defendants shall only provide Plaintiff's dates of employment with Adams Grain Co., and last job title held during employment. Defendants shall not refer to the Action or this Settlement. This provision applies only to requests for employment reference directed to Defendants.

72. Nullification of Settlement Agreement: In the event that: (a) the Court does not finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any material term of this Settlement Agreement; or (c) the Settlement does not become final as written and agreed to by the Parties for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, all amounts deposited into the Qualified Settlement Fund will be returned to Defendants, and the Parties shall be returned to their original respective positions. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning. Should the Court fail to approve this Settlement for any reason, the Parties agree that they will return to and attend mediation with a mutually agreed mediator in an effort to reach a settlement that may be approved by the Court.

73. Preliminary Approval Motion and Hearing: At least ten (10) business days prior to filing, Class Counsel will prepare and deliver to Defendants' Counsel all documents necessary for obtaining Preliminary Approval, including a draft of the notice and memorandum in support of the Motion for Preliminary Approval. Plaintiff will also obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement and the entry of a Preliminary Approval Order for: (a) conditional certification of the Class for settlement purposes only; (b) Preliminary Approval of the proposed Settlement Agreement; and (c) setting a date for a Final Approval Hearing. The Preliminary Approval Order will provide for the Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of the Settlement, and will include the proposed Notice attached as Exhibit A. Defendants agree that they will not oppose Plaintiff's Motion for Preliminary Approval except to correct any material misrepresentations or mischaracterizations in Plaintiff's Motion. Class Counsel further agrees that they will provide all necessary notices to the LWDA of the Settlement concurrently with Plaintiff's Motion for

1 Preliminary Approval. Any failure by the Court to fully and completely approve the Agreement
2 as to the Action will result in this Settlement Agreement entered into by the Parties, and all
3 obligations under this Settlement Agreement, being nullified and voided.

4 74. Final Approval Hearing and Entry of Judgment: Upon expiration of the deadlines
5 to postmark Requests for Exclusion, Objections to the Settlement Agreement, or Workweek
6 disputes, and with the Court's permission, a Final Approval Hearing will be conducted to
7 determine the Final Approval of the Settlement Agreement along with the amounts properly
8 payable for: (a) Individual Settlement Payments; (b) Class Counsel's Fees and Costs; (c) the Class
9 Representative Enhancement Award; and (d) the Settlement Administration Costs. Class Counsel
10 will be responsible for drafting all documents necessary to obtain Final Approval and will deliver
11 a draft of the Motion for Final Approval to Defendants' Counsel at least ten (10) business days
12 prior to filing the Motion. Any failure by the Court to fully and completely approve the Settlement
13 Agreement as to all of the Action, or the entry of any Order by another Court with regard to any
14 of the Action which has the effect of modifying material terms of this Agreement or preventing
15 the full and complete approval of the Settlement Agreement as written and agreed to by the
16 Parties, will result in this Agreement and all obligations under this Agreement being null and
17 void. Defendants agree they shall not oppose the granting of the Motion for Final Approval except
18 to correct any material misrepresentations or mischaracterizations in Plaintiff's Motion.

19 75. Court Approval: If the Court fails to approve this Settlement for any reason, the
20 Parties agree to attend mediation again in an effort and cooperate in good faith to reach a
21 settlement approved by the Court. However, if ultimately after submitting the Settlement for
22 approval to the Court as set forth in the MOU and Settlement Agreement, the Court declines to
23 enter the Preliminary Approval Order, the Final Approval Order, or Judgment in substantially the
24 form submitted by the Parties, or if the Settlement Agreement does not become final because of
25 appellate court action, the terminating Party shall give to the other Party (through its/his/their
26 counsel) written notice of its decision to terminate no later than fourteen (14) calendar days after
27 receiving notice that one of the enumerated events has occurred. Termination shall have the
28 following effects:

- a. The MOU and the Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.
- b. In the event the Settlement Agreement is terminated, Defendants shall have no obligation to make any payments to any Party, Class Member, the State of California, PAGA Member, or attorney.
- c. The Preliminary Approval Order, Final Approval Order, and Judgment shall be vacated.
- d. The Stipulation of Settlement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the Settlement.
- e. Except as otherwise discoverable, neither the MOU, the Settlement Agreement nor any ancillary documents, actions, statements, or filings in furtherance of the Settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in this Action or any other action for any purpose whatsoever.
- f. Plaintiff shall destroy all documents produced by Defendants pursuant to the Parties' agreement to exchange pre-mediation discovery.

76. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by the Court or after the Final Approval Hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b) Settlement administration matters; and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

77. Use and Return of Class Data: Information provided to Class Counsel pursuant to Evidence Code §1152, and all copies and summaries of the Class data provided to Class Counsel by Defendants in connection with the mediation of this Action, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges

1 the Settlement Administrator's obligation to provide a declaration confirming the final payout of
2 all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class data received
3 from Defendants unless, prior to the Court's discharge of the Settlement Administrator's
4 obligation, Defendants make a written request to Class Counsel for the return, rather than the
5 destruction of, Class data.

6 78. Exhibits Incorporated by Reference: The terms of this Settlement include the terms
7 set forth in any attached Exhibit(s), which are incorporated by this reference as though fully set
8 forth herein. Any Exhibit(s) to this Settlement are an integral part of the Settlement.

9 79. Entire Agreement: This Settlement Agreement and any attached Exhibit(s)
10 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written
11 or oral agreements may be deemed binding on the Parties.

12 80. Amendment or Modification: Subject to the Court's approval, this Settlement
13 Agreement may be amended or modified only by a written instrument signed by counsel for all
14 Parties or their successors-in-interest. Material Court modification of the Agreement voids the
15 Agreement at the option of the adversely affected Party; except as to Class Counsel's Fees and
16 Costs and the Class Representative Enhancement Award – whatever the Court finally approves
17 is binding (up to maximum per Agreement) on Plaintiff, the Class, and Class Counsel.

18 81. Binding on Successors and Assigns: This Settlement Agreement will be binding
19 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
20 defined.

21 82. California Law Governs: All terms of this Settlement Agreement and Exhibit(s)
22 hereto will be governed by and interpreted according to the laws of the State of California.

23 83. Execution and Counterparts: This Settlement Agreement is subject only to the
24 execution of all Parties. However, the Settlement Agreement may be executed in one or more
25 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
26 of the signature page, will be deemed to be one and the same instrument provided that counsel
27 for the Parties will exchange among themselves original signed counterparts.

28 84. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe

1 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have
2 arrived at this Settlement after arm's-length negotiations and in the context of adversarial
3 litigation, taking into account all relevant factors, present and potential. The Parties further
4 acknowledge that they are each represented by competent counsel and that they have had an
5 opportunity to consult with their counsel regarding the fairness and reasonableness of this
6 Settlement.

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

11 86. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to
12 class certification for purposes of this Settlement only; except, however, that either party may
13 appeal any court order that materially alters the Settlement Agreement's terms.

14 87. Class Action Certification for Settlement Purposes Only: The Parties agree to
15 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
16 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
17 that certification for purposes of the Settlement is not an admission that class action certification
18 is proper under the standards applied to contested certification motions and that this Agreement
19 will not be admissible in this or any other proceeding as evidence that either (a) a class action
20 should be certified, or (b) Defendants are liable to Plaintiff or any Class Member, other than
21 according to the Settlement's terms.

22 88. Non-Admission of Liability: The Parties enter into this Agreement to resolve the
23 dispute that has arisen between them and to avoid the burden, expense, and risk of continued
24 litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, that
25 they have: (a) violated any federal, state, or local law; (b) violated any regulations or guidelines
26 promulgated pursuant to any statute or any other applicable laws, regulations, or legal
27 requirements; (c) breached any contract; (d) violated or breached any duty; (e) engaged in any
28 misrepresentation or deception; or (f) engaged in any other unlawful conduct with respect to their

employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendants of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendants or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.

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

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

91. Dispute About Terms: Should a dispute arise about the terms of this Agreement, such disputes shall be submitted to Marc Feder, Esq. for consultation.

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

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

94. Representation By Counsel: The Parties acknowledge that they have been

1 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
2 and that this Agreement has been executed with the consent and advice of counsel and reviewed
3 in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
4 Agreement.

5 95. All Terms Subject to Final Court Approval: All amounts and procedures described
6 in this Settlement Agreement will be subject to final Court approval.

7 96. Cooperation and Execution of Necessary Documents: The Parties agree to
8 cooperate to promote participation in the Settlement, and in seeking Court approval of the
9 Settlement. The Parties and their counsel agree not to take any action to encourage any Class
10 Members to opt out of and/or object to the Settlement. Defendants agree not to obtain waivers or
11 *Pick-Up Stix* agreements from the Class Members during the Settlement approval process and
12 will work in good faith to reach an agreement approved by the Court. Defendants further agree
13 that they will not oppose Plaintiff's Motion for Preliminary Approval and/or Motion for Final
14 Approval of the Settlement, so long as the Motion for Preliminary Approval and/or Motion for
15 Final Approval are entirely consistent with the terms of this Settlement Agreement.

16 97. Confidentiality: Plaintiff and Class Counsel will not make any public disclosure
17 of the Settlement or the MOU until after the filing of the Motion for Preliminary Approval of the
18 Settlement. Plaintiff and his counsel represent that as of the date of their execution of this
19 Agreement, they have not made any such disclosure. Class Counsel will take all steps necessary
20 to ensure that Plaintiff is aware of, and will encourage him to adhere to, the restriction against
21 any public disclosure of the Settlement or the MOU until after the Settlement is preliminarily
22 approved by the Court. This paragraph does not restrict Class Counsel's communications with
23 Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
24 This paragraph also does not restrict Defendants from making disclosures regarding this
25 Settlement as required by law.

26 98. Non-Solicitation: Plaintiff and Class Counsel shall not encourage or solicit Class
27 Members to opt out of or object to the Settlement, or PAGA Members to intervene or object to
28 the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to

1 restrict Class Counsel's ability to communicate with Class Members in accordance with Class
2 Counsel's ethical obligations owed to Class Members.

3 99. Non-Disparagement: With respect to the Releases set forth in Paragraphs 70, 71,
4 and 72, Plaintiff agrees he shall not make, directly or indirectly, to any person or entity,
5 including, but not limited to, Defendants' or the other Released Parties' past, present, and/or
6 future employees, clients, and/or the press, any negative, derogatory, or disparaging oral, written,
7 and/or electronic statements about Defendants or the Released Parties, including their products
8 and services, or do anything that damages Defendants' or the Released Parties' (or any of their
9 products and services) reputation, good will, financial status, or business or client relationships.
10 With respect to the Releases herein set forth in Paragraphs 70, 71, and 72, Plaintiff further agrees
11 not to post any such statements on the internet or any blog or social networking site, including,
12 but not limited to, Facebook, Instagram, X (formerly known as Twitter), Glassdoor, LinkedIn, or
13 any other internet site or platform. Plaintiff's non-disparagement of Defendants and the Released
14 Parties is a material inducement for Defendants' entering into this Agreement. The Parties and
15 their respective counsel agree that, in the event of a proven breach by Plaintiff of this non-
16 disparagement provision, Plaintiff shall be responsible to pay Defendants the gross sum of One
17 Thousand Dollars and Zero Cents (\$1,000.00) as liquidated damages for each proven breach.

18 100. Non-Publication: Plaintiff and Class Counsel agree they have not and will not
19 publicize the Settlement. In response to any inquiries, Plaintiff and Class Counsel will state that
20 "the case was resolved and it was resolved confidentially." Class Counsel shall not report the
21 Settlement in any medium or in any publication, shall not post or report anything regarding the
22 claims of Plaintiff or the Class Members or the Settlement on its website, and shall not contact
23 any reporters or media regarding the Settlement, or communicate with any reporters or media
24 regarding the claims of Plaintiff or the Class Members or the Settlement. Despite this provision,
25 Class Counsel can discuss the Settlement Agreement with Plaintiff and the Class Members, in
26 any filings with the Court, or the LWDA which are necessary to effectuate the Settlement, and
27 Class Counsel may disclose the names of parties in this action and the venue/case number of this
28 action for purposes of proving adequacy. Plaintiff's non-publication of the Settlement, except as

necessary to effectuate the approval of same, is a material inducement for Defendants' entering into this Agreement. The Parties and their respective counsel agree that, in the event of a proven breach by Plaintiff of this non-publication provision, Plaintiff shall be responsible to pay Defendants the gross sum of One Thousand Dollars and Zero Cents (\$1,000.00) as liquidated damages for each proven breach.

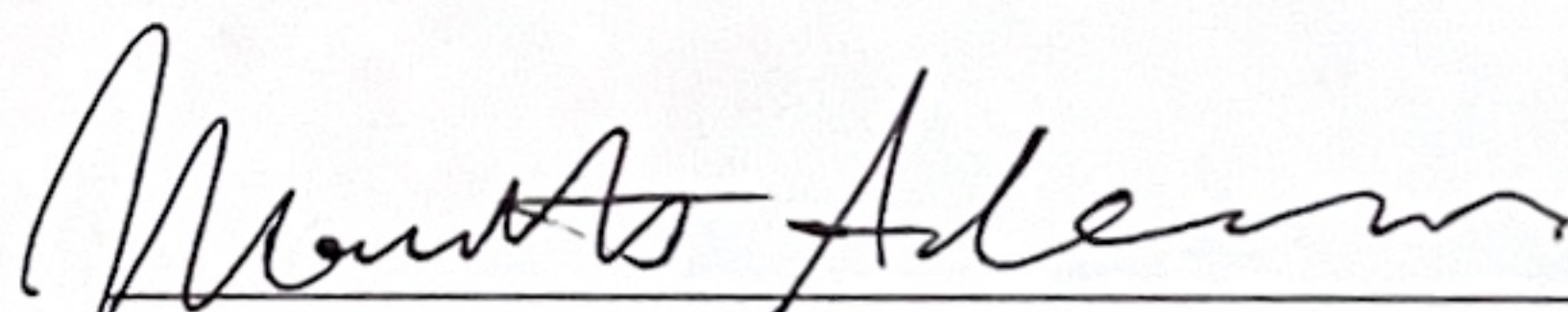
101. Binding Agreement: The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding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

DATED: 7/29/2024

DocuSigned by:

 Plaintiff Roberto Hernandez

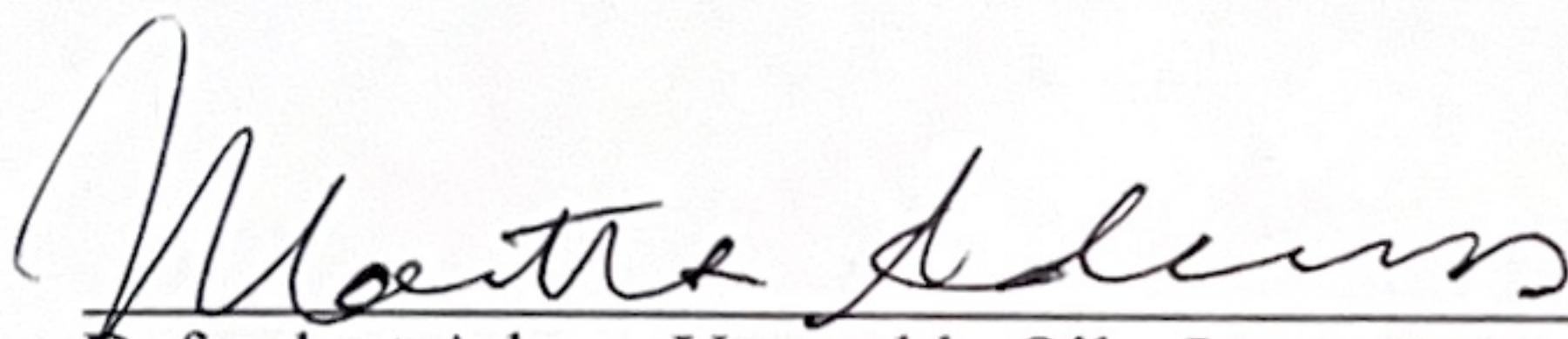
DATED: 8/7/2024


 Defendant Adams Grain Co.

Name: Marietta Adams

Title: Group Resource Manager

DATED: 8/7/2024


 Defendant Adams Vegetable Oils, Inc.

Name: Marietta Adams

Title: Group Resource Manager

1 **Approved as to Form:**

2
3
4 **PROTECTION LAW GROUP, LLP**

5 DATED: August 14, 2024

6 
7 Heather Davis
8 Amir Nayebdadash
9 Brendan J. Burton
10 Shadi Sahebghalam
11 *Attorneys for Plaintiff*
12 ROBERTO HERNANDEZ

13 **LAWYERS for JUSTICE, PC**

14 DATED: October 10, 2024

15 /s/ Hagit Goltzer
16 Arby Aiwazian
17 Joanna Ghosh
18 Hagit Goltzer
19 *Attorneys for Plaintiff*
20 ROBERTO HERNANDEZ

21 **LITTLER MENDELSON, P.C.**

22 DATED: 08/13/2024

23 
24 Noah J. Woods
25 Kara A. Ritter Cole
26 *Attorneys for Defendants*
27 ADAMS GRAIN CO. and
28 ADAMS VEGETABLE OILS, INC.

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EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Roberto Hernandez v. Adams Grain Co. and Adams Vegetable Oils, Inc.
Yolo County Superior Court, Case No. CV2022-1642

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To: All current and former hourly paid or non-exempt employees employed by Adams Grain Co. or Adams Vegetable Oils, Inc., within the State of California at any time between September 27, 2018, and May 24, 2024.

BASIC INFORMATION

1. What Is This Settlement About?

A class action lawsuit was commenced by Roberto Hernandez (“Plaintiff”) against Adams Grain Co. and Adams Vegetable Oils, Inc. (“Defendants”) (collectively with Plaintiff, the “Parties”), on September 27, 2022 (the “Action”), in Yolo County Superior Court (the “Court”). On June 11, 2024, Plaintiff filed his First Amended Class Action and PAGA Representative Action Complaint (the “FAC”) in the Action adding a representative cause of action under the Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”).

In the Action, Plaintiff claims Defendants violated sections of the California Labor Code and California Business and Professions Code. Plaintiff alleges Defendants failed to provide compliant meal and rest periods or pay meal and rest break premiums, did not properly pay employees overtime or pay minimum wage for all time worked, did not keep accurate and complete payroll records, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for business expenses, and engaged in unfair business practices. The Action also seeks to recover civil penalties pursuant to the PAGA, based on the same alleged violations of the California Labor Code and California Business and Professions Code.

Defendants deny all alleged violations of the law and deny they owe Plaintiff or any Class Member any remedy. The Court has not made a ruling on the merits of the Action.

2. Why Is This A Class Action?

In a class action, one or more people called the Class Representative (in this case, Plaintiff) sue on behalf of people who the Class Representative claims have similar claims (“Class Members”). In a class action, the court resolves the issues for all Class Members in one lawsuit, except for those who properly exclude themselves from the Class.

3. Why Is There A Settlement?

The Court has not decided in favor of Plaintiff or Defendants. Instead, both sides agreed to settle all of the claims in the Action (the “Settlement”), which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (the “Settlement Agreement”).

On [REDACTED], the Court granted preliminary approval of the Settlement, appointed Plaintiff as the Class Representative, and appointed his attorneys Protection Law Group, LLP, and Lawyers for Justice, P.C., as counsel for the Class (“Class Counsel”).

WHO IS INCLUDED IN THE SETTLEMENT?

4. How Do I Know If I Am Part Of The Settlement?

You are part of the Settlement, and a Class Member, if you were employed by either of the Defendants as an hourly paid non-exempt employee in the State of California at any time between September 27, 2018, and May 24, 2024 (the “Class Period”).

You are part of the Settlement, and a PAGA Member, if you were employed by either of the Defendants as an hourly paid non-exempt employee in the State of California at any time between April 4, 2023, and June 11, 2024 (the “PAGA Period”).

TERMS OF THE SETTLEMENT

5. What Does The Settlement Provide?

Under the Settlement, Defendants will pay a maximum amount of Eight Hundred Fifty-Five Thousand Dollars (\$855,000.00) (“Gross Settlement Amount”). This includes all payments to the Class Members, PAGA Members, Plaintiff, the settlement administration, and costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 35% of the Gross Settlement Amount or Two Hundred Ninety-Nine Thousand Two Hundred Fifty Dollars (\$299,250.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Thirty Thousand Dollars (\$30,000.00);
- C. **Enhancement Award to the Class Representative** in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00) for Plaintiff;
- D. **Settlement Administration Costs** in an amount not to exceed Nine Thousand Two Hundred Fifty Dollars (\$9,250.00); and
- E. **PAGA Penalties** in the amount of Seventy-Five Thousand Dollars (\$75,000.00) for the settlement of claims for civil penalties under PAGA. Seventy-five percent (75%) of this amount (\$56,250.00) shall be paid to the California Labor and Workforce Development Agency (“LWDA”). The remaining twenty-five percent (25%) of this amount (\$18,750.00) will be distributed to PAGA Members.

Your “Individual Settlement Payment” is the amount you are eligible to receive from the Settlement, and includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Penalties. The Class portion of your Individual Settlement Payment will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly paid non-exempt employee of either Defendant during the Class Period (“Workweeks”). Your share of PAGA Penalties will be determined on a *pro rata* basis, based on the number of pay periods you worked in California as an hourly paid non-exempt employee of either Defendant during the PAGA Period (“Pay Periods”).

Your Individual Settlement Payment will be apportioned as twenty percent (20%) wages; forty percent (40%) shall be allocated as interest; and forty percent (40%) shall be allocated as penalties. The wage portion of the Individual Settlement Payment will be subject to tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and will be reported by the Settlement Administrator on an IRS Form W-2. The penalties and interest portions of the Individual Settlement Payment will be reported by the Settlement Administrator on an IRS Form 1099.

You worked XXX Workweeks during the Class Period. The Class portion of your Individual Settlement Payment is \$XXX.XX. The amount of your Individual Settlement Payment may change depending on the number of timely and valid requests for exclusions submitted, if any, required tax withholdings, and the terms of the Court's final order approving the Settlement.

You worked XXX Pay Periods during the PAGA Period. Your estimated share of the PAGA Penalties is \$XXX.XX.

Your Individual Settlement Payment and your share of the PAGA Penalties were determined based on Defendants' business records and is presumed correct. If you dispute the accuracy of Defendants' records as to the number of Workweeks you worked during the Class Period or Pay Periods you worked during the PAGA Period, you must provide any documentation you have supporting such dispute by [RESPONSE DEADLINE]. All disputes will be resolved and decided by the Settlement Administrator subject to review by the Court. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]

[Address]

[Telephone No.]

[Fax No.]

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How Can I Get A Payment?

You do not have to do anything to receive your share of the Settlement.

7. What Am I Giving Up If I Do Not Request To Be Excluded From The Settlement?

Class Members who do not submit a timely, valid request for exclusion will release the "Released Parties" from the "Released Class Claims" that arose during the Class Period.

The "Released Parties" include Defendants Adams Grain Co. and Adams Vegetable Oils, Inc., and any and all of their past, present, and future direct or indirect parents, sister or related entities, expressly including the Adams Group, Inc., acquired companies, subsidiaries, predecessors, successors, and affiliates, as well as each of its or their past, present, and future owners, including the Adams family, officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, heirs, representatives, accountants, auditors, consultants, and any individual or entity which could be jointly liable with Defendants.

The "Released Class Claims" include all claims, rights, demands, liabilities, and causes of action that are alleged, or reasonably could have been alleged based on the same or similar facts and claims asserted in the operative FAC in this Action including the following claims:

(1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (4) Violation of California Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), including any alleged failure to provide complete and/or accurate wage statements; (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business and Professions Code § 17200, *et seq.*, including all claims for injunctive relief, declaratory relief, restitution, unfair business practices alleged or which could have been alleged in connection with any other claims; and (11) Violation of Labor Code § 2698, *et seq.* (Private Attorneys General Act of 2004 (PAGA)), including those claims set forth in Roberto Hernandez’s Letter to the Labor & Workforce Development Agency for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, including but not limited to overtime pay, minimum wage, regular wages and/or sick pay whether contractual or statutory, as well as any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Action, also including any claims for penalties (statutory, civil or otherwise), attorneys’ fees, costs, interest, penalties, or premiums in connection with the claims in this paragraph. All federal claims shall likewise be released, and shall be barred by the settlement by virtue of *res judicata*, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.* 889 F.3d 1106 (9th Cir. 2018).

The Released Class Claims applies to all claims that arose during the Class Period (September 27, 2018, to May 24, 2024).from

Any Class Member who does not submit a timely and valid request for exclusion will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all Released Class Claims.

The “Released PAGA Claims” means any and all PAGA claims that could have been asserted under the PAGA based on the same or similar factual allegations and claims in the operative FAC in this Action or in any PAGA notice submitted by Plaintiff to the LWDA covering the PAGA Period.

The Released PAGA Claims applies to all claims that arose under the PAGA during the PAGA Period (April 4, 2023, to June 11, 2024). All Class Members and PAGA Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all Released PAGA Claims, irrespective of whether the Class Member or PAGA Member submits a request for exclusion from the Class portion of the Settlement.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue either Defendant with respect to the Released Class Claims, then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself from the Class portion of the Settlement, you will not receive payment from the Net Settlement Amount. However, if eligible, you will still receive your estimated *pro rata* share of the PAGA Penalties because a request for exclusion does not apply to the PAGA claim.

8. How Can I Exclude Myself From The Settlement?

If you do not wish to take part in the Class Settlement, you must submit a written request for exclusion to the Settlement Administrator no later than [RESPONSE DEADLINE]. You must include your name, address, telephone number, and the last four digits of your social security number and/or Employee ID number. Your request for exclusion must also include a statement that you do not wish to be included in the Settlement. There is no specific language required to opt out, but you may state something similar to the following: “I wish to exclude myself from the class action settlement reached in the matter of *Hernandez v. Adams Grain Co. and Adams Vegetable Oils, Inc.* I understand that by excluding myself I will not receive money from the class settlement.”

The written request for exclusion must be mailed to the Settlement Administrator at the address listed below, and it must be postmarked by [RESPONSE DEADLINE]. You cannot exclude yourself by phone.

[Settlement Administrator]

[Address]

[Telephone No.]

[Fax No.]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims (except for Released PAGA Claims).

9. If I Don't Exclude Myself, Can I Sue Defendants For The Same Thing Later?

No. Unless you submit a valid and timely request for exclusion, and are excluded from the Settlement, you give up the right to sue Defendants and the other Released Parties for the Released Class Claims.

10. If I Exclude Myself, Can I Get Money From This Settlement?

No. You will not receive money from the Net Settlement Amount. If you worked for Defendants during the PAGA Period, you will still receive a share of the PAGA Penalties, as an opt-out request does not apply to the PAGA claim.

THE LAWYERS REPRESENTING THE PROPOSED CLASS

11. Do I Have A Lawyer In This Case?

The Court has approved PROTECTION LAW GROUP, LLP, and LAWYERS *for* JUSTICE, P.C., as Class Counsel in this Action. Contact information for Class Counsel is as follows:

PROTECTION LAW GROUP, LLP

Heather Davis
Amir Nayebdadash
Brendan J. Burton
Shadi Sahebghalam
149 Sheldon Street

El Segundo, California 90245
Telephone: (424) 290-3095

LAWYERS *for* JUSTICE, P.C.

Edwin Aiwazian
Joanna Ghosh
Yasmeen Hosseini
410 West Arden Ave., Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

Class Counsel will ask the Court for attorneys' fees of up to \$299,250.00 and reimbursement of litigation costs/expenses of up to \$30,000.00. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

12. How Do I Tell The Court If I Don't Like The Settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. You can object to the entire Settlement or some part of it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [RESPONSE DEADLINE]. Your objection must include (i) your full name, current address, and signature; (ii) a clear reference to the Action; and (iii) a statement of the specific reasons why you believe the Settlement is unfair or why you object to the Settlement. All objections must be signed by the objecting Class Member or the Class Member's legally authorized representative. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

13. What Is The Difference Between Objecting And Excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

14. When And Where Will The Court Decide Whether To Approve The Settlement?

The Court will hold the Final Approval Hearing at [REDACTED] a.m./p.m. on [REDACTED], at the Yolo County Superior Court, located at 1000 Main Street, Woodland, California 95695.

If there are any objections to the Settlement, the Court will consider them at the Final Approval Hearing.

15. Do I Have To Come To The Hearing?

No. If you agree to the Settlement, you do not have to come to Court to talk about it. However, you may attend either virtually or in person. You may also retain your own lawyer at your expense to attend on your behalf.

The Final Approval Hearing may be postponed without further notice to Class Members. Any changes to the date, time, or location of the Final Approval Hearing will be posted on the Settlement Administrator's website at (<http://.com>).

16. How Will I Learn If The Settlement Was Approved?

A notice of final judgment will be posted on the Settlement Administrator's website located at www. .com.

IF YOU DO NOTHING

17. What Happens If I Do Nothing At All?

If you do nothing, you will receive your Individual Settlement Payment and, if eligible, your share of the PAGA Penalties, and you will release the Released Class Claims and, if eligible, Released PAGA Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or any of the other Released Parties about the Released Class or PAGA Claims. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, the funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim the funds from there via https://www.sco.ca.gov/upd_msg.html.

GETTING MORE INFORMATION

18. How Do I Get More Information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement on the Settlement Administrator's website at .com or by contacting the Settlement Administrator.

WHAT IF MY INFORMATION CHANGES?

19. What If My Contact Information Changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

**DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR
THE ACTION TO THE CLERK OF THE COURT OR THE JUDGE.**

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EXHIBIT B

Roberto Hernandez v. Adams Grain Co. and Adams Vegetable Oils, Inc.
Yolo County Superior Court, Case No. CV2022-1642

REQUEST FOR EXCLUSION FORM

**IF YOU COMPLETE THIS FORM, YOU WILL NOT RECEIVE
YOUR INDIVIDUAL SETTLEMENT PAYMENT UNDER THE CLASS SETTLEMENT.**

**DO NOT COMPLETE THIS FORM IF YOU WANT TO PARTICIPATE IN THE
CLASS SETTLEMENT.**

**To be excluded from the Class Settlement, this Request for Exclusion Form must be signed and faxed,
emailed, or mailed to the Settlement Administrator via U.S. Mail and postmarked on or before [Response
Deadline]**

INSTRUCTIONS

If you do not want to participate in the Class Settlement of the Lawsuit, you may exclude yourself. If you exclude yourself from the Class Settlement: (a) you will have no right to receive your Individual Settlement Payment under the Class Settlement in the Lawsuit; (b) you will not be bound by the terms of the Released Class Claims; and (c) you will have no right to object to the Settlement or be heard at the Final Approval Hearing.

If you were employed as an hourly-paid, non-exempt employee of Adams Grain Co. or Adams Vegetable Oils, Inc. between April 4, 2023, and June 11, 2024, you will still receive your share of penalties arising under the Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* ("PAGA") because you cannot request to be excluded from the PAGA Settlement.

To be excluded, you must fill out all information on the next page, sign, and return this Request for Exclusion Form to the Settlement Administrator at the address below.

[Settlement Administrator]
[Address]
[Telephone No.]
[Fax No.]
[email]

Roberto Hernandez v. Adams Grain Co. and Adams Vegetable Oils, Inc.
Yolo County Superior Court, Case No. CV2022-1642

REQUEST FOR EXCLUSION FORM

<<Name>> _____
<<Address>> _____
<<Telephone>> _____

By signing this Request for Exclusion Form, I hereby exclude myself from the Class Settlement reached in the matter of *Hernandez v. Adams Grain Co., et al.* By signing this Request for Exclusion Form, I understand that I will not receive money from the Class portion of the Settlement, and I will have no right to object to the Settlement or be heard at the Final Approval Hearing. I understand I will still receive my share of the PAGA Settlement and that I will be bound by the PAGA releases in the Settlement.

Date: _____ Signature: _____

Last Four Digits of Social Security Number or Employee ID Number: _____

Roberto Hernandez v. Adams Grain Co. and Adams Vegetable Oils, Inc.
Yolo County Superior Court, Case No. CV2022-1642

REQUEST FOR EXCLUSION FORM

**IF YOU COMPLETE THIS FORM, YOU WILL NOT RECEIVE
YOUR INDIVIDUAL SETTLEMENT PAYMENT UNDER THE CLASS SETTLEMENT.**

**DO NOT COMPLETE THIS FORM IF YOU WANT TO PARTICIPATE IN THE
CLASS SETTLEMENT.**

**To be excluded from the Class Settlement, this Request for Exclusion Form must be signed and faxed,
emailed, or mailed to the Settlement Administrator via U.S. Mail and postmarked on or before [Response
Deadline]**

INSTRUCTIONS

If you do not want to participate in the Class Settlement of the Lawsuit, you may exclude yourself. If you exclude yourself from the Class Settlement: (a) you will have no right to receive your Individual Settlement Payment under the Class Settlement in the Lawsuit; (b) you will not be bound by the terms of the Released Class Claims; and (c) you will have no right to object to the Settlement or be heard at the Final Approval Hearing.

If you were employed as an hourly-paid, non-exempt employee of Adams Grain Co. or Adams Vegetable Oils, Inc. between April 4, 2023, and June 11, 2024, you will still receive your share of penalties arising under the Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* ("PAGA") because you cannot request to be excluded from the PAGA Settlement.

To be excluded, you must fill out all information on the next page, sign, and return this Request for Exclusion Form to the Settlement Administrator at the address below.

[Settlement Administrator]
[Address]
[Telephone No.]
[Fax No.]
[email]

Roberto Hernandez v. Adams Grain Co. and Adams Vegetable Oils, Inc.
Yolo County Superior Court, Case No. CV2022-1642

REQUEST FOR EXCLUSION FORM

<<Name>> _____
<<Address>> _____
<<Telephone>> _____

By signing this Request for Exclusion Form, I hereby exclude myself from the Class Settlement reached in the matter of *Hernandez v. Adams Grain Co., et al.* By signing this Request for Exclusion Form, I understand that I will not receive money from the Class portion of the Settlement, and I will have no right to object to the Settlement or be heard at the Final Approval Hearing. I understand I will still receive my share of the PAGA Settlement and that I will be bound by the PAGA releases in the Settlement.

Date: _____ Signature: _____

Last Four Digits of Social Security Number or Employee ID Number: _____

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EXHIBIT C

Roberto Hernandez v. Adams Grain Co. and Adams Vegetable Oils, Inc.
Yolo County Superior Court, Case No. CV2022-1642

OBJECTION FORM

INSTRUCTIONS: If you did not exclude yourself from the Class Settlement and you wish to tell the Court that you object to the Settlement or some part of it, you may make an objection by completing, signing, and returning this Objection Form to the Settlement Administrator at the address, fax number, or email address listed below.

Please make sure to complete each field of this Objection Form, sign the form, and clearly state the reason(s) for your objection and any legal support you have for your objection. **All of the information on this form is required. If you do not provide all of the information below, your objection will be deemed null and void.**

You must fax, email, or postmark and mail via U.S. mail this Objection Form to the Settlement Administrator by **[Response Deadline]**.

[Settlement Administrator]
[Address]
[Telephone No.]
[Fax No.]
[email]

If you submit a timely and valid written objection, the Court will consider your objection at the Final Approval Hearing. You may also come to the Final Approval Hearing and make a verbal objection to the Settlement (see Section 12 of the Notice for details). However, even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Class Claims, unless the Court does not approve the Settlement.

You cannot object to the Settlement if you request to be excluded from the Settlement.

1. CONTACT INFORMATION

Name: _____
Home Street Address: _____
City, State, Zip Code: _____
Telephone Number: _____
Social Security Number or Employee ID Number: _____

2. REASON FOR OBJECTION

Please state each reason you object to the Settlement and any legal support for your objection:

Date: _____

Signature of Class Member

Roberto Hernandez v. Adams Grain Co. and Adams Vegetable Oils, Inc.
Yolo County Superior Court, Case No. CV2022-1642

OBJECTION FORM

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EXHIBIT 3

From: [DIR PAGA Unit](#)
To: [Brendan Burton](#)
Subject: Thank you for your Proposed Settlement Submission
Date: Monday, January 13, 2025 8:19:57 AM

01/13/2025 08:19:29 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.