

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement is entered into by and between Plaintiff Enrique Aguila, individually and on behalf of all others similarly situated, and Defendant Magnolia Foods, LLC, and is approved by its respective counsel of record, subject to the terms and conditions hereof and the Court’s approval.

A. Definitions

1. “Action” or “Lawsuit” means and refers to the case entitled *Aguila v. Magnolia Foods, LLC*, Case No. CVRI2404553, filed in Riverside County Superior Court.

2. “Aggrieved Employees” include all current and former hourly, non-exempt employees of Defendant Magnolia Foods, LLC who worked as direct hires in the State of California from March 16, 2024, through May 5, 2025.

3. “Agreement,” “Settlement Agreement,” “Settlement,” or “Stipulation” shall mean this Class Action and PAGA Settlement Agreement, including any attached Exhibits.

4. “Class” means all current and former hourly, non-exempt employees of Defendant Magnolia Foods, LLC who worked as direct hires in the State of California from March 16, 2024, through May 5, 2025.

5. “Class Claims” or “Released Class Claims” will include all claims that were pled or which could have been pled in the Action based on the factual allegations therein, including, but not limited to: (1) claims for unpaid wages, overtime, sick time, meal and rest period premiums, waiting time penalties, wage statements, unreimbursed business expenses; (2) any related wage, hour or related record keeping claims arising under the California Labor Code, the applicable wage orders of the California Industrial Welfare Commission, and any applicable state or federal law; (3) any claims for failure to indemnify necessary business expenses; (4) any related claims for unfair business practices (including unlawful, deceptive, or unfair business practices prohibited by the California Business and Professions Code §§ 17200, *et seq.*) arising out of alleged violations of wage, hour and related record-keeping provisions of the California Labor Code, the applicable wage orders of the California Industrial Welfare Commission, and any applicable state law; (5) any related claims that Defendant did not comply with laws, regulations

and ordinances, and/or common law of California; (6) any related claims that Defendant did not comply with Federal laws, regulations and ordinances, and/or common law; (7) claims for civil penalties under the Private Attorneys General Act, Labor Code section 2698 *et seq.*; and (8) claims for violation of Labor Code sections 200 through 204, 201, 202, 203, 210, 218.6, 226, 226.3, 226.7, 246, 510, 512, 516, 558, 1174, 1174.4, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1199.5, 1182.12, 2800, 2802 and the applicable wage orders of the California Industrial Welfare Commission.

6. “Class Counsel” refers to Mehrdad Bokhour of Bokhour Law Group, P.C. and Sam Rezvani of Venture Law, P.C.

7. “Class Data” means a complete list that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator on one spreadsheet and shall include the Settlement Class Members’ full names; last known addresses; telephone numbers; Social Security Numbers; and dates of employment and/or number of Workweeks Worked as non-exempt or hourly employees of Defendant during the Class Period and number of PAGA Pay Periods worked during the PAGA Period for each Settlement Class Member.

8. “Class Period” and “Class Release Period” shall mean March 16, 2024, through May 5, 2025.

9. “Class Representative” or “Plaintiff” means and refers to Enrique Aguila.

10. “Court” means the California Superior Court, County of Riverside or any Court of competent jurisdiction taking jurisdiction of the Action.

11. “Defendant” means and refers to Magnolia Foods, LLC, a California limited liability company.

12. “Defendant’s Counsel” or “Defense Counsel” means and refers to Alexander M. Medina and Mayra D. Sandoval of Medina McKelvey LLP.

13. “Effective Date” means the date the Court enters an order granting final approval of the Settlement, assuming no appeal is filed; or if a timely appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for *certiorari*), resulting in final judicial approval of the Settlement.

14. “Final” means that the Settlement has been granted “Final Approval” by the Court and the “Effective Date” has occurred.

15. “Final Approval” refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Settlement on substantially the same terms provided herein or as may be modified by subsequent agreement of the Parties or order of the Court.

16. “Final Settlement Class” means, collectively, all Participating Class Members and all Aggrieved Employees.

17. “Individual Settlement Amount” shall have the meaning ascribed to it in Paragraph 50(d) below.

18. “Net Settlement Amount” shall have the meaning ascribed to it in Paragraph 50(c) below.

19. “Notice” means the notice of settlement of class action and PAGA Settlement that will be sent to the Settlement Class Members.

20. “Notice Response Deadline” is forty-five (45) calendar days from the date the Notice is mailed to the Settlement Class Members.

21. “Objecting Settlement Class Member” means a Settlement Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement with respect to the Class Claims pursuant to Paragraph 72(a) below.

22. “Operative Complaint” refers to, collectively, the Complaint filed in the Riverside County Superior Court on August 15, 2024 (“Original Complaint”) in this Action entitled *Aguila v. Magnolia Foods, LLC*, Case No. CVRI2404553; the First Amended PAGA Representative Action Complaint filed in this Action on or about October 23, 2024 (“FAC”); and the Second Amended Class Action and Representative PAGA Complaint filed in this Action on or about April 8, 2025 (“SAC”).

23. “PAGA” shall refer to the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698-2699.5.

24. “PAGA Claims” or “Released PAGA Claims” shall include any and all claims for

civil penalties pursuant to PAGA based on the allegations stated in the PAGA Notice and that were pled in the Operative Complaint based on the facts alleged therein, including, but not limited to claims for failure to pay minimum and overtime wages and sick wages and/or failure to pay such wages at the correct rate(s) of pay), meal and rest break violations, failure to provide accurate itemized wage statements, failure to timely pay all wages during employment and upon separation of employment, unreimbursed business expenses, unfair and unlawful business practices, and PAGA penalties resulting from the following alleged violations: Labor Code sections 200 through 204, 201, 202, 203, 210, 218.6, 221, 226, 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1174, 1174.4, 1194, 1194.2, 1197.1, 1198, 1199, 1199.5, 1182.12, 2800, 2802, and the applicable wage orders of the California Industrial Welfare Commission.

25. “PAGA Notice” shall refer to the notice sent by Plaintiff, by and through his counsel, on or about August 15, 2024, to the LWDA and to Defendant and its Agent for Service of Process, alleging that Defendant engaged in violations of the California Labor Code and California Wage Order(s).

26. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

27. “PAGA Period” and “PAGA Release Period” shall mean March 16, 2024, through May 5, 2025.

28. “Participating Class Member” means all Settlement Class Members who are deemed to participate and receive an Individual Settlement Amount for the Class Claims and who do not opt-out of the settlement of the Class Claims by submitting timely valid Requests for Exclusion.

29. “Parties” or “Settling Parties” mean Plaintiff, the Settlement Class Members, the Aggrieved Employees, and Defendant, collectively.

30. “Preliminary Approval Date” means the date the Court preliminarily approves the Settlement Agreement, and the exhibits thereto, and enters the Preliminary Approval Order.

31. “Preliminary Approval Order” means the judicial Order to be entered by the Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement and

1 providing for the issuance of the Notice to the Settlement Class Members, an opportunity to opt
2 out of settlement of the Class Claims, an opportunity to submit timely objections to the terms of
3 this Settlement related to the Class Claims, and setting a hearing on the fairness of the terms of
4 Settlement, including approval of attorneys' fees and costs.

5 32. "QSF" means the Qualified Settlement Fund set up by the Settlement
6 Administrator for the benefit of the Final Settlement Class, and from which the settlement
7 payments shall be made, and which is intended to be a fund that qualifies under Internal Revenue
8 Code Section 468.

9 33. "Release" shall mean the release and discharge of the Class Claims by Plaintiff
10 and all of the Participating Class Members and the release and discharge of the PAGA Claims by
11 Plaintiff and all of the Aggrieved Employees.

12 34. "Released Parties" shall mean Defendant and any of its present and former parent
13 companies, subsidiaries, divisions, concepts, related or affiliated companies and its shareholders,
14 partners, members, managers, owners, officers, directors, employees, agents, attorneys, insurers,
15 payroll providers, joint ventures, predecessors, successors, and assigns, and any individual or
16 entity that could be liable for any of the Released Claims.

17 35. "Request for Exclusion" shall have the meaning ascribed to it in Paragraph 72(a)
18 below.

19 36. "Service Payment" or "Service Award" means the amount approved by the Court
20 to be paid to Class Representative in addition to his Individual Settlement Amounts as
21 Participating Class Members.

22 37. "Settlement Administration Costs" means the costs payable from the Settlement
23 Amount to the Settlement Administrator for administering this Settlement, including, but not
24 limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, due
25 diligence, reporting and remittance obligations, distributing the Settlement Amount, and
26 providing necessary reports and declarations, as requested by the Parties. The Settlement
27 Administration Costs shall be paid from the Settlement Amount.

28 38. "Settlement Administrator" means and refers to ILYM Group, Inc., as mutually

1 agreed to by the Parties, that will provide the Notice to the Class Members and distribute the
2 settlement amounts as described in this Agreement.

3 39. "Settlement Amount" or "Gross Settlement Amount" shall have the meaning
4 ascribed to it in Paragraph 50(a) below.

5 40. "Settlement Class Member" or "Class Member" refers to individual members of
6 the Settlement Class.

7 41. "Settlement Class" and "Settlement Class Members" refers to all persons who are
8 or were previously employed by Defendant in California as direct-hires and classified as a non-
9 exempt employee during the Class Period and PAGA Period.

10 42. "Workweeks Worked" for each Settlement Class Member means any workweek
11 during the Class Period in which the Settlement Class Member was employed by Defendant as a
12 non-exempt employee in California and worked at least one shift during the workweek for or on
13 behalf of Defendant for which a prior release of claims has not been signed. Workweeks Worked
14 shall be calculated using the Full-Time Equivalent (FTE) method based on Defendant's business
15 records, and shall be determined by dividing the total number of compensable hours worked by
16 the employee during the relevant period by 40 (the standard full-time weekly hours). To qualify
17 as a workweek, the Class Member must have time worked in the week as recorded by Defendant's
18 time and payroll system. Time paid, but not worked, such as vacation, medical leave, or any other
19 type of unpaid time off, does not qualify.

20 **B. General Terms**

21 43.

22 (a) On or about August 15, 2024, Plaintiff filed a putative class action complaint in the
23 Court against Defendant Magnolia Foods, LLC, including allegations of: (1) failure to pay
24 minimum wages; (2) failure to pay overtime wages; (3) failure to provide compliant meal periods;
25 (4) failure to provide compliant rest breaks; (5) failure to reimburse necessary business expenses;
26 (6) failure to pay due wages at separation of employment; (7) failure to provide accurate itemized
27 wage statements; (8) failure to pay sick pay wages; and (9) unfair competition ("Original
28 Complaint").

(b) Thereafter, Plaintiff's Counsel discovered the existence of two prior cases entitled *Margarita Urrutia v. Magnolia Foods, LLC*, filed in San Bernardino Superior Court case number CIVSB2324321, and *Marisela Martinez de Ornelas v. Magnolia Foods, LLC*, filed in San Bernadino Superior Court case number CIVSB2308953 ("Existing Class and PAGA Complaints"), that encompassed the claims asserted in Plaintiff's Complaint. In order to preserve judicial time and resources, Plaintiff agreed to dismiss his class claims without prejudice and pursue a PAGA-only action;

(c) Thus, on or about October 23, 2024, the Court duly approved Plaintiff's Request for Dismissal of Class Claims Without Prejudice and Plaintiff filed his First Amended PAGA Representative Action Complaint ("FAC"), alleging PAGA-claims only;

(d) On February 12, 2025, the Parties attended private mediation with a neutral mediator wherein the Parties agreed to a tentative settlement addressing PAGA representative and class action allegations against Defendant; and

(e) On or about March 28, 2025, the Court entered its Order allowing Plaintiff to file his Second Amended Class Action and Representative PAGA Complaint ("SAC"), re-asserting on behalf of himself, the putative class, the alleged aggrieved employees, and the State of California, those claims originally alleged in his Complaint and his FAC, but subject to commencing such claims as of the end of the Defendant liability release periods previously adjudicated in the Existing Class and PAGA Complaints.

44. Defendant denies Plaintiff's claims and allegations and contends that the Action is not suitable for class certification and/or representative treatment.

45. Class Representative believes he can proceed with his class and representative claims, that the Action is meritorious, and that class certification is appropriate.

46. The Parties have conducted a thorough investigation into the facts of the Action. This includes conducting extensive exchange of informal discovery, including Defendant's written policies and practices and the production of payroll and timekeeping records for Settlement Class Members and Aggrieved Employees. Class Counsel is both knowledgeable about and has done extensive research with respect to the applicable law and potential defenses

1 to the claims of the Settlement Class Members and Aggrieved Employees. Class Counsel has
2 diligently pursued an investigation of the Class Members' claims against Defendant. Based on
3 the foregoing data and on their own independent investigation and evaluation, Class Counsel is
4 of the opinion that the settlement with Defendant for the consideration and on the terms set forth
5 in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the
6 Settlement Class Members and Aggrieved Employees in light of all known facts and
7 circumstances, including the risk of significant delay and uncertainty associated with litigation,
8 various defenses asserted by Defendant, and numerous potential appellate issues.

9 47. On February 12, 2025, the Parties participated in private mediation before Daniel
10 Turner, Esq., a highly experienced wage and hour class action mediator. After a full-day
11 mediation and subsequent negotiations, the Parties reached a settlement.

12 48. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts
13 to be performed or judgments to be entered pursuant to the terms of the Settlement and
14 Agreement, shall be construed as an admission by Defendant of any wrongdoing or violation of
15 any statute or law or liability on the claims or allegations in the Action.

16 49. Stipulation for Class Certification and Representative Treatment. For settlement
17 purposes only, Defendant will stipulate that the Settlement Class Members described herein who
18 do not Request Exclusion from the Settlement Class may be conditionally certified as a settlement
19 class and that the Aggrieved Employees are appropriate for representative treatment for purposes
20 of settlement. This stipulation to certification and representative treatment is in no way an
21 admission that class action certification and/or representative treatment is proper and shall not be
22 admissible in this or in any other action except for the sole purposes of enforcing this Agreement.
23 Should, for whatever reason, the Court fail to issue Final Approval, the Parties' stipulation to
24 class certification and representative treatment as part of the Settlement shall become null and
25 void *ab initio* and shall have no bearing on and shall not be admissible in connection with the
26 issue of whether or not class certification and/or representative treatment would be appropriate in
27 a non-settlement context. Defendant expressly reserves its right and declares that it will continue
28 to oppose class certification, representative treatment, and the substantive merits of the case

1 should the Court fail to issue Final Approval. Defendant reserves all available defenses to the
2 claims in this Action. Plaintiff expressly reserves his rights and declares that he will continue to
3 pursue class certification and representative treatment and a trial should the Court fail to issue
4 Final Approval.

5 **C. Terms of Settlement**

6 50. The financial terms of the Settlement are as follows:

7 (a) Gross Settlement Amount: The Parties agree to settle this Action for Two Hundred
8 Thirty-Five Thousand Dollars (\$235,000) (“the Gross Settlement Amount”). The Settlement
9 Amount is the maximum amount that will be paid by Defendant, and includes Individual
10 Settlement Amounts, attorneys’ fees of Class Counsel, costs and expenses, the Service Payment
11 to Class Representative, all Settlement Administration Costs, and payment to the Labor
12 Workforce Development Agency (LWDA) for PAGA penalties. Defendant shall separately pay
13 the employer’s share of applicable payroll taxes on the wage portion of Individual Settlement
14 Amounts. Except for any employer payroll taxes on the wage portion of Individual Settlement
15 Amounts, it is understood and agreed that Defendant’s maximum total liability under this
16 Settlement shall not exceed the Gross Settlement Amount.

17 (b) Escalator Clause: The Settlement is based on Defendant’s representations that
18 there are approximately 8,625 Workweeks Worked by the Settlement Class Members during the
19 period March 16, 2024 through February 12, 2025. In the event that the actual number of
20 Workweeks Worked by all Settlement Class Members during the Class Period increases by more
21 than 10%, then Defendant shall have the option to either: (i) increase the Gross Settlement
22 Amount on a pro-rata basis equal to the percentage increase in the number of Workweeks Worked
23 by the Class Members above 10% (for example, if the number of workweeks increases by 11%,
24 the Gross Settlement Amount will increase by 1%) or (ii) shorten the Class Release Period to an
25 earlier date at which only the represented number of workweeks plus 10% are covered by the
26 Class Period.

27 (c) Net Settlement Amount: The “Net Settlement Amount” is defined as the
28 Settlement Amount less attorneys’ fees and litigation costs as approved and awarded by the Court,

the Service Payment to Class Representative as approved and awarded by the Court, the Settlement Administration Costs, as approved and awarded by the Court, and the maximum of Twenty Thousand Dollars (\$20,000.00) allocated to payment for PAGA penalties as described in Paragraph 50(d)(i) below. In the event that the Court reduces the attorneys' fees and litigation costs or Service Awards, Settlement Administration Costs, or either increases or decreases the amount allocated to PAGA penalties, the Net Settlement Sum shall be increased or decreased accordingly.

(d) Individual Settlement Amounts for the Settlement Class: The Settlement Administrator will use the Class Data provided by Defendant to calculate each Participating Class Member's and Aggrieved Employee's Individual Settlement Amounts. For Participating Class Members, payments shall be calculated using a "Full Time Equivalent" methodology as opposed to a traditional calendar methodology, and based on the following formula:

i. PAGA Amount: \$20,000 of the Gross Settlement Amount has been designated to the PAGA claims. Thirty-five percent (35%), or \$7,000, shall be paid out to Aggrieved Employees. Each Aggrieved Employee shall receive a portion of the \$7,000 proportionate to the number of PAGA Pay Periods worked by the Aggrieved Employees during the PAGA Period compared to the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. Aggrieved Employees shall have their settlement amount for the Released PAGA claims paid one hundred percent (100%) as civil penalties for which no taxes will be withheld and for which a Form 1099 will be issued by the Settlement Administrator.

ii. Class Amount: The Net Settlement Amount shall be allocated to each Participating Class Member based on his/her/their proportionate Workweeks Worked during the Class Period. This is determined by multiplying the Net Settlement Amount by a fraction, the numerator of which is the Participating Class Member's total Workweeks Worked during the Class Period, and the denominator of which is the total Workweeks Worked by all Participating Class Members during the Class Period. If there are any timely submitted Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Amounts for each Participating Class Member so that the amount actually distributed to Participating Class

Members equals 100% of the Net Settlement Amount allocated toward Released Class Claims.

(e) Allocation of Individual Settlement Amounts: The Individual Settlement Amounts will be allocated for tax purposes based on the allegations in the Action as follows: twenty percent (20%) will be paid as wages subject to withholding of all applicable local, state, and federal taxes; and eighty percent (80%) will be paid as interest and as penalties from which no taxes will be withheld. The Settlement Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect to the wage allocation and a Form 1099 with respect to the civil penalties and interest allocations.

(f) Service Payment to Class Representative: The amount awarded to Class Representative as a Service Payment will be set by the Court in its discretion, not to exceed \$10,000 to Plaintiff. Defendant agrees not to oppose this request. The Service Payment to Class Representative will be paid out of the Gross Settlement Amount. Class Representative will be issued IRS Form 1099 in connection with this payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on this payment. The Parties agree that any amount awarded by the Court as the Service Payment to Plaintiff less than the requested amount shall not be a basis for Plaintiff or Class Counsel to void this Stipulation. Should the Court approve a lesser amount for the Service Payment, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. In the event of any appeal of the amount of the service awards (if any) approved by the Court, if, after the exhaustion of any such appellate review, additional amounts not awarded to Class Representative shall be added to the Net Settlement Amount to be distributed to the Participating Class Members.

(g) Attorneys' Fees and Costs: Defendant agrees not to oppose a request by Class Counsel to the Court for an award of attorneys' fees not to exceed one third (1/3) of the Gross Settlement Amount, plus reasonable litigation costs not to exceed \$15,000. ("Attorneys' Fees and Cost Award"). For purposes of this Settlement, Defendant agrees not to oppose any contention by Class Counsel that attorneys' fees should be based on the common fund theory. The Attorneys' Fee and Cost Award shall be paid from the Gross Settlement Amount, and except for this award, Defendant shall have no further obligation to pay any attorneys' fees, costs, or

1 expenses to Class Counsel. Should the Court approve a lesser amount than what is sought by
2 Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to
3 the Participating Class Members. Any Court order awarding less than the amount sought by Class
4 Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the
5 Settlement. In the event of any appeal of the amount of the awards of attorneys' fees and costs
6 (if any) approved by the Court, final funding and administration of the portion of the attorneys'
7 fees and/or costs award in dispute will be segregated and stayed pending the exhaustion of
8 appellate review. If, after the exhaustion of any such appellate review, additional amounts not
9 awarded to as attorneys' fees and costs shall be added to the Net Settlement Amount to be
10 distributed to the Participating Class Members and/or Aggrieved Employees. The Settlement
11 Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys'
12 fees and costs awarded by the Court and paid from the Gross Settlement Amount. Class Counsel
13 agrees that any allocation of fees between or among Class Counsel and any other attorney
14 representing or claiming to represent the Class Members shall be the sole responsibility of Class
15 Counsel. Class Counsel assumes full responsibility and liability for taxes owed on its attorney's
16 fees and costs and holds Defendant harmless, and indemnifies Defendant, from any dispute or
17 controversy regarding any division or sharing of any of these payments.

18 (h) Settlement Administration Costs: The fees and other charges of the Settlement
19 Administrator, not to exceed \$7,500 and subject to Court approval, will be paid from the Gross
20 Settlement Amount.

21 (i) PAGA Penalties: The Parties agree that \$20,000 is allocated to PAGA Penalties
22 and is to be paid from the Gross Settlement Amount, subject to Court approval. Of this amount,
23 \$13,000 (65%) shall be paid to the LWDA in satisfaction of Plaintiff's claims for civil penalties
24 under the PAGA and \$7,000 (35%) will be included in the Individual Settlement Amounts,
25 payable to the Aggrieved Employees as set forth in Paragraph 50(d).

26 (j) Tax Liability: Class Counsel, Defendant, and Defendant's Counsel make no
27 representations as to the tax treatment or legal effect of Settlement Amounts called for hereunder,
28 and Plaintiff and the Settlement Class Members are not relying on any statement or representation

1 by Class Counsel, Defendant, or Defendant's Counsel in this regard. Plaintiff and Final
2 Settlement Class Members understand and agree that they will be solely responsible for the
3 payment of any taxes and penalties assessed on their respective Settlement Amounts described
4 herein. Income tax withholding will also be made pursuant to applicable federal, state, and/or
5 local withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed at times
6 and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent
7 with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax
8 law, are changed after the date of this Agreement, the processes set forth in this Section may be
9 modified in a manner to bring Defendant into compliance with any such changes.

10 (k) Circular 230 Disclaimer. Each party to this Agreement (for purposes of this
11 section, the "acknowledging party" and each party to this agreement other than the acknowledging
12 party, an "other party") acknowledges and agrees that (1) no provision of this Agreement, and no
13 written communication or disclosure between or among the parties or their attorneys and other
14 advisers, is or was intended to be, nor shall any such communication or disclosure constitute or
15 be construed or be relied upon as, tax advice within the meaning of united states treasury
16 department circular 230 (31 cfr part 10, as amended); (2) the acknowledging party (a) has relied
17 exclusively upon his, her, their, or its own, independent legal and tax counsel for advice (including
18 tax advice) in connection with this agreement, (b) has not entered into this agreement based upon
19 the recommendation of any other party or any attorney or advisor to any other party, and (c) is
20 not entitled to rely upon any communication or disclosure by any attorney or adviser to any other
21 party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no
22 attorney or adviser to any other party has imposed any limitation that protects the confidentiality
23 of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally
24 binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any
25 transaction, including any transaction contemplated by this Agreement.

26 (l) Settlement Payments Do Not Give Rise to Additional Benefit. All Settlement
27 Payments to individual Settlement Class Members and Aggrieved Employees shall be deemed to
28 be paid to such Settlement Class Member and Aggrieved Employee solely in the year in which

such payments are actually received by the Settlement Class Member and Aggrieved Employee. It is expressly understood and agreed that the receipt of such Settlement Payments will not entitle any Settlement Class Member or Aggrieved Employee to additional compensation or benefits under any company bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any Settlement Class Member or Aggrieved Employee to any increased retirement, 401(k) benefits or matching benefits or deferred compensation benefits. It is the intent that the Settlement Payments provided for in this Settlement are the sole payments to be made by Defendant to the Settlement Class Members and Aggrieved Employees, and that the Settlement Class Members and Aggrieved Employees are not entitled to any new or additional compensation or benefits as a result of having received the Settlement Payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

51. “Non-Reversionary” Settlement. This is a “non-reversionary” settlement. Under no circumstances will any portion of the Settlement Amount revert to Defendant. Final Settlement Class Members will not have to make a claim to receive an Individual Settlement Amount. Distributions, in the form of Individual Settlement Amounts, will be made directly to each Final Settlement Class Member. The Settlement Administrator shall be responsible for accurately and timely reporting any remittance obligations with respect to unclaimed funds as a result of a Final Settlement Class Member not cashing an Individual Settlement Amount by the check cashing deadline, as set forth herein.

52. Class Counsel and Plaintiff believe that the Settlement is fair, reasonable, and adequate, and will so represent same to the Court.

D. Release by Plaintiff and the Final Settlement Class

53. Upon the Effective Date of this Settlement, Plaintiff and each Participating Class Member, for themselves and for their respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, agents, and representatives, will forever

1 completely release and discharge the Released Parties from the Released Class Claims for the
2 Class Release Period.

3 54. Each Participating Class Member will be deemed to have made the foregoing
4 Release as if by manually signing it.

5 55. Upon the Effective Date of this Settlement, Plaintiff, the LWDA, and each
6 Aggrieved Employee, for themselves and for their respective spouses, domestic partners, marital
7 community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees,
8 executors, administrators, trustees, conservators, guardians, assigns, agents, and representatives,
9 will forever completely release and discharge the Released Parties from the Released PAGA
10 Claims for the PAGA Release Period.

11 56. Each Aggrieved Employee and the LWDA will be deemed to have made the
12 foregoing Release as if by manually signing it.

13 57. Plaintiff and Defendant intend that the Settlement described in this Agreement will
14 release and preclude any further claim, whether by lawsuit, administrative claim or action,
15 arbitration, demand, or other action of any kind, by each and all of the Participating Class
16 Members to obtain a recovery based on, arising out of, and/or related to any and all of the Released
17 Class Claims. The Settlement Class Members shall be so notified in the Notice. This paragraph
18 does not apply to any Settlement Class Member who timely and validly opts out of the Settlement
19 for purposes of Class Claims.

20 58. Plaintiff and Defendant intend that the Settlement described in this Agreement will
21 release and preclude any further claim, whether by lawsuit, administrative claim or action,
22 arbitration, demand, or other action of any kind, by each and all of the Aggrieved Employees and
23 the LWDA to obtain a recovery based on, arising out of, and/or related to any and all of the
24 Released PAGA Claims. The Aggrieved Employees and the LWDA shall be so notified in the
25 Notice.

26 59. Class Representative, on behalf of himself and the Participating Settlement Class
27 Members, acknowledges and agrees that the claims asserted in the Action, including but not
28 limited to claims for unpaid wages, unpaid sick leave, unreimbursed expenses, failure to provide

1 meal and rest breaks, wage statement violations and untimely payment of wages in the Action,
2 are disputed, and that the payments set forth herein constitute payment of all sums allegedly due
3 to him. Class Representative, on behalf of himself and the Participating Settlement Class
4 Members, acknowledges and agrees that California Labor Code Section 206.5 is not applicable
5 to the Parties hereto. Section 206.5 provides in pertinent part as follows:

6 An employer shall not require the execution of any release of any claim or right on
7 account of wages due, or to become due, or made as an advance on wages to be
8 earned, unless payment of those wages has been made.

9 **E. Release by Class Representative**

10 60. As a material inducement to Defendant to enter into this Settlement Agreement, in
11 addition to Class Representative's releases of the Released Class Claims and Released PAGA
12 Claims, as discussed in Paragraphs 53 and 55 above, Class Representative does hereby, for
13 himself and for his spouse, domestic partner, marital community, children, estates, trusts,
14 attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees,
15 conservators, guardians, assigns, agents, and/or representatives, forever completely release and
16 discharge the Released Parties from any and all charges, complaints, claims, liabilities,
17 obligations, promises, agreements, contracts, controversies, damages, actions, causes of action,
18 suits, rights, demands, costs, losses, debts, and expenses (including for back wages, statutory
19 penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and
20 costs) of any nature whatsoever, from the beginning of time through the execution of this
21 Agreement, whether known or unknown, suspected or unsuspected, concealed or hidden,
22 including but not limited to all claims arising out of, based upon, or relating to Class
23 Representative's employment with Defendant or the remuneration for or termination of such
24 employment (collectively, the "Class Representative's Claims").

25 61. Without limiting the generality of the foregoing, Class Representative also
26 expressly releases all claims or rights against Released Parties arising out of or relating to alleged
27 violations of any contracts, express or implied (including but not limited to any contract of
28 employment); any contract or covenant of good faith and fair dealing (express or implied); any

tort, including but not limited to, negligence, fraud, misrepresentation and violation of California Labor Code section 970, negligent infliction of emotional distress, intentional infliction of emotional distress, defamation, “retaliation” claims and claims for violation of public policy, any claim for improper or unauthorized wage deductions, failure to pay the applicable wage, unpaid wages, unpaid vacation benefits, penalties, liquidated damages, other damages, overtime, and alleged “off the clock” work under federal and state law, including, but not limited to, California Labor Code Sections 204 and 558, waiting time penalties pursuant to California Labor Section 203, damages, or penalties pursuant to California Labor Code Section 226, meal period and rest break payments and penalties pursuant to California Labor Code Sections 226.7 and 512, failure to provide itemized wage statements pursuant to California Labor Code Section 226, statutory or civil penalties pursuant to California Labor Code Sections 210, failure to indemnify for business expenses pursuant to Labor Code section 2802, failure to provide one day of rest in seven pursuant to California Labor Code Sections 551 and 552, unfair competition and unfair business practices pursuant to Business and Professions Code Section 17200 *et seq.*, interest and costs pursuant to California Civil Code Section 3287 and California Labor Code Section 218.6, statutory or common law rights to attorneys’ fees and costs, including those pursuant to California Labor Code Section 1194 *et seq.*; claims under the Private Attorneys General Act of 2004, Labor Code section 2699 *et seq.*, and the alleged violation or breach of any other state or federal statute, rule, and or regulation; including all applicable Industrial Welfare Commission Wage Orders, and all similar causes of action, including but not limited to, any claim for restitution, equitable relief, interest, penalties, costs, or attorneys’ fees in connection with any of the foregoing, negligent infliction of emotional distress, intentional infliction of emotional distress, and defamation; any “wrongful discharge,” “constructive discharge,” and “retaliation” claims; any claims relating to any breach of public policy; any legal restrictions on Defendant’s right to discharge employees; and any federal, state, or other governmental statute, regulation, or ordinance, including, without limitation: (1) Title VII of the Civil Rights Act of 1964 (race, color, religion, sex, and national origin discrimination or harassment, including retaliation for reporting discrimination or harassment); (2) 42 U.S.C. § 1981 (discrimination); (3) Equal Pay Act, 29 U.S.C. § 209(d)(1) and

1 California Labor Code 1197.5 (equal pay); (4) Americans with Disabilities Act, 42 U.S.C. §
2 12100 *et seq.* (disability discrimination); (5) Family and Medical Leave Act, 29 U.S.C. § 2601 *et*
3 *seq.* (family/medical leave); (6) California Fair Employment and Housing Act, Cal. Government
4 Code § 12900 *et seq.* (discrimination or harassment in employment and/or housing, including
5 discrimination or harassment based on race, religious creed, color, national origin, ancestry,
6 disability, marital status, sex (including pregnancy), or age, including retaliation for reporting
7 discrimination or harassment); (7) California Family Rights Act, Cal. Government Code §
8 12945.1 *et seq.* (family/medical leave); (8) California Labor Code, including Section 1720 *et seq.*,
9 or any Industrial Welfare Commission Wage Order; (9) Executive Order 11246 (race, color,
10 religion, sex, and national origin discrimination or harassment); (10) Executive Order 11141 (age
11 discrimination); (11) Sections 503 and 504 of the Rehabilitation Act of 1973 (handicap
12 discrimination); (12) the Fair Labor Standards Act; (13) Employee Retirement Income Security
13 Act, 29 U.S.C. § 1000 *et seq.* (employee benefits); (14) the California Civil Code; (15) the
14 California Labor Code; (16) the California Constitution; (17) the National Labor Relations Act;
15 and (18) any other federal, state, or local statute or legislation.

16 62. Class Representative expressly waives and relinquishes all rights and benefits
17 afforded by Section 1542 of the Civil Code of the State of California and does so understanding
18 and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil
19 Code of the State of California states:

20 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
21 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
22 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
23 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
24 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
25 DEBTOR OR RELEASED PARTY.

26 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
27 full and complete release and discharge of all parties, Class Representative expressly
28 acknowledges that this Settlement Agreement is intended to include in its effect, without
limitation, all claims that Class Representative knew of, as well as all claims that he does not
know or suspect to exist in his favor against the Released Parties, or any of them, for the time

1 period from the beginning of time to the execution of this Settlement Agreement, and that this
2 Settlement Agreement contemplates the extinguishment of any such Class Representative's
3 claims.

4 **F. Interim Stay of Proceedings**

5 63. Pending completion of all prerequisites necessary to effectuate this Settlement
6 including amending the operative pleading, the Parties agree, subject to Court approval, to a stay
7 of all proceedings in the Action except such as are necessary to effectuate the Settlement,
8 including amending the Operative Complaint.

9 **G. Notice Process**

10 64. Appointment of Settlement Administrator. The Parties have agreed to the
11 appointment of the Settlement Administrator to perform the duties of a settlement administrator,
12 including mailing the Notice, using standard devices to obtain forwarding addresses,
13 independently reviewing and verifying documentation associated with any claims or opt-out
14 requests, resolving any disputes regarding the calculation or application of the formula for
15 determining the Individual Settlement Amounts, drafting and mailing the settlement checks to
16 Final Settlement Class Members, issuing Forms W-2 and 1099, reporting to taxing authorities,
17 due diligence, reporting and remittance obligations, and performing such other tasks as set forth
18 herein or as the Parties mutually agree or that the Court orders.

19 65. Disputes Regarding Settlement Administration. All disputes relating to
20 administration of the Settlement by the Settlement Administrator (except for disputes regarding
21 Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction
22 over the terms and conditions of this Settlement Agreement, until Plaintiff and Defendant notify
23 the Court that all payments and obligations contemplated by this Settlement Agreement have been
24 fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in
25 good faith to resolve the dispute without the necessity of Court intervention. The Settlement
26 Administrator shall also be responsible for issuing to Plaintiff, Final Settlement Class Members,
27 and Class Counsel any Forms W-2, Forms 1099, or other Tax Forms as may be required by law
28 for all amounts paid pursuant to this Agreement. The Settlement Administrator shall also be

1 responsible for setting up all necessary tax accounts and forwarding all payroll taxes and penalties
2 to the appropriate government authorities.

3 66. Class Data. Within fifteen (15) days after entry of the Preliminary Approval Order,
4 Defendant shall provide the Class Data to the Settlement Administrator. The Settlement
5 Administrator will run a check of the Class Members' addresses against those on file with the
6 U.S. Postal Service's National Change of Address List. The Class Data provided to the Settlement
7 Administrator will not be provided to Class Counsel and it will remain confidential, it shall be
8 used solely to administer the Settlement, and it will not be used or disclosed to anyone, except as
9 required by applicable tax authorities, pursuant to Defendant's express written consent, or by
10 order of the Court.

11 67. Notice. The Notice, as approved by the Court, shall be sent by the Settlement
12 Administrator to the Settlement Class Members, by first class mail, in English and Spanish, within
13 seven (7) calendar days following the Settlement Administrator's receipt of the Class Data. The
14 Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding
15 addresses of Settlement Class Members if any envelopes are returned.

16 68. Returned Notices. The Settlement Administrator will take steps to ensure that the
17 Notice is received by all Settlement Class Members, including utilization of the National Change
18 of Address Database maintained by the United States Postal Service to review the accuracy of
19 and, if possible, update a mailing address. Notices will be re-mailed to any Settlement Class
20 Member for whom an updated address is located within ten (10) calendar days following both the
21 Settlement Administrator learning of the failed mailing and its receipt of the updated address.
22 The Notice shall be identical to the original Notice, except that it shall notify the Settlement Class
23 Member that the exclusion (opt-out) request or objection must be returned by the later of the
24 Notice Response Deadline or fifteen (15) days after the remailing of the Notice.

25 69. Presumption Regarding Receipt of Notice. It will be conclusively presumed that
26 if an envelope has not been returned within thirty (30) days of the mailing that the Settlement
27 Class Member received the Notice.

28 70. Disputes Regarding Class Data. Settlement Class Members are deemed to

1 participate in the Settlement unless they opt-out. The Notice will inform Settlement Class
2 Members of his/her/their estimated Individual Settlement Amount and the number of Workweeks
3 Worked during the Class Period and the number of PAGA Pay Periods worked during the PAGA
4 Period, if applicable. Settlement Class Members may dispute their Workweeks Worked and/or
5 PAGA Pay Periods if they feel they were employed more workweeks in the Class Period or more
6 pay periods in the PAGA Period in California than Defendant's records show by timely
7 submitting evidence to the Settlement Administrator. Defendant's records will be presumed
8 determinative absent reliable evidence to rebut Defendant's records, but the Settlement
9 Administrator will evaluate the evidence submitted by the Settlement Class Member and provide
10 the evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in
11 good faith about the evidence to determine the Class Member's actual number of Workweeks
12 Worked, PAGA Pay Periods, and estimated Individual Settlement Amount. If Class Counsel and
13 Defense Counsel are unable to agree, they agree to submit the dispute to the Settlement
14 Administrator to render a final decision. Settlement Class Members will have until the Notice
15 Response Deadline to dispute Workweeks Worked, object, or opt out, unless extended by the
16 Court. Aggrieved Employees will have until the Notice Response Deadline to challenge the
17 PAGA Pay Periods, unless extended by the Court. In the event that the Settlement Administrator
18 increases the number of Workweeks Worked for any Settlement Class Member or increases the
19 PAGA Pay Periods for any Aggrieved Employee, then the Settlement Administrator will
20 recalculate the Participating Class Members' and Aggrieved Employees' Individual Settlement
21 Amounts; accordingly, in no event will Defendant be required to increase the Gross Settlement
22 Amount.

23 71. Declaration of Due Diligence. The Settlement Administrator shall provide counsel
24 for the Parties, at least twenty-five (25) days prior to the final approval hearing, a declaration of
25 due diligence and proof of mailing with regards to the mailing of the Notice.

26 72. Settlement Class Members' Rights. Each Settlement Class Member will be fully
27 advised of the Settlement, the ability to object to the provisions in the Settlement related to the
28 Class Claims, and the ability to opt out or request exclusion from the Class Claims provisions of

the Settlement. The Notice will inform the Settlement Class Members of the Court-established deadlines for filing objections or requesting exclusion from the Class Claims provisions of the Settlement in accordance with the following guidelines:

(a) Requests for Exclusion from Participating Settlement Class. Any Settlement Class Member, other than Plaintiff, may request to be excluded from the Participating Settlement Class by submitting a “Request for Exclusion” to the Settlement Administrator, postmarked on or before the Notice Response Deadline. The Request for Exclusion should state in words to this effect:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE AGUILA V. MAGNOLIA FOODS, LLC LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT.”

Any Request for Exclusion must include the full name, address, telephone number, last four digits of the social security number or date of birth, and signature of the Settlement Class Member requesting exclusion. The Request for Exclusion must be returned by mail to the Settlement Administrator at the specified address. Any such Request must be made in accordance with the terms set forth in the Notice. A Request for Exclusion will be timely only if postmarked by the Notice Response Deadline, unless the Parties otherwise agree in writing. Any Settlement Class Member who timely requests exclusion in compliance with these requirements: (i) will not have any rights under this Agreement with respect to the Class Claims, including the right to object, appeal, or comment on the Settlement; (ii) will not be entitled to receive any payments under this Agreement with respect to Class Claims; and (iii) will not be bound by this Agreement, or the Judgment, with respect to the Class Claims.

(b) Binding Effect on Final Settlement Class Members. Except for those Settlement Class Members who exclude themselves in compliance with the procedures set forth above, all Settlement Class Members will: (i) be deemed to be Final Settlement Class Members for all purposes under this Agreement; (ii) will be bound by the terms and conditions of this Agreement, the Judgment, and the releases set forth herein; and (iii) except as otherwise provided

herein, will be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the Settlement.

(c) Objections to Settlement of Class Claims. Any Settlement Class Member, other than Plaintiff, may object to the terms of this Agreement with respect to the Class Claims and may appear at the Final Approval Hearing and object whether or not they have filed a written objection as outlined herein. To object, a Settlement Class Member shall inform the Settlement Administrator, in writing, of his/her/their objection, which must be postmarked by the Notice Response Deadline at the address set forth in the Notice. Such objection shall include the full name, address, telephone number, dates of employment with Defendant of the Objecting Settlement Class Member, the case name and number, the basis for the objection, including any legal support and each specific reason in support of the objection, as well as any documentation or evidence in support thereof, and, if the Objecting Settlement Class Member is represented by counsel, the name and address of his/her/their counsel. If any Objecting Settlement Class Member wishes to speak at the Final Approval Hearing with respect to the Class Claims, that Objecting Settlement Class Member's written submission should include a request to be heard, and the Court will determine whether Objecting Settlement Class Members will be permitted to speak. The Settlement Administrator shall provide objections, if any, to Class Counsel and Defense Counsel within three (3) days of receipt, and the Settlement Administrator shall attach the same to its declaration of due diligence Plaintiff file with the Court prior to the Final Approval Hearing. Any Participating Class Member who files an objection remains eligible to receive monetary compensation from the Settlement. Plaintiff and Defendant shall not be responsible for any fees, costs, or expenses incurred by any Class Member and/or his/her/their counsel related to any objections to the Settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment under Code of Civil Procedure section 663. Settlement Class Members and Aggrieved Employees may not object to or opt out of the Settlement with respect to the PAGA Claims.

(d) Failure to Object. Any Settlement Class Member who desires to object

1 with respect to the Class Claims but fails to timely submit a written objection waives any right to
2 object will be foreclosed from making any objection to this Settlement. Any Settlement Class
3 Member who does not timely and properly become a party of record by intervening or filing a
4 motion to vacate the judgment waives any and all rights to appeal from the Judgment, including
5 all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate
6 judgment, motion for new trial, a motion under California Code of Civil Procedure section 473,
7 and extraordinary writs.

8 (e) Responses to Objections. Counsel for the Parties may file a response to any
9 objections submitted by Objecting Settlement Class Members at least five (5) court days before
10 the date of the Final Approval Hearing.

11 73. Settlement Class Members will have until the Notice Response Deadline to object
12 or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement
13 Administrator shall disclose jointly to Class Counsel and Defendant's counsel what objections or
14 Requests for Exclusion were timely submitted on a weekly basis, and upon the request of Class
15 Counsel or Defense Counsel.

16 74. Funding of the Settlement Amount. Defendant shall make a one-time deposit into
17 the QSF of the Settlement Amount, as described in Paragraph 50(a) that is necessary to make all
18 payments required under this Settlement, within twenty-one (21) days after the Effective Date,
19 plus Defendant shall separately pay its share of employer payroll taxes as calculated and directed
20 by the Settlement Administrator.

21 75. Distribution of Funds. No later than seven (7) calendar days after deposit of the
22 payment into the QSF, the Settlement Administrator will mail the payments to the Participating
23 Class Members, the payment for the attorneys' fees and costs to Class Counsel, any Service
24 Payment to the Class Representative, the payment to the LWDA for PAGA penalties, and will
25 pay itself the Settlement Administration Costs.

26 76. Deadline for Cashing Settlement Checks. Final Settlement Class Members shall
27 have 180 calendar days after mailing by the Settlement Administrator to cash their settlement
28 checks. If any Final Settlement Class Member's check is not cashed within that period, the check

will be void and a stop-payment will be issued. All unclaimed funds shall be sent to the California Controller Unclaimed Property Fund in the name of the Class Member. The release will be binding upon all Final Settlement Class Members who do not cash their checks within the 180-day period. In the event that any settlement check is returned to the Settlement Administrator within 180 days of mailing, the Settlement Administrator will, within five (5) business days of receipt of the returned settlement check, perform a skip trace to locate the individual. If a new address is located by these means, the Administrator will have ten (10) business days to re-issue the check and will notify Defense Counsel and Class Counsel that a re-issued check has been sent. Neither Defendant, Defense Counsel, Class Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event a Final Settlement Class Member notifies the Settlement Administrator that he/she/they believe that a settlement check has been lost or stolen, the Settlement Administrator shall immediately stop payment on such check. If the check in question has not been negotiated prior to the stop payment order, the Settlement Administrator will issue a replacement check.

77. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on mailings, distributions, payments, or reports made in accordance with or pursuant to this Agreement. This provision does not, however, prevent a Party from seeking enforcement of this Agreement.

78. Without prejudice to any other remedies, the Settlement Administrator shall agree to be responsible for any breach of its obligations (whether committed by the Settlement Administrator or its agents) and to indemnify and hold the Parties and their counsel harmless from and against all liabilities, claims, causes of action, costs and expenses (including legal fees and expenses) arising out of any breach committed by the Settlement Administrator or its agents.

H. Duties of the Parties Prior to the Court's Approval

79. Upon completion of confirmatory discovery, Plaintiff will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

(a) Scheduling the Final Approval Hearing on the issue of whether this Settlement should be finally approved as fair, reasonable, and adequate as to the Class Members and a hearing on fees, costs, and the Service Payment;

(b) Approving as to form and content the proposed Notice;

(c) Directing the mailing of the Notice by first class mail to the Settlement Class Members;

(d) Preliminarily approving this Settlement; and

(e) Preliminarily certifying the class for purposes of this Settlement.

80. Reallocation of Settlement Proceeds. In the event the Court fails, on its first hearing, to approve this Agreement because the amount of the PAGA penalties is not adequate, then the Parties shall cooperate in good faith to reallocate the total settlement proceeds, within this Agreement, to try to achieve Final Approval of the Agreement upon any subsequent Court hearings.

I. Duties of the Parties Following Court's Final Approval

81. In connection with the Final Approval Hearing provided for in this Settlement Agreement, Class Counsel shall submit a proposed Final Approval Order:

(a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;

(b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, the Service Payment to the Class Representative, and the payment to the Settlement Administrator for costs of administering the settlement; and

(c) Entering judgment approving settlement, thereby permanently barring all Participating Class Members from prosecuting any Released Class Claims against any of the Released Parties and permanently barring all Aggrieved Employees and the LWDA from prosecuting any Released PAGA Claims against any of the Released Parties.

J. Voiding the Agreement

82. If the Court fails or refuses to issue the Final Approval Order or fails to approve any material condition of this Settlement Agreement which effects a fundamental change of the

1 Settlement, the entire Settlement Agreement shall be rendered voidable and unenforceable as to
2 all Parties herein at the option of either Party.

3 83. If five percent (5%) or more of the Settlement Class Members timely submit a
4 Request for Exclusion, Defendant shall have the option of terminating or modifying this
5 Agreement without prejudice to its pre-settlement positions and defenses in the Action. If
6 Defendant exercises such option under this Paragraph, it shall be relieved of any obligation to pay
7 the Settlement Amount or any other obligations from the Settlement by giving notice to Plaintiff's
8 Counsel and the Settlement Administrator within ten (10) days of the Notice Response Deadline.
9 If Defendant exercises its option under this Paragraph, Defendant shall be solely responsible for
10 all Settlement Administration Costs incurred. The Parties agree that, if Defendant terminates the
11 Agreement, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that
12 neither Party will have any further obligation to perform under this Agreement.

13 84. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will
14 have no further obligations under the Settlement, including any obligation by Defendant to pay
15 the Settlement Amount, or any amounts that otherwise would have been owed under this
16 Settlement.

17 85. If the Settlement is voided or fails for any reason, any costs incurred by the
18 Settlement Administrator shall be borne equally by Defendant and Plaintiff, unless otherwise
19 specified in this Agreement.

20 **K. Other Terms**

21 86. Full and Complete Defense. This Agreement may be pleaded by any Released
22 Party as a full and complete defense to and may be used as the basis for an injunction against, any
23 action, suit, or other proceeding that has been or may be instituted, prosecuted, or attempted,
24 asserting any Released Claim.

25 87. Waiver. The waiver by one Party of any breach of this Agreement by another Party
26 shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

27 88. Parties' Authority. The signatories hereto represent that they are fully authorized
28 to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions

1 hereof.

2 89. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
3 accomplish the terms of this Settlement Agreement, including but not limited to, execution of
4 such documents and to take such other action as may reasonably be necessary to implement the
5 terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best
6 efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that
7 may become necessary by order of the Court, or otherwise, to effectuate this Settlement
8 Agreement and the terms set forth herein. As soon as practicable after execution of this
9 Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and
10 Defendant's Counsel, take all necessary steps to secure the Court's preliminary and final approval
11 of the settlement and the final entry of judgment.

12 90. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
13 they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign,
14 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
15 cause of action, or rights released and discharged by this Settlement Agreement.

16 91. No Admission. Defendant denies all liability to Plaintiff, any Settlement Class
17 Member, and/or any Aggrieved Employee in this Action, as to all causes of action that were
18 asserted or that might have been asserted in this Action, and further deny that they have engaged
19 in any unlawful activity, has failed to comply with the law in any respect, or has any liability to
20 anyone under the claims asserted in the Action. With respect to Plaintiff's claims, Defendant
21 contends, among other things, that Plaintiff, the Class Members, and Aggrieved Employees have
22 been paid proper wages, have been paid all proper sick leave, have been provided meal periods,
23 have been provided rest periods, have been paid timely wages during employment and upon
24 separation of employment, have had all necessary business expenses reimbursed, and have been
25 provided with accurate itemized wage statements. Defendant contends, among other things, that
26 it has complied at all times with the California Labor Code and the applicable Wage Orders of
27 the Industrial Welfare Commission. Furthermore, with respect to all claims, Defendant contends
28 that it has complied at all times with the California Business and Professions Code. Nonetheless,

1 Defendant wishes to settle and compromise to avoid further substantial expense and the
2 inconvenience and distraction of protracted litigation. Defendant also has considered the
3 uncertainty and risks inherent in litigation, and without conceding any infirmity in the defenses
4 that they have asserted or could assert against Plaintiff, has determined that it is desirable and
5 beneficial that Plaintiff's claims be settled in the manner and upon the terms and conditions set
6 forth in this Agreement. Nothing contained herein, nor the consummation of this Settlement, is
7 to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on
8 the part of Defendant.

9 92. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
10 Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be
11 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
12 of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this
13 Settlement Agreement with the intention of avoiding further disputes and litigation with the
14 attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and
15 it, along with all related documents such as the notices, and motions for preliminary and final
16 approval, shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of
17 Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to
18 approve the settlement, and/or interpret or enforce this Settlement Agreement. The stipulation
19 for class certification as part of this Settlement Agreement is for settlement purposes only and if,
20 for any reason the settlement is not approved, the stipulation will be of no force or effect.

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

25 To the Settlement Class Members and Aggrieved Employees:
26
27
28

Bokhour Law Group, P.C.
Attn: Mehrdad Bokhour, Esq.
mehrdad@bokhourlaw.com
1901 Avenue of the Stars, Suite 920
Los Angeles, California 90067
Tel: (310) 975-1493; Fax: (310) 675-0861

Venture Law, P.C.
Attn: Sam Rezvani, Esq.
srezvani@venturelawpc.com
1901 Avenue of the Stars, Suite 920
Los Angeles, California 90067
Tel: (310) 893-3402; Fax: (310) 602-0551

To Defendant:

Alexander M. Medina (SBN 222015)
E-mail: alex@medinamckelvey.com
Mayra D. Sandoval (SBN 330763)
E-mail: mayra@medinamckelvey.com
MEDINA McKELVEY LLP
925 Highland Pointe Drive, Suite 300
Roseville, California 95678
Telephone: (916) 960-2211
Facsimile: (916) 742-5488

94. Construction. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or their counsel participated in the drafting of this Settlement Agreement. Plaintiff and Defendant expressly waive the common-law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement and further agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

95. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

96. Modification. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

97. Dispute Resolution. Prior to instituting legal action to enforce the provisions of

1 this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide
2 written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and
3 Plaintiff and Defendant agree to seek the help of the mediator identified in this Agreement to
4 resolve any dispute they are unable to resolve informally. During this period, the Parties shall
5 bear their own attorneys' fees and costs. This provision shall not apply to any legal action or
6 other proceeding instituted by any person or entity other than Plaintiff or Defendant.

7 98. Court Retains Jurisdiction. The Parties agree that upon the entry of judgment of
8 dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure
9 section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action
10 over all Parties to interpret, enforce, and effectuate the terms, conditions, intents, and obligations
11 of this Agreement.

12 99. Enforceability. Pursuant to California Evidence Code section 1123(a) and (b), this
13 Agreement is intended by the Parties to be, and shall be, enforceable, binding and admissible in
14 a court of law.

15 100. Choice of Law. This Settlement Agreement shall be governed by and construed,
16 enforced, and administered in accordance with the laws of the State of California, without regard
17 to its conflicts-of-law rules.

18 101. Integration Clause. This Settlement Agreement contains the entire agreement
19 between the Parties relating to the settlement and transaction contemplated hereby, and all prior
20 or contemporaneous agreements, understandings, representations, and statements, whether oral
21 or written and whether by a Party or such Party's legal counsel, are merged herein. No rights
22 hereunder may be waived except in writing.

23 102. Binding On Assigns. This Settlement Agreement shall be binding upon and inure
24 to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
25 successors, and assigns.

26 103. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
27 because the members of the Settlement Class are numerous, it is impossible or impractical to have
28 each Final Class Member execute this Settlement Agreement. The Notice will advise all

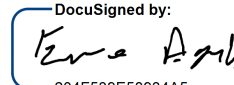
Settlement Class Members of the binding nature of the releases provided herein and such shall have the same force and effect as if this Settlement Agreement were executed by each Final Settlement Class Member.

104. Counterparts. This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

APPROVAL AND EXECUTION BY PARTIES:

Dated: 6/4/2025 _____

CLASS REPRESENTATIVE:

DocuSigned by:

 204F539E58934A5...

Enrique Aguila

Dated: _____

DEFENDANT:

MAGNOLIA FOODS, LLC

By: _____

Its: _____

Settlement Class Members of the binding nature of the releases provided herein and such shall have the same force and effect as if this Settlement Agreement were executed by each Final Settlement Class Member.

104. Counterparts. This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

APPROVAL AND EXECUTION BY PARTIES:

Dated: _____

CLASS REPRESENTATIVE:

Enrique Aguila

Dated: 6/5/2025

DEFENDANT:

MAGNOLIA FOODS, LLC

By:

Its:

DocuSigned by:
Nate Janzen
03A2DE155CE54D0...

Nate Janzen

CFO

1 **APPROVED AS TO FORM:**

2 **CLASS COUNSEL:**

3 Dated: 6/3/2025
4 _____

VENTURE LAW, P.C.

DocuSigned by:

Sam Rezvani

EF807FFB26524AF...

5 _____
6 Sam Rezvani
7 Attorneys for Plaintiff

8 Dated: 6/4/2025
9 _____

BOKHOUR LAW GROUP, P.C.

Signed by:

MEHRDAD BOKHOUR

D8D3643F271940F...

10 _____
11 Mehrdad Bokhour
12 Attorneys for Plaintiff

13 Dated: _____
14

DEFENDANT'S COUNSEL:

MEDINA MCKELVEY, LLP

15 _____
16
17 Alexander M. Medina
18 Mayra D. Sandoval
19 Attorneys for Defendant, Magnolia Foods, LLC
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1 **APPROVED AS TO FORM:**

2 **CLASS COUNSEL:**

3 Dated: _____

VENTURE LAW, P.C.

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5
6 _____
7 Sam Rezvani
8 Attorneys for Plaintiff

9 Dated: _____

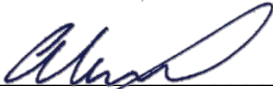
BOKHOUR LAW GROUP, P.C.

10
11 _____
12 Mehrdad Bokhour
13 Attorneys for Plaintiff

14 Dated: June 4, 2025

DEFENDANT'S COUNSEL:

15 **MEDINA MCKELVEY, LLP**

16 
17 _____
18 Alexander M. Medina
19 Mayra D. Sandoval
20 Attorneys for Defendant, Magnolia Foods, LLC
21
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ADDENDUM TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Addendum modifies the Class Action and PAGA Settlement Agreement (“Agreement”) executed by the Parties in or around June 2025, pursuant to Paragraph 96 of the Agreement. The modifications set forth herein supersede any conflicting provisions in the Agreement. All other terms of the Agreement that do not conflict with this Addendum shall remain in full force and effect.

Each numbered paragraph below corresponds to the same-numbered paragraph in the Agreement and fully replaces the corresponding paragraph.

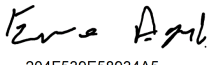
33. “Release” shall mean the release and discharge of the Class Claims by Plaintiff and all of the Participating Class Members, and the release and discharge of the PAGA Claims by Plaintiff and all of the Aggrieved Employees. The Release of the PAGA Claims binds all Aggrieved Employees through the judgment entered by the Court, in accordance with *Arias v. Superior Court* (2009) 46 Cal.4th 969. All Aggrieved Employees, whether or not they participate in the Settlement, will be bound by the judgment resolving the PAGA Claims alleged in this Action.

34. “Released Parties” shall mean Defendant and any of its officers, directors, employees, and agents that could be liable for any of the Released Claims.

APPROVAL AND EXECUTION BY PARTIES:

Dated: 7/25/2025

CLASS REPRESENTATIVE:

DocuSigned by:

 204F539E58934A5...

Enrique Aguila

Dated: _____

DEFENDANT:

MAGNOLIA FOODS, LLC

By: _____

Its: _____

ADDENDUM TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Addendum modifies the Class Action and PAGA Settlement Agreement (“Agreement”) executed by the Parties in or around June 2025, pursuant to Paragraph 96 of the Agreement. The modifications set forth herein supersede any conflicting provisions in the Agreement. All other terms of the Agreement that do not conflict with this Addendum shall remain in full force and effect.

Each numbered paragraph below corresponds to the same-numbered paragraph in the Agreement and fully replaces the corresponding paragraph.

33. “Release” shall mean the release and discharge of the Class Claims by Plaintiff and all of the Participating Class Members, and the release and discharge of the PAGA Claims by Plaintiff and all of the Aggrieved Employees. The Release of the PAGA Claims binds all Aggrieved Employees through the judgment entered by the Court, in accordance with *Arias v. Superior Court* (2009) 46 Cal.4th 969. All Aggrieved Employees, whether or not they participate in the Settlement, will be bound by the judgment resolving the PAGA Claims alleged in this Action.

34. “Released Parties” shall mean Defendant and any of its officers, directors, employees, and agents that could be liable for any of the Released Claims.

APPROVAL AND EXECUTION BY PARTIES:

Dated: _____

CLASS REPRESENTATIVE:_____
Enrique Aguila

Dated: 7/30/2025 _____

DEFENDANT:

MAGNOLIA FOODS, LLC

DocuSigned by:

Nate Janzen

03A2D6155CF54D0

By: Nate Janzen

Its: CFO

1 **APPROVED AS TO FORM:**

2
3 Dated: 7/23/2025
4 _____

CLASS COUNSEL:

VENTURE LAW, P.C.

DocuSigned by:
Sam Rezvani
EF807FFB26524AF...

Sam Rezvani
Attorneys for Plaintiff

6
7
8 Dated: 7/23/2025
9 _____

BOKHOUR LAW GROUP, P.C.

Signed by:
MEHRDAD BOKHOUR
D8D3643F271940F...

Mehrdad Bokhour
Attorneys for Plaintiff

11
12
13 Dated: _____
14

DEFENDANT'S COUNSEL:

MEDINA MCKELVEY, LLP

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17 Alexander M. Medina
18 Mayra D. Sandoval
19 Attorneys for Defendant, Magnolia Foods, LLC
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1 **APPROVED AS TO FORM:**

2 **CLASS COUNSEL:**

3 Dated: _____

VENTURE LAW, P.C.

4
5
6 _____
7 Sam Rezvani
8 Attorneys for Plaintiff

9 Dated: _____

BOKHOUR LAW GROUP, P.C.

10
11 _____
12 Mehrdad Bokhour
13 Attorneys for Plaintiff

14 Dated: 07/23/2025

DEFENDANT'S COUNSEL:

15 **MEDINA MCKELVEY, LLP**

16 
17 _____
18 Alexander M. Medina
19 Mayra D. Sandoval
20 Attorneys for Defendant, Magnolia Foods, LLC
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