

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Osvaldo Martinez (“Plaintiff”) and defendants Sunny Specialty Produce Inc. and Maria De Lourdes Barragan (collectively “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as the “Parties,” or individually as a “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendants captioned *Martinez v. Sunny Specialty Produce Inc., et al.*, Case No. 24STCV22219 initiated on May 31, 2024 and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means all non-exempt employees who were employed by Defendants in California during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendants’ possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for an Aggrieved Employee’s current mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.8. “Court” means the Superior Court of California, County of Los Angeles.
- 1.9. “Defense Counsel” means Laura A. Wolfe of McCormick, Barstow, Sheppard, Wayte & Carruth LLP located at 7647 North Fresno Street, Fresno, California 93720.
- 1.10. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the day the Court enters Judgment.
- 1.11. “General Release Fee” is the amount from the Gross Settlement Amount that the Court approves to be paid to Plaintiff in exchange for a general release of claims against the

Released Parties (as defined herein) and all other defendants named in the Action, including a release of unknown claims under Civil Code section 1542. Plaintiff shall apply for a General Release Fee of up to \$10,000.00, subject to court approval, and any amount not awarded will be returned to the Net Settlement Amount.

- 1.12. "Gross Settlement Amount" means \$135,000.00, which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below. Any increase of the Gross Settlement Amount pursuant to Paragraph 8 shall become effective by operation of this Agreement alone, including all amounts calculated herein based on the Gross Settlement Amount, or by order of the Court. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, General Release Fee, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.
- 1.13. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.14. "Judgment" means the judgment entered by the Court based upon the Order Granting Approval of PAGA Settlement.
- 1.15. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.16. "LWDA PAGA Payment" means 75% of the PAGA Penalties payable to the LWDA under Labor Code section 2699, subd. (i).
- 1.17. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, General Release Fee, and the Administration Expenses Payment. The remainder is to be paid 25% to Aggrieved Employees as Individual PAGA Payments and 75% to the LWDA as the LWDA PAGA Payment.
- 1.18. "PAGA Counsel" means Daniel J. Hyun, Esq. and David Alami, Esq. of Torus LLP located at 2 Park Plaza, Suite 1260, Irvine, California 92614.
- 1.19. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.20. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.21. "PAGA Period" means the period from May 31, 2023 through February 21, 2025.
- 1.22. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698, et seq.).

- 1.23. “PAGA Notice” means Plaintiff’s May 31, 2024 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.24. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.
- 1.25. “Plaintiff” means Osvaldo Martinez, the named plaintiff in the Action.
- 1.26. “Released PAGA Claims” means the claims being released by the Plaintiff as described in Paragraph 5 below.
- 1.27. “Released Parties” means: Defendants and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, and assigns.
- 1.28. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1. On August 30, 2024, Plaintiff commenced this Action by filing a individual and representative PAGA Complaint alleging causes of action against Defendants for violations of the Labor Code, including, failure to pay all wages, failure to provide meal periods, failure to provide rest periods, failure to reimburse necessary business expenses, failure to timely pay wages due upon separation of employment, failure to timely provide payroll and personnel records, and failure to issue accurate itemized wage statements (the “Operative Complaint.”). Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3. On February 21, 2025, the Parties participated in an all-day mediation presided over by Ernest W. Klatte, III, Esq. After a full day mediation and mediator’s proposal, the Parties agreed to settle the Action, which led to this Agreement.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, substantial data and documents pertaining to Plaintiff’s PAGA claim against Defendants.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants promise to pay \$135,000.00 and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph

4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants unless the Court does not approve the Agreement.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Order Granting Approval of PAGA Settlement:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 40% of the Gross Settlement Amount, which is currently estimated to be \$54,000.00 and PAGA Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendants will not oppose Plaintiff's requests for Court approval of these payments provided that they do not exceed these amounts unless increased pursuant to Paragraph 8 below. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$2,950.00, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than \$2,950.00, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.3. To the LWDA and Aggrieved Employees: 75% of the PAGA Penalties will be allocated to the LWDA PAGA Payment and 25% of the PAGA Penalties will be allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods.

3.2.3.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records, Defendants estimate that, as of February 21, 2025, there are 67 Aggrieved Employees who worked a total of 2,718 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 10 calendar days of the Order Granting Approval of

PAGA Settlement, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform obligations under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

- 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than April 22, 2025 or 10 calendar days after the Effective Date, whichever is later.
- 4.4. Payments from the Gross Settlement Amount. Within 10 calendar days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Service Award, the PAGA Counsel Expenses Payment, and PAGA Counsel Litigation Expenses Payment.
 - 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid, along with a notice of PAGA settlement which is attached hereto as **Exhibit A**. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned as undelivered without USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
 - 4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California State Controller's Office's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the entire Gross Settlement Amount, the claims against all Released Parties will be released as follows:

5.1 Plaintiff's Release. Plaintiff and his, her or their respective former and present spouses, representatives, agents, heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences that occurred at any time up to and including the date of execution of this Agreement, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims which may not be released as a matter of law, including for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time or based on occurrences during his employment with Defendants. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

6. STIPULATION OR MOTION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file a stipulation, or if required, motion for approval of this Settlement.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft stipulation requesting that the Court grant approval of the Settlement with all supporting exhibits such as proof of transmission to the LWDA of all necessary PAGA documents pursuant to Labor Code Sections 2699.3, subd. (a) and 2699,

subd. (l)(2)), or if required by the Court, motion for approval of this Settlement; and (ii) a draft proposed Order Granting Approval of PAGA Settlement.

- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the stipulation and proposed order for approval of this Settlement or, if required by the Court, motion for approval of this Settlement no later than 5 days after the full execution of this Agreement. If the stipulation and proposed order is rejected and a motion is required by the Court, PAGA Counsel is responsible for expeditiously finalizing and filing the motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Order Granting Approval of PAGA Settlement to the Administrator.
- 6.3 Duty to Cooperate. Defense Counsel is responsible for cooperating in good faith with PAGA Counsel to finalize the Stipulation and Proposed Order for approval of this Settlement and/or any proposed application or motion for approval as may be required by the Court. If the joint stipulation and proposed order are denied or the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings, if applicable, and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.

Based on its records, Defendants estimate that, as of February 21, 2025, there are 67 Aggrieved Employees who worked a total of 2,718 Pay Periods during the PAGA Period. The Parties agree that if the number of actual Pay Periods as of the close of the PAGA Period is more than 10% higher than the estimated Pay Periods (i.e., exceeds 2,990 Pay Periods), Defendants may, at their election, opt to (a) increase the Gross Settlement Amount in the exact proportionate amount (i.e., \$49.67 for each additional Pay Period) as to any additional Pay Periods over 10% of the estimated Pay Periods (i.e., 17% more Pay Periods than estimated will result in a 7% proportionate increase in the GSA) or (b) end the PAGA Period on the date that the total Pay Periods equals 2,718 Pay Periods as long as it elects to do so before the stipulation or motion for approval of the Settlement is filed.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of an Order Granting Approval of PAGA Settlement or Judgment, pursuant to California Code of Civil Procedure Section 664.6, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law. The Parties agree that in the event litigation is initiated by any Party to enforce this Settlement, the prevailing party will be entitled to recover his or its costs and reasonable attorneys' fees incurred in conjunction with the litigation, in addition to any other relief granted.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, General Release Fee, and Gross Settlement Amount, the Parties waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

- 10.12 Use of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.
- 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.14 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Daniel J. Hyun
daniel@torusllp.com
David Alami
david@torusllp.com
TORUS LLP
2 Park Plaza, Suite 1260
Irvine, California 92614

To Defendants:

Laura A. Wolfe
laura.wolfe@mccormickbarstow.com
MCCORMICK, BARSTOW, SHEPPARD, WAYTE & CARRUTH LLP
7647 North Fresno Street
Fresno, California 93720

- 10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil

Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

10.18 Representation. Plaintiff represents and warrants that Plaintiff is not currently aware of any: (a) unalleged claims against defendants named in the Operative Complaint (collectively “Defendants”) in addition to, or different from, those which are finally and forever settled and released against Defendants by this settlement; or (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendants, except such facts and theories specifically alleged in the operative complaint in this Action. Plaintiff represents that, other than this Action, Plaintiff has no current intention of asserting any other claims against Defendants in any judicial or administrative forum, including but limited to any class claims.

Dated: _____

Plaintiff Osvaldo Martinez



Osvaldo Martinez (Mar 5, 2025 16:41 PST)

Osvaldo Martinez

Dated: _____

Sunny Specialty Produce Inc.

Maria De Lourdes Barragan, President

Dated: _____

Maria De Lourdes Barragan

By: _____

Its: _____

Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

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Dated: _____

Plaintiff Osvaldo Martinez

Osvaldo Martinez

Dated: 3-6-25

Sunny Specialty Produce Inc.

Maria S Barragan
Maria De Lourdes Barragan, President

Dated: 3-6-25

Maria De Lourdes Barragan

Maria S Barragan

By: _____

Its: _____

Approved as to Form:

Dated: March 5, 2025

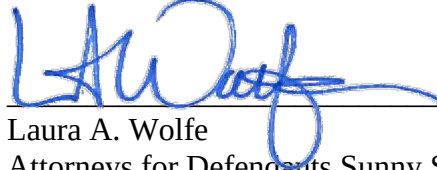
TORUS LLP



Daniel Hyun
David Alami
Attorneys for Plaintiff Osvaldo Martinez

Dated: March 6, 2025

MCCORMICK, BARSTOW, SHEPPARD,
WAYTE & CARRUTH LLP



Laura A. Wolfe
Attorneys for Defendants Sunny Specialty
Produce Inc. and Maria De Lourdes
Barragan

EXHIBIT A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment from the Settlement in *Martinez v. Sunny Specialty Produce Inc., et al.*, Los Angeles County Superior Court Case No. 24STCV22219

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Martinez v. Sunny Specialty Produce Inc., et al.* that was filed in the Los Angeles County Superior Court. The case number is 24STCV22219. The lawsuit was filed by Plaintiff Osvaldo Martinez (“Plaintiff”), on behalf of himself, other aggrieved employees, and the State of California against Sunny Specialty Produce Inc. and Maria De Lourdes Barragan (collectively “Defendants”) pursuant to the California Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”). The PAGA lawsuit is limited to Aggrieved Employees, which is defined under the settlement of the lawsuit to include all non-exempt hourly employees employed by Defendants in the State of California during the period of May 31, 2023 through February 21, 2025 (“PAGA Period”). You have been identified as one of the employees whose PAGA claim was settled in the lawsuit.

The Plaintiff in the case claimed that Defendants owed civil penalties under PAGA for certain California Labor Code violations. Defendants denied that they did anything wrong or that they owed any civil penalties. Plaintiff and Defendants (collectively the “Parties”) agreed to resolve the PAGA claim for Plaintiff and all Aggrieved Employees. The Parties agreed to resolve the case, and as part of that settlement, Defendants agreed to pay a certain amount of money categorized as PAGA civil penalties. The settlement of this action does not constitute an admission by Defendants of any of the matters alleged in the case or an admission of liability. Under the PAGA statute, the civil penalties are divided between the State of California (75%) and the Aggrieved Employees (25%) after deducting settlement administration costs, general release fee, and attorneys’ fees and expenses. The enclosed check represents your portion of the civil penalties allocated to Aggrieved Employees. It is your responsibility to apply any taxes payable on the amount you have received.

If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter), Plaintiff’s attorneys or Defendants’ attorneys:

Plaintiff’s Attorneys: TORUS LLP Daniel J. Hyun daniel@torusllp.com David Alami david@torusllp.com	Defendants’ Attorneys: McCormick, Barstow, Sheppard, Wayte & Carruth LLP Laura A. Wolfe laura.wolfe@mccormickbarstow.com
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2 Park Plaza, Suite 1260 Irvine, California 92614 Telephone: (949) 590-4122 Facsimile: (949) 528-2596	7647 North Fresno Street Fresno, California 93720 Telephone: (559) 433-1300 Facsimile: (559) 433-2300
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Very Truly Yours,

Phoenix Settlement Administrators