

STIPULATION OF CLASS AND PAGA SETTLEMENT

This Stipulation of Class and PAGA Settlement (“**Settlement Agreement**”) is reached by and between: (i) Plaintiff Ramon Mendoza Arroyo (“**Plaintiff**”), individually and on behalf of all Aggrieved Employees, defined below, and members of the Settlement Class, defined below, on the one hand; and (ii) Defendants Contract Labor Management, Inc. (“**CLM**”), Fruition Sales (“**Fruition**”), and Rising “C” Ranches, Inc. (“**RCR**”) (collectively “**Defendants**”) on the other hand (Plaintiff and Defendants are referred to herein as the “**Parties**”). Plaintiff, Aggrieved Employees, and the Settlement Class are represented by Daniel J. Brown and Kathleen J. Becket of Stansbury Brown Law, PC (“**Class Counsel**”). Defendant CLM is represented by Andrea M. Chapman and Zena M. Sin-Zaragoza of Chapman Law, PC; Defendants Fruition and RCR are represented by Michael J. Conway II of Sagaser, Watkins & Wieland, PC.

Plaintiff filed a class action complaint (“**Complaint**”) against Defendants on June 17, 2024, in Tulare County Superior Court, Case No. VCU310071, which alleges causes of action for: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) waiting time penalties; (6) wage statement violations; (7) unfair competition; (8) failure to reimburse for necessary business expenses.. Plaintiff filed a First Amended Class and Representative Action Complaint (“**FAC**”) on July 30, 2024, to add an additional cause of action for civil penalties under the Private Attorneys General Act (“**PAGA**”) pursuant to Labor Code section 2698 *et seq.* based on claims asserted in the PAGA letters Plaintiff submitted to the LWDA on May 23, 2024, in Case No. LWDA-CM-1030221-24. The matter is referred to herein as the “**Action**.” The FAC is the Operative Complaint for settlement purposes.

On February 26, 2025, Plaintiff and Defendants, represented by their respective counsel of record, privately mediated the Action before respected mediator Christopher Barnes, Esq. The Parties were able to reach a resolution at the mediation, which is now presented to the Court for approval.

Prior to entering into settlement discussions, the Parties conducted significant investigation of the facts and law through informal discovery, which included review and analysis of Defendant CLM’s policies and putative class members’ and Aggrieved Employees’ time records and payroll records. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff’s claims, the defenses thereto, and the damages and penalties claimed by Plaintiff in the Action. As a result of the Parties’ thorough investigation of the allegations and defenses thereto, they were able to reach an agreement to settle after extensive negotiations.

Given the risks and uncertainties of litigation, the Parties have agreed to settle this Action on the terms set forth herein and subject to the approval of Court. Nothing herein shall be construed as an admission of any wrongdoing or of liability as the Settlement Agreement is intended solely to allow the Parties to resolve the disputed claims asserted in this Action and avoid further litigation.

1. Certification for Settlement Purposes.

Subject to Section 4(D) of this Settlement Agreement, and for the purposes of this Settlement Agreement only, the Parties stipulate to conditional certification of the following Settlement Class (hereinafter, the “**Settlement Class**” or “**Settlement Class Members**”):

All current and former non-exempt employees of CLM who performed work for Contract Labor Management, Inc. directly, and/or for Fruition Sales and/or Rising C Ranches, Inc. in California at any time from June 17, 2020, through September 5, 2024 (the “**Class Period**”).

To the extent the escalator clause in Section 4(D) of this Settlement Agreement is triggered (thereby resulting in application of Sections 4(D)(i-iii), as applicable), and to the extent CLM does not pay the amounts specified therein, the “Settlement Class” or “Settlement Class Members” shall only consist of current and former non-exempt employees of CLM who performed work for Fruition Sales and/or RCR in California at any time from June 17, 2020, to September 5, 2024.

2. Aggrieved Employees.

For the purposes of this Settlement Agreement only, the Parties stipulate that the “**Aggrieved Employees**” shall be defined as:

All current and former non-exempt employees of CLM who performed work for Contract Labor Management, Inc. directly, and/or for Fruition Sales and/or Rising C Ranches, Inc. in California in California at any time from May 24, 2023, through September 5, 2024 (the “**PAGA Period**”).

To the extent the escalator clause in Section 4(D) of this Settlement Agreement is triggered (thereby resulting in application of Sections 4(D)(i-iii), as applicable), and to the extent CLM does not pay the amounts specified therein, the “Aggrieved Employees” shall only consist of current and former non-exempt employees of CLM who performed work for Fruition Sales and/or RCR in California at any time from May 24, 2023, to September 5, 2024.

3. Releases.

A. **Released Parties.** As referenced herein, **Released Parties** shall collectively mean: Defendants CLM, Fruition, and RCR; their present and former parents, subsidiaries, affiliated entities, commonly owned or controlled entities, owners, board members, officers, directors, trustees, shareholders, members, partners, employees, clients, agents, insurers, attorneys, representatives, heirs, executors, administrators, successors and assigns; and any individual or entity to whom liability for the Released Class Claims and/or Released PAGA claims, defined below, could be assigned under any theory of law, including but not limited to pursuant to Labor Code §558.1, or on a joint-employer, alter-ego, or other liability theory. To the extent the escalator clause in Section 4(D) of this Settlement Agreement is triggered (thereby resulting in application

of Sections 4(D)(i-iii), as applicable), and to the extent CLM does not pay the amounts specified therein, CLM shall not be included in the definition of Released Parties.

- B. Releases Effective Upon Full Payment of the GSA.** Effective on the date when Defendants fully fund their respective portions of the Gross Settlement Amount (“GSA”) and employer payroll taxes owed on the wage portion of the individual Participating Member Payments for which they are responsible (as set forth in Section 4 of this Settlement Agreement), Plaintiff, Settlement Class Members, and Aggrieved Employees will release claims against the Released Parties as described below. To the extent the escalator clause in Section 4(D) of this Settlement Agreement is triggered (thereby resulting in application of Sections 4(D)(i-iii), as applicable), and to the extent CLM does not pay the amounts specified therein but Fruition and/or RCR fund the amount(s) for which they are responsible, then Fruition and/or RCR shall be entitled to the benefit of this release immediately upon their payment of amount(s) owed by them under this Settlement Agreement.
- C. Released Class Claims.** All Settlement Class Members who do not opt out of the settlement (collectively, “**Participating Settlement Class Members**”) on behalf of themselves and their respective past and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties, from all claims not assertable under PAGA that Plaintiff alleged, or could have alleged, by reason of or in connection with any matter or fact set forth in the Action during the Class Period (“Released Class Claims”). The release extends to the limits of the Class Period. Without limiting the foregoing, Released Class Claims shall include:
- i. All claims relating to unpaid wages (including minimum, overtime, straight-time, piece, or other form of wages); all claims related to the timeliness of wage payments (whether regular or final wages); all claims related to the calculation of the regular rate of pay, including claims for unpaid overtime wages, paid sick leave, or other pay as a result of the improper calculation of the regular rate of pay; all claims relating to the failure to provide compliant meal, rest, and recovery periods; all claims relating to the failure to pay premiums for violations of meal, rest, and recovery period laws (including the failure to make premium payments at all, or failure to make premium payments at the correct rate of pay); all claims relating to the provision of wage statements, including the accuracy or substance of wage statements; all claims relating to the failure to maintain accurate employment records; all claims relating to the failure to reimburse necessary business expenses; and all claims relating to unfair business practices resulting from any of the foregoing.
 - ii. All claims arising under California Labor Code §§201, 202, 203, 204, 205, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, 2802; 8 C.C.R. §11090, Sections 3, 4, 7, 11, 12, 18, or otherwise applicable, similar provisions of other IWC Wage Orders; 8 C.C.R. §3395; California Business and Professions Code §§17200-17208; California Civil Code §§3287 and 3289; California Code of Civil Procedure

§1021.5; and related claims under the applicable provisions of the Fair Labor Standards Act (29 U.S.C. §§201, et seq.).

- iii. All remedies associated with any of the claims described herein, including but not limited to compensatory, consequential, incidental, liquidated, punitive, statutory penalties, civil penalties, restitution, interest, costs, attorneys' fees, or injunctive and/or other equitable relief.

D. Released PAGA Claims. All Aggrieved Employees, regardless of whether they opt out of the Settlement Class, on behalf of themselves; their respective past and present representatives, agents, attorneys, heirs, administrators, successors, and assigns; and, the State of California (including any office or agency thereof), will release and discharge the Released Parties from all claims assertable under PAGA that Plaintiff alleged, or could have alleged, by reason of or in connection with any matter or fact set forth in the Action or any notices issued by Plaintiff to the LWDA and/or set forth in the Action during the PAGA Period. The release extends to the limits of the PAGA Period. Without limiting the foregoing, Released PAGA Claims shall include:

1. All claims for remedies recoverable under PAGA relating to unpaid wages (including minimum, overtime, straight-time, piece, or other form of wages); all claims for remedies recoverable under PAGA related to the timeliness of wage payments (whether regular or final wages); all claims for remedies recoverable under PAGA related to the calculation of the regular rate of pay, including claims for unpaid overtime wages, paid sick leave, or other pay as a result of the improper calculation of the regular rate of pay; all claims for remedies recoverable under PAGA relating to the failure to provide compliant meal, rest, and recovery periods; all claims for remedies recoverable under PAGA relating to the failure to pay premiums for violations of meal, rest, and recovery period laws (including the failure to make premium payments at all, or failure to make premium payments at the correct rate of pay); all claims for remedies recoverable under PAGA relating to the provision of wage statements, including the accuracy or substance of wage statements; all claims for remedies recoverable under PAGA relating to the failure to maintain accurate employment records; all claims for remedies recoverable under PAGA relating to the failure to reimburse necessary business expenses; all claims for remedies recoverable under PAGA for failing to permit and authorize Aggrieved Employees to exercise the use of their accrued paid sick leave days pursuant to Labor Code §245.5; and, all claims for remedies recoverable under PAGA for failing to provide legally mandated disclosures and/or written notices regarding the terms of employment pursuant to Labor Code §2810.5.
2. All claims for remedies recoverable under PAGA arising under, or due to a violation of, California Labor Code §§201, 202, 203, 204, 205, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246.5, 510, 512, 558, 1174,

1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, 2802, and 2810.5; 8 C.C.R. §11090, Sections 3, 4, 7, 11, 12, 18, or otherwise applicable, similar provisions of other IWC Wage Orders; 8 C.C.R. §3395; and, other default remedies under PAGA pursuant to Labor Code §2699.

3. All remedies associated with any of the claims described herein, including but not limited to civil penalties, costs, attorneys' fees, or injunctive and/or other equitable relief.

E. **Limitations on Release of Class and PAGA Claims.** The releases described above are limited to liability arising from work Settlement Class Members performed on behalf of Fruition, RCR, and/or CLM, directly. To that end, the parties intend this release to fully discharge FS and RCR from all liability to Settlement Class Members for the Released Class/PAGA Claims. However, the release shall not discharge CLM from any liability that it may have to Settlement Class Members which arises out of work Settlement Class Members performed on behalf of CLM for entities/persons other than FS, RCR, and/or CLM, directly.

F. **Plaintiff's Release of Unknown Claims.** In light of his Class Representative Service Award, Plaintiff agrees to release, in addition to the Released Class and PAGA Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers compensation claims or any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims and that he is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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.

4. **Settlement Payment.** In exchange for the releases set forth in this Settlement Agreement in their favor, Fruition and RCR agree to pay a common fund of One Hundred Ninety-Five Thousand Dollars and Zero Cents (\$195,000.00) in full and complete settlement of this matter. Besides the triggering of the escalator clause pursuant to paragraph 4(D) of this Settlement Agreement and Fruition/RCR's payment of their proportional share of payroll taxes pursuant to paragraph 4(C) of this Settlement Agreement, in no event shall Fruition/RCR be required to pay more than the GSA. In exchange for the releases set forth in this Settlement Agreement in its favor, CLM agrees to pay additional amounts, if necessary, to comply with Sections 4(D)(ii-iii), as applicable. Collectively, these sums, exclusive of any sums deposited by Defendants to the Settlement Administrator for payroll taxes, shall be referred to as the "**Gross Settlement Amount**" or "**GSA**". The GSA shall be paid as follows:

- A. **Funding of the Gross Settlement Amount.** Fruition, RCR, and CLM shall deposit their portions of the GSA with the Settlement Administrator within 30 days after the Effective Settlement Date (defined below).
- B. **Non-revisionary.** This is a non-reversionary settlement. The Gross Settlement Amount includes:
- i. All payments to the Aggrieved Employees and Settlement Class;
 - ii. Settlement Administrator. All fees and expenses of the settlement administrator associated with the administration of the settlement, which are anticipated to be no greater than Seven Thousand Nine Hundred Ninety Dollars and Zero Cents (\$7,990.00). The Parties agree to the appointment of Apex Class Action as the settlement administrator (“**Settlement Administrator**”) and to Class Counsel seeking Court approval to pay up to Seven Thousand Nine Hundred Ninety Dollars and Zero Cents (\$7,990.00). from the Gross Settlement Amount for the Settlement Administrator’s services. The Settlement Administrator shall be responsible for sending all required notices in both English and Spanish, providing written reports to Class Counsel and Defense Counsel that, among other things, tally the number of Notices mailed or re-mailed, Notices returned undelivered, Requests for Exclusion, objections and disputes received from Settlement Class Members, calculating the Net Settlement Amount, calculating payment amounts to employees, preparing all checks and mailings and disbursing all residuals resulting from uncashed settlement checks as set forth in Paragraph 5(C), and providing declarations regarding the Settlement Administrator’s background and services for Preliminary Approval, attesting to its due diligence and compliance with all of its obligations under this Agreement for Final Approval, providing appropriate notice of entry of judgment, and preparing a final report detailing disbursement of the Gross Settlement Amount in compliance with the Final Approval Order. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after checks have been mailed to all Aggrieved Employees and Participating Settlement Class Members;
 - iii. Class Representative Service Award. Up to Five Thousand Dollars and Zero Cents (\$5,000) for a class representative service award to Plaintiff subject to Court approval, in recognition of Plaintiff’s general release of claims, contributions to the Action, and service to the Settlement Class. Defendants will not object to a request for a Class Representative Service Award for Plaintiff in exchange for the general release of his claims and waiver of Civil Code Section 1542, his time and risks in prosecuting this case, and his service to the Settlement Class. This payment will be in addition to Plaintiff’s Participating Member Payment (defined below) as a Participating Member and shall be reported on an IRS Form 1099 by the Settlement Administrator. It is the intent of the Parties that the Class Representative Service Award to the Plaintiff is for his services in connection with this Action and is not wages, therefore the

Settlement Administrator shall not withhold any taxes from the Class Representative Service Award and shall report it on an IRS Form 1099, which shall be provided to Plaintiff and to the pertinent taxing authorities as required by law. Although it is the contemplation of the Parties that the Class Representative Service Award does not represent wages, the Internal Revenue Service, the California Franchise Tax Board, or some other taxing authority may take the position that some or all of the Class Representative Service Award constitutes wages for income tax and withholding purposes. Plaintiff agrees to assume all responsibility for remitting to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority the amounts required by law, if any, to be withheld by Defendants from the Class Representative Service Award paid under this Settlement Agreement, and all liability associated therewith. In the event that the Court reduces or does not approve the requested Class Representative Service Award, the Settlement Agreement remains in full force and effect, Plaintiff shall not have the right to revoke the settlement for that reason, and it shall remain binding;

- iv. Class Counsel Fees and Costs. Up to thirty-five percent (35%) of the Gross Settlement Amount in attorneys' fees, which is currently estimated to be Sixty-Eight Thousand Two Hundred Fifty Dollars and Zero Cents (\$68,250.00), plus up to Twenty Thousand Dollars and Zero Cents (\$20,000.00) in verified costs and expenses related to the Action as supported by declaration. In the event that the Court reduces or does not approve Class Counsel's requested fees and costs, the Settlement Agreement remains in full force and effect, Plaintiff shall not have the right to revoke the settlement for that reason, and it shall remain binding. If the Gross Settlement Amount increases pursuant to Paragraph 4(D), the amount of fees requested by Class Counsel will increase proportionally such that the requested award is thirty-five percent of the GSA. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised, responses to any intervenors and any appeals necessitated by those objections or intervenors. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when it pays the fee award as approved by the Court; and
- v. PAGA Penalties. Five Thousand Dollars and Zero Cents (\$5,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Three Thousand Seven Hundred Fifty Dollars and Zero Cents (\$3,750.00) will be payable to the Labor & Workforce Development Agency ("**LWDA Payment**"), and the remaining twenty-five percent (25%), or One Thousand Two Hundred Fifty Dollars and Zero Cents (\$1,250.00) will be payable to the Aggrieved Employees as the "**PAGA Amount.**" The LWDA

Payment and PAGA Amount are collectively referred to herein as the “**PAGA Penalties.**”

- C. **Payroll Tax Payments.** Defendants’ share of payroll taxes shall be paid by Defendants separately from, and in addition to, the Gross Settlement Amount.
- D. **Class Escalator Clause.** Defendants represent there are approximately 4,000 Class Workweeks within the Class Period. A “**Class Workweek**” shall mean any calendar week during the Class Period in which a Settlement Class Member worked at least one shift performing work for CLM directly, and/or for Fruition and/or RCR. If the actual number of Class Workweeks released by this Settlement increases by more than 10% (i.e., increase by more than 400 Class Workweeks), then the following terms shall apply:
- i. If the total number of Class Workweeks worked by CLM employees on behalf of FS/RCR during the Class Period exceeds 4,400 (“**FS/RCR Class Workweeks**”), then FS/RCR shall pay an additional \$44.31 per FS/RCR Class Workweek above 4,400. Thus, if there were 4,500 FS/RCR Class Workweeks, FS/RCR would owe an additional \$4,431.00. If the total number of FS/RCR Class Workweeks does not exceed 4,400, FS/RCR shall have no duty to contribute more than \$195,000.00 plus an amount sufficient to cover its proportional share of payroll taxes in order to comply with this Agreement.
 - ii. If (a) the total number of FS/RCR Class Workweeks is less than 4,400; and (b) the total number of Class Workweeks exceeds 4,400, then CLM shall pay \$44.31 for each Class Workweek above 4,400. If CLM does not fund the increase in the GSA then the Releases identified in Section 3 of this Settlement Agreement will not apply to CLM. However, CLM’s failure to fund the increase in the GSA will not be a reason for any Party to withdraw from the Settlement.
 - iii. If the total number of FS/RCR Class Workweeks exceeds 4,400, then CLM shall pay \$44.31 for each Class Workweek worked by CLM employees on behalf of CLM during the Class Period (“**CLM Class Workweeks**”). If CLM does not fund the increase in the GSA then the Releases identified in Section 3 of this Settlement Agreement will not apply to CLM. However, CLM’s failure to fund the increase in the GSA will not be a reason for any Party to withdraw from the Settlement.
- E. **Effective Date of Settlement.** The Effective Settlement Date of this settlement shall be the later of the time when: either (i) the Judgment in the Action granting final approval of the settlement is final and no longer subject to appeal, if there are objections, or (ii) 30 days after Notice is provided by Plaintiff to Defendants that the Court entered the order on final approval of the settlement and judgment, if there are no objections (“**Effective Settlement Date**”). If any Settlement Class Member appeals the judgment, the Effective Settlement Date shall be continued to the date on which the appellate court has issued a remittitur confirming the judgment.

- F. **Disbursement of Gross Settlement Amount.** Within ten (10) calendar days following the funding of the Gross Settlement Amount with the Settlement Administrator by Defendants, the Settlement Administrator will calculate Participating Member Payments (defined below) and mail individual Participating Member Payments to Participating Settlement Class Members and Aggrieved Employees and transfer to Class Counsel its attorney's fees and verified costs.
5. **Participating Member Payment Procedures.** Participating Settlement Class Members and Aggrieved Employees are not required to submit a claim form to receive their share of the Settlement ("**Participating Member Payment**"). Participating Member Payments will be determined and paid as follows:
- A. **Net Settlement Amount:** The Net Settlement Amount is the Gross Settlement Amount after the following deductions are made: (a) all costs of settlement administration; (b) Class Representative Service Award to Plaintiff; (c) the LWDA Payment; and (d) costs and attorneys' fees for Class Counsel. The Net Settlement Amount shall be available for Participating Members. From the Net Settlement Amount, the Settlement Administrator will calculate each Participating Member Payment based on the following formula:
- i. **PAGA Amount.** Each Aggrieved Employee shall receive a portion of the One Thousand Two Hundred-Fifty Dollars and Zero Cents (\$1,250.00) that has been designated as the PAGA Amount based on their proportionate share of PAGA Pay Periods by multiplying the PAGA Amount by a fraction, the numerator of which is the Aggrieved Employee's PAGA Pay Periods, and the denominator of which is the total PAGA Pay Periods of all Aggrieved Employees. A "**PAGA Pay Period**" shall mean any calendar week during the PAGA Period in which an Aggrieved Employee worked at least one shift performing work for CLM directly, and/or for Fruition and/or RCR.
 - ii. **Remainder.** The remainder of the Net Settlement Amount shall be distributed to each Participating Settlement Class Member based on their proportionate share of Class Workweeks, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Participating Settlement Class Member's Class Workweeks, and the denominator of which is the total Class Workweeks of all Participating Settlement Class Members.
 - iii. To the extent the escalator clause in Section 4(D) of this Settlement Agreement is triggered (thereby resulting in application of Sections 4(D)(i-iii), as applicable), and to the extent CLM does not pay the amounts specified therein, payments shall be calculated consistent with the above methodology, except only the FS/RCR Class Workweeks shall be used in the calculation, as opposed to all Class Workweeks.

- B. **Participating Member Payment Tax Treatment.** For purposes of calculating applicable taxes and withholdings for the payment to Participating Members described in Paragraph 5(A)(ii), ten percent (10%) of each such payment shall be designated as wages subject to W-2 reporting and normal payroll withholdings; the remaining ninety percent (90%) of each such payment shall be designated as non-wages subject to IRS Form 1099 reporting with no withholdings. Additionally, 100% of the PAGA Amount paid to Aggrieved Employees shall be designated as non-wages subject to IRS Form 1099 reporting with no withholdings. Notwithstanding the treatment of these payments to each Participating Member above, none of the Participating Member Payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any other purpose, including for purposes of calculating any applicable benefit or retirement plan, unless required by such plans.
- C. **Deadline to Negotiate Participating Member Payment.** Each Participating Member who receives a Participating Member Payment must negotiate the settlement check within one hundred eighty (180) days from the date of issuance. The one hundred eighty (180) day expiration of the settlement checks will be pre-printed on the front of the settlement check. Any funds payable to Participating Members whose checks are not negotiated within one hundred eighty (180) days period will not be reissued and will be transferred by the Settlement Administrator to the California Farmworker Foundation, as the designated *cy pres*.
- D. Defendants shall be deemed to have fully discharged their obligations to each Participating Member when the Settlement Administrator mails each Participating Member a settlement check, regardless of whether such checks are actually received and/or negotiated by Participating Members. Neither Plaintiff, Defendants, nor their respective counsel shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by his, her, or its own acts of omission or commission, the same is true for the Settlement Administrator. All Settlement Class Members and Aggrieved Employees shall be bound by all terms and conditions of this Settlement Agreement and the judgment entered in accordance herewith regardless of whether they actually receive notice, whether they actually receive their notice, and whether they actually negotiate their payment(s).

6. **Preliminary Approval.** Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Daniel J. Brown and Kathleen J. Becket of Stansbury Brown Law, PC as Class Counsel;
- C. Appointing Ramon Mendoza Arroyo as the Class Representative for the Settlement Class;
- D. Approving Apex Class Action as Settlement Administrator;

- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
 - F. Approving the form and content of the Class Notice Packet and directing the mailing of same in English and Spanish;
 - G. Scheduling a Final Approval hearing;
 - H. Plaintiff shall submit the proposed settlement to the Labor Workforce Development Agency (“LWDA”) pursuant to Labor Code § 2699(1)(2). Proof of this submission will be provided to the Court and to Defendants’ counsel; and
 - I. If Final Approval is granted, Plaintiff shall submit a copy of the Superior Court’s judgment to the LWDA after entry of the judgment or order, pursuant to Labor Code § 2699(1)(3).
7. **Notice Procedures.** Following preliminary approval, Settlement Class Members and Aggrieved Employees shall be notified as follows:
- A. Within 21 calendar days after entry of an order preliminarily approving this Settlement Agreement is provided by the Court or Plaintiff, Defendants Fruition and RCR will provide the Settlement Administrator with a class list (in electronic format) including the full names, last known addresses, social security numbers, dates of employment, Class Workweeks and PAGA Pay Periods for each Aggrieved Employee and Settlement Class Member. The class list shall contain a breakdown of both Class Workweek counts, Fruition/RCR Class Workweek, and CLM Workweek counts.
 - B. Within seven (7) days from receipt of the class list information, the Settlement Administrator shall: (i) run the names of all Settlement Class Members and Aggrieved Employees through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class Members and Aggrieved Employees; (ii) update the addresses of any Settlement Class Member or Aggrieved Employee for whom an updated address was found through the NCOA search; and (iii) mail the Notice Packet to each Settlement Class Member or Aggrieved Employee in English and Spanish at their last known address or at the updated address found through the NCOA search, and retain proof of mailing.
 - C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline (defined below) shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class Member or Aggrieved Employee immediately, and in any event within three (3) business days of obtaining the updated address.

D. Opt-Out/Request for Exclusion Procedures. Any Settlement Class Member who wishes to opt-out of the Settlement must complete and mail or fax a Request for Exclusion (defined below) to the Settlement Administrator within 45 calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").

- i. The Request for Exclusion must: (1) contain the name, address, and last four digits of the Social Security Number of the Settlement Class Member; (2) contain a statement that the Settlement Class Member wishes to be excluded from the class settlement; (3) be signed by the Settlement Class Member; and (4) be faxed or postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion fails to comply with items (1), (2), or (4), it will not be deemed a valid Request for Exclusion from this settlement. . The date of the postmark on the Request for Exclusion, shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement (although the PAGA settlement and release provisions will apply to each such individual, and such individual shall be entitled to their share of the PAGA Amount) or have any right to object, intervene, appeal, or comment thereon. Any Settlement Class Member who does not submit a Request for Exclusion is automatically deemed a Participating Settlement Class Member.

E. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendants' counsel as well as filing them with the Court). Defendants' counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendants' counsel and Class Counsel shall have ten (10) days to respond. To be valid, any objection must: (1) contain the objecting Settlement Class Member's full name and current address; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) objections must be postmarked on or before the Response Deadline.

F. Challenges to Participating Member Payment Calculations. Each Notice Packet mailed to a Settlement Class Member or Aggrieved Employee shall disclose the amount of the Settlement Class Member's or Aggrieved Employee's estimated Participating Member Payment as well as the number of Class Workweeks and the number of PAGA Pay Periods. Settlement Class Members and Aggrieved Employees will have the opportunity, should they disagree with of the number Class Workweeks and PAGA Pay Periods stated in their Notice Packet, to challenge the calculations. In order to challenge the calculations included in the Notice Packet, the Settlement Class Member or Aggrieved Employee must provide documentation and/or an explanation evidencing

the correct number of Class Workweeks and/or PAGA Pay Periods that the Settlement Class Member or Aggrieved Employee believes they should have been credited with. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. The Settlement Administrator shall provide a copy of the challenge and any supporting documentation to counsel for the Parties within five (5) days of receipt.

- G. **Dispute Resolution.** The Settlement Administrator shall have the responsibility of resolving all disputes that arise during the settlement administration process, including, without limitation, disputes (if any) regarding the calculation of Settlement Class Member's or Aggrieved Employee's Participating Member Payment, the allocation of W-2 wages, and the number of Class Workweeks and PAGA Pay Periods. Where the information submitted by Defendants from their records differ from the information submitted by the Settlement Class Member or Aggrieved Employee, the Settlement Administrator shall request a conference call between the Settlement Administrator, Class Counsel, and Defendants' counsel to discuss and resolve the dispute. In advance of the conference call, the Settlement Administrator shall email copies of all available information to all counsel. After consulting with the Parties to determine whether an adjustment is warranted, the Settlement Administrator will finally determine the eligibility for an amount of any Participating Member Payment. Such determination shall be binding upon the Settlement Class Member, Aggrieved Employee, and the Parties.
8. **Final Approval Process.** Following preliminary approval and the close of the Response Deadline under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:
- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
 - B. Approving Plaintiff's application for Settlement Administrator's fees and expenses, Plaintiff's Class Representative Service Award, Class Counsel's attorneys' fees, Class Counsel's costs and expenses, and the PAGA Penalties; and
 - C. Entering judgment pursuant to California Rule of Court 3.769.
9. **Non-Admission.** Defendants deny that they have engaged in any unlawful activity, that they have failed to comply with the law in any respect, that they have any liability to anyone under the claims asserted in the Action, and that but for this settlement a class should not be certified in this Action. Nothing in this Settlement Agreement is intended or shall be construed as an admission of liability or wrongdoing by Defendants. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement.

If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code section 1152.

10. **Fruition/RCR's Right to Withdraw:** Fruition and RCR shall have the right to terminate this Settlement if more than ten percent of Settlement Class Members assigned to Fruition and/or RCR timely opt-out of the Settlement, as determined by the Administrator. If Fruition and RCR exercise their right to terminate this Settlement, they shall be solely liable for the costs incurred by the Settlement Administrator, up to a maximum of \$7,990.00. Fruition and RCR must exercise their right to terminate the settlement in a writing to Class Counsel within 21-days of receiving the final exclusion list from the Settlement Administrator.
11. **No Public Comment:** The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement. Class Counsel agrees to refrain from publicizing this Settlement in any manner, including on a website, social media, or other platform, except as necessary to: (i) comply with a lawfully issued subpoena; (ii) describe qualifications as counsel; (iii) or discuss this Settlement with a Settlement Class Member. The Parties and their respective counsel shall refrain from soliciting any person affected by this Settlement from opting out, objecting, or appealing the Judgment.
12. **Amendments or Modifications.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by the Parties or their representatives, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.
13. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery or by e-mail at the addresses of the Parties' representatives set forth below, or such other addresses as the Parties may designate in writing from time to time:

If to Defendant CLM:

Andrea M. Chapman
Zena M. Sin-Zaragoza
CHAPMAN LAW, P.C.
401 Clovis Ave., Suite 201
Clovis, CA 93612

If to Defendants Fruition or RCR:

Michael J. Conway II,
SAGASER, WATKINS & WIELAND, PC
5260 North Palm Avenue, Suite 400
Fresno, California 93704

If to Plaintiff:

Daniel J. Brown, Esq.
STANSBURY BROWN LAW, PC
2610 ½ Abbot Kinney Blvd.
Venice, CA 90291
dbrown@stansburybrownlaw.com

14. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.
15. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.
16. **Failure to Obtain Final Approval.** If the court fails to grant either preliminary or final approval, the Parties shall be restored to their positions at the time of the execution of this Settlement Agreement, which shall include but not be limited to, all funds paid by Defendants shall be returned to Defendants, with the exception that if any settlement administration costs are due and payable, Plaintiff and Defendants agree to split those costs. If the Court does not preliminarily or finally approve the settlement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in good faith to modify the Agreement and satisfy the Court's concerns. However, no Party shall be obligated to consent to any material change (including but not limited to changes to the Gross Settlement Amount or the releases set forth herein) in the Agreement, whether or not such material change is caused or requested by the Court. The Parties shall have the continuing obligation to seek both preliminary approval of the settlement consistent with the terms set forth herein, until the Effective Settlement Date occurs. Such obligation shall only cease upon the written consent of all Parties.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

EXECUTION BY PARTIES AND COUNSEL

Date: 7/23/2025

Ramon Mendoza A.
Plaintiff Ramon Mendoza Arroyo

Date: _____

_____, on behalf of
Defendant Contract Labor Management, Inc.

Date: _____

_____, on behalf of
Defendant Fruition Sales

Date: _____

_____, on behalf of
Defendant Rising "C" Ranches, Inc.

Approved as to Form:

7/15/2025
Date: _____

SAGASER, WATKINS & WIELAND, PC


Michael J. Conway II
Counsel for Defendant Fruition Sales and Rising
C Ranches, Inc.

Date: _____

CHAPMAN LAW, P.C.

Andrea M. Chapman
Zena M. Sin-Zaragoza
Counsel for Defendant Contract Labor
Management, Inc.

Date: 07/28/25

STANSBURY BROWN LAW, PC

Daniel J. Brown
Counsel for Plaintiff and Class

EXECUTION BY PARTIES AND COUNSEL

Date: _____

Plaintiff Ramon Mendoza Arroyo

Date: 07 / 25 / 2025

Cesar Mora

Cesar Mora, on behalf of
Defendant Contract Labor Management, Inc.

Date: _____

_____, on behalf of
Defendant Fruition Sales

Date: _____

_____, on behalf of
Defendant Rising "C" Ranches, Inc.

Approved as to Form:

Date: _____

SAGASER, WATKINS & WIELAND, PC

Michael J. Conway II
Counsel for Defendant Fruition Sales and Rising
C Ranches, Inc.

Date: 07/25/2025

CHAPMAN LAW, P.C.

Zena M. Sin-Zaragoza

Andrea M. Chapman
Zena M. Sin-Zaragoza
Counsel for Defendant Contract Labor
Management, Inc.

Date: _____

STANSBURY BROWN LAW, PC

Daniel J. Brown
Counsel for Plaintiff and Class

EXECUTION BY PARTIES AND COUNSEL

Date: _____

Plaintiff Ramon Mendoza Arroyo

Date: _____

_____, on behalf of
Defendant Contract Labor Management, Inc.

Date: 7/15/25

Pic Christian
_____, on behalf of
Defendant Fruition Sales

Date: 7/15/25

Pic Christian
_____, on behalf of
Defendant Rising "C" Ranches, Inc.

Approved as to Form:

Date: _____

SAGASER, WATKINS & WIELAND, PC

Michael J. Conway II
Counsel for Defendant Fruition Sales and Rising
C Ranches, Inc.

Date: _____

CHAPMAN LAW, P.C.

Andrea M. Chipman
Tana M. Sin-Zaragoza
Counsel for Defendant Contract Labor
Management, Inc.

Date: _____

STANSBURY BROWN LAW, PC

Daniel J. Brown
Counsel for Plaintiff and Class