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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

JESSE P. SAHAGUN, on behalf of himself
and others similarly situated,

Plaintiff,

vs.

ARCHER-DANIELS-MIDLAND
COMPANY; and DOES 1 through 10,
inclusive,

Defendants.

Case No. CGC-24-617054

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

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1 This Stipulation of Settlement (“Settlement”) is made and entered into, as of the date set
2 forth below, between Plaintiff Jesse P. Sahagun, as an individual, as a representative of the
3 proposed Class described herein and as representative of the State of California (“Plaintiff”), and
4 Archer-Daniels-Midland Company (“Defendant”), who are parties to the above-captioned
5 litigation (together, the “Parties”).

6 **1. DEFINITIONS**

7 1.1 “Action” means the above-captioned action, *Sahagun v. Archer-Daniels-Midland*
8 *Company, et al.*, San Francisco County Superior Court Case No. CGC-24-617054.

9 1.2 “Class Counsel” means Kane Moon, H. Scott Leviant, and Sandy Pham of Moon
10 Law Group, PC.

11 1.3 “Class Data” means a confidential spreadsheet that includes, for each Settlement
12 Class Member, their name, last known address, social security number, and number of Eligible
13 Workweeks and Eligible Pay Periods or data sufficient for the Settlement Administrator to
14 determine Eligible Workweeks and Eligible Pay Periods. The Class Data shall be based on
15 Defendant’s personnel and payroll records and provided in a format acceptable to the Settlement
16 Administrator.

17 1.4 “Class Settlement Period” means the time period from August 7, 2020, through the
18 earlier of April 30, 2026, or Preliminary Approval of the Settlement (the “Class Settlement
19 Period”), subject to section 3.2.2 below.

20 1.5 “Class Representative” or “Plaintiff” means Plaintiff Jesse P. Sahagun.

21 1.6 “Class Representative’s Released Claims” means any and all claims, obligations,
22 demands, actions, rights, causes of action, and liabilities against the Released Parties, of whatever
23 kind and nature, character, and description, whether in law or equity, whether sounding in tort,
24 contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other
25 source of law or contract, whether known or unknown, and whether anticipated or unanticipated,
26 including all unknown claims covered by California Civil Code Section 1542, by the Class
27 Representative, arising at any time up to and including the date on which the Court enters the
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1 Order of Final Approval, for any type of relief, including without limitation claims for wages,
2 premium and other forms of pay, unpaid/unreimbursed costs, penalties (including waiting time
3 penalties), general damages, compensatory damages, liquidated damages, punitive damages,
4 interest, attorneys' fees, litigation and other costs, expenses, restitution, and equitable and
5 declaratory relief. The Class Representative's Released Claims also include, but are not limited
6 to, the Released Claims as well as any other claims under any provision of the Fair Labor
7 Standards Act ("FLSA"), the California Labor Code, any applicable California Industrial Welfare
8 Commission Wage Orders, any city or county Living Wage Ordinances, and claims under state or
9 federal discrimination statutes, including, without limitation, the California Government Code;
10 the Unruh Civil Rights Act, California Civil Code; the California Constitution; the California
11 Business and Professions Code, including but not limited to Sections 17200 *et seq.*; the United
12 States Constitution; the Age Discrimination in Employment Act ("ADEA") and the Older
13 Workers Benefit Protection Act; the Uniformed Services Employment and Reemployment Rights
14 Act, Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*; the Civil Rights Act of
15 1991; the Family and Medical Leave Act, to the extent not prohibited by law; the Americans with
16 Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Employee Retirement Income Security Act of
17 1974, 29 U.S.C. § 1001 *et seq.*; the Equal Pay Act; the Fair Credit Reporting Act; the Employee
18 Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification
19 Act; the Sarbanes-Oxley Act of 2002; the California Family Rights Act; and all of their
20 implementing regulations and interpretive guidelines; any and all claims for monetary recovery
21 and personal or individual relief, except as prohibited by law; and any premiums, penalties,
22 interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or
23 accounting based on any of the foregoing claims. For the avoidance of doubt, this is a complete
24 and general release to the maximum extent by law. Notwithstanding the foregoing, the release of
25 the Class Representative's Released Claims do not include any claim or right that is not waivable
26 as a matter of law.

27 1.7 "Court" means the San Francisco County Superior Court.
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1.8 “Defendant’s Counsel” means Max Fischer, Sarah Zenewicz, and Anahi Cruz of Morgan, Lewis & Bockius LLP.

1.9 “Effective Date” means the latest of: (i) provided that no appeal from the Final Approval Order is filed, the day after the deadline for any appeals expires; (ii) if an appeal from the Final Approval Order is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the Court of Appeal’s decision passes, and no further review is requested; and (iii) if an appeal of the Final Approval Order is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and review of the Court of Appeal’s decision is requested, the day after the request for review is denied with prejudice and/or no further review of the Final Approval Order can be requested.

1.10 “Eligible Workweeks” means the workweeks that each Settlement Class Member worked for Defendant in California during the Class Settlement Period.

1.11 “Eligible Pay Periods” means the pay periods that each PAGA Member worked for Defendant in California during the PAGA Settlement Period.

1.12 “Enhancement Award” means the amount approved by the Court to be paid to the Class Representative, in recognition of his efforts in coming forward as Class Representative and as consideration for a full, general, and comprehensive release of the Class Representative’s Released Claims, which shall be in addition to her portion of the Net Settlement Amount.

1.13 “Final Approval Date” means the date on which the Court enters the Order of Final Approval.

1.14 “Final Approval Hearing” means a hearing set by the Court, to take place on a date established by the Court, for the purpose of (i) determining the fairness, adequacy, and reasonableness of the Settlement pursuant to class action procedures and requirements; (ii) determining the amount of the award of attorneys’ fees and costs to Class Counsel; (iii) determining the amounts of the Enhancement Award to the Class Representative; and (iv) entering the Judgment.

1.15 “Gross Settlement Amount” means the amount that Defendant will pay in settlement of this matter, subject to section 3.2.2 below. The Gross Settlement Amount includes all awards of attorneys’ fees and costs to Class Counsel, Settlement Administration Costs, Enhancement Award, the PAGA Settlement Payment (paid to the PAGA Members and the LWDA), and payments to the Participating Class Members.

1.16 “Individual PAGA Payment” means the individual amounts paid from the PAGA Payment to the individual PAGA Members for settlement of claims for civil penalties under PAGA.

1.17 “Individual Settlement Payment” means the settlement amount due each Participating Class Member from the Net Settlement Amount.

1.18 “LWDA” means the California Labor and Workforce Development Agency.

1.19 “LWDA PAGA Payment” means the payment to the LWDA from the PAGA Payment for settlement of claims for civil penalties under PAGA.

1.20 “Net Settlement Amount” is the portion of the Gross Settlement Amount available for distribution to the Participating Class Members, which shall equal the Gross Settlement Amount less PAGA Payment, Court-approved attorneys’ fees and costs award to Class Counsel, Settlement Administration Costs, and the Enhancement Award.

1.21 “Notice of Settlement” means the document provided to Settlement Class Members to notify them of the settlement, a copy of which is attached hereto as **Exhibit 1**.

1.22 “PAGA Members” means all current and former California non-exempt employees of Defendant during the PAGA Settlement Period.

1.23 “PAGA Payment” means the payment in settlement of all claims for PAGA penalties, sixty-five (65%) of which will be distributed as the LWDA PAGA Payment and thirty-five (35%) of which will be distributed as Individual PAGA Payments to the PAGA Members.

1.24 “PAGA Settlement Period” means all means the period from August 4, 2023, through the end of the Class Settlement Period.

1.25 “Participating Class Members” means the Settlement Class Members who do not timely request to be excluded from the class settlement. No claim form is required for a Settlement Class Member to become a Participating Class Member.

1.26 “Preliminary Approval Date” means the date the Court enters the Order preliminarily approving the Settlement and setting the Final Approval Hearing.

1.27 “Qualified Settlement Fund” means the Qualified Settlement Fund (“QSF”) created under Internal Revenue Code Section 468B, to be overseen by the Settlement Administrator.

1.28 “Released Class Claims” means all federal, state and local law claims, rights, demands, liabilities, and causes of action, that were alleged, or reasonably could have been alleged, based on facts alleged in the operative First Amended Complaint and that arose or accrued during the Class Settlement Period including causes of action for (1) failure to pay minimum wage; (2) failure to pay overtime wage; (3) meal period violations; (4) rest break violations; (5) failure to indemnify reasonable and necessary business expenses; (6) failure to provide accurate wage statements; (7) waiting time penalties; (8) violation of the California unfair competition law (“UCL”) based on the same alleged Labor Code violations; and (9) all claims for interest, penalties, attorneys’ fees, costs and any other monetary relief based upon the claims described above and including, but not limited to, pursuant to any Wage Orders, Labor Code §§ 210, 218.5, 218.6, Code of Civil Procedure §1021.5.

1.29 “Released PAGA Claims” means all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the allegations in the PAGA Notice(s), and that arose or accrued during the PAGA Settlement Period, including but not limited to claims for violations of the California Labor Code for (1) failure to pay minimum wage; (2) failure to pay overtime wage; (3) meal period violations; (4) rest break violations; (5) failure to indemnify reasonable and necessary business expenses; (6) failure to provide accurate wage statements; (7) waiting time penalties; and (8) violations of or claims for civil penalties under Labor Code

sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2 1197, 1197.1, 1198, 1199, 2699, et seq, and 2802.

1.30 “Released Parties” means Defendant and any parent, subsidiary, affiliated or related entities (including ADM Rice, Inc. and any companies, corporations, partnerships, alter egos, joint venturers, and actual or alleged joint employers, but excluding any staffing agencies), and each of their respective past, present and future agents, employees, servants, officers, directors, partners, members, trustees, fiduciaries, representatives, shareholders, stockholders, attorneys, equity sponsors (defined as a company/corporation and/or partnership that is, directly or indirectly, under common control with that Defendant or any of its parents and/or affiliates), divisions, assigns, predecessors, successors, insurers, and consultants.

1.31 “Response Deadline” means forty-five (45) days after the Settlement Administrator mails the Notice of Settlement to Settlement Class Members. It shall be the last date on which Settlement Class Members may: (a) postmark any Opt-Out Request from the class portion of the Settlement, (b) postmark any written objection to the Settlement, and (c) postmark any Eligible Workweek or Eligible Pay Period Dispute. The Response Deadline for Settlement Class Members to whom the Notice of Settlement is remailed after having been returned as undeliverable to the Settlement Administrator shall be fifty-five (55) calendar days after the Settlement Administrator’s initial mailing of the Notice of Settlement to Settlement Class Members, or fourteen (14) days after the re-mailing, whichever is later.

1.32 “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement in accordance with the Settlement Administrator’s responsibilities outlined in this Settlement.

1.33 “Settlement Administrator” means APEX Class Action Administration (“APEX”) who shall be responsible for the administration of the Settlement, distribution of any amounts owed under this Settlement, and matters necessarily related thereto, pursuant to the terms of this Settlement, and subject to appointment by the Court.

1.34 “Settlement Class” or “Settlement Class Members” means all current and former California non-exempt employees of Defendant during the Class Settlement Period.

2. **RECITALS**

2.1 **Background and Procedural History**

2.1.1 On August 8, 2024, Plaintiff filed Class Action Complaint in San Francisco Superior Court alleging causes of action for (1) failure to pay minimum wage; (2) failure to pay overtime wage; (3) meal period violations; (4) rest break violations; (5) failure to indemnify reasonable and necessary business expenses; (6) failure to provide accurate wage statements; (7) recordkeeping violations; (8) waiting time penalties; and (9) violation of the California unfair competition law (“UCL”) based on the same alleged Labor Code violations. In her original Complaint, Plaintiff sought to represent a putative class of all California non-exempt employees.

2.1.2 On November 11, 2024 Plaintiff filed a First Amended Complaint to add a claim for civil penalties under PAGA.

2.1.3 After exchanging documents, the Parties entered arms-length negotiations to reach a settlement in principle. On February 9, 2026, the Parties attended a confidential mediation with experienced wage and hour mediator Eve Wagner. Following mediation, the Parties entered into a Memorandum of Understanding (“MOU”) to memorialize this settlement on April 17, 2026.

2.2 **Benefits of Settlement**

2.2.1 Based on their own independent investigations and evaluations, Class Counsel is of the opinion that the Settlement with Defendant for the consideration and terms set forth herein, considering the representative and class claims, and the risk of loss, is fair, reasonable, and adequate in light of all known facts and circumstances, and is in the best interests of the Settlement Class. Class Counsel is also of the opinion that the total consideration and payment set forth in this Settlement is adequate in light of the uncertainties surrounding the risk of further litigation, the possibility of losing class certification, that the PAGA claim could be

1 deemed unmanageable, and the defenses that Defendant has asserted and/or could assert as to the
2 substantive merit of the claims.

3 2.2.2 Class Counsel has weighed the monetary benefit under the Settlement to
4 the Settlement Class against the expenses and length of continued proceedings that would be
5 necessary to prosecute the Action against Defendant through class certification, through
6 manageability motions, summary judgment, trial and possible appeals. Class Counsel has also
7 taken into account the uncertain outcome and risk of any litigation, especially in complex actions
8 such as class and representative actions, as well as the difficulties and delay inherent in such
9 litigation. As a result, Class Counsel has determined that the agreement set forth in this
10 Settlement is in the best interests of the Settlement Class.

11 2.2.3 Defendant denies any liability or wrongdoing of any kind and further
12 denies that, for any purpose other than settling the Action, the Action is appropriate for class
13 action or representative treatment, or that Plaintiff is a suitable class representative or an
14 aggrieved employee under PAGA. Defendant maintains, among other things, that it has complied
15 with California law in all aspects. Nothing in the MOU negotiations, approval of the Settlement,
16 orders related to the Settlement or any other aspect of the Settlement will be construed or deemed
17 as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or
18 any of the Released Parties.

19 2.2.4 Neither this Settlement, nor any document referred to in it, nor any actions
20 taken pursuant to this Settlement, is or should be construed as an admission by Defendant of any
21 fault, wrongdoing, or liability whatsoever. Nor should the Settlement be construed as an
22 admission that Plaintiff could meet any of the class action requirements or that any PAGA claim
23 would be manageable. There has been no final determination by any court as to the merits of the
24 claims asserted by Plaintiff against Defendant, as to whether a class action should be certified, or
25 that any PAGA claim is manageable.

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1 **3. SETTLEMENT TERMS**

2 **3.1 Conditional Class Certification.** For the purposes of the Settlement Agreement
 3 only, the Parties agree to conditional certification of the Settlement Class. If, for any reason, the
 4 Settlement Agreement is not approved, the stipulation to certification will be void. Should the
 5 Settlement Agreement not become final, for whatever reason, the fact that the Parties were
 6 willing to stipulate to class certification as part of the Settlement shall have no bearing on, and
 7 shall not be admissible in connection with, the issue of whether a class should be certified in a
 8 non-settlement context in the Action, and shall have no bearing on, and shall not be admissible in
 9 connection with, the issue of whether a class should be certified or whether the PAGA claim can
 10 be tried as alleged.

11 **3.2 Gross Settlement Amount**

12 **3.2.1 Gross Settlement Amount:** Defendant will pay a maximum of \$295,000 in
 13 settlement of this matter (“Gross Settlement Amount”). Defendant will pay the employer’s share
 14 of payroll taxes due on wages separate and in addition to the Gross Settlement Amount. The
 15 Gross Settlement Amount includes all attorneys’ fees, costs, settlement administration costs,
 16 Plaintiff enhancement award, the PAGA Settlement Payment (paid to the PAGA Members and
 17 the LWDA), and payments to the Participating Class Members. No portion of the Gross
 18 Settlement Amount will revert to Defendant.

19 **3.2.2 Escalation of Gross Settlement Amount or Truncation of Class Settlement**
 20 **Period:** The Parties negotiated a settlement based on an estimated 9,039 workweeks from the
 21 start of the Settlement Class Period until the mediation. If the actual number of workweeks
 22 worked by Class Members during the Class Settlement Period exceeds 9,039 workweeks by ten
 23 percent (10%), meaning that the actual workweeks worked by Class Members during the Class
 24 Period is greater than 9,943 workweeks, then Defendant shall have the option to either (1)
 25 establish the end date of the Class Settlement Period as of the 9,943rd workweek, or (2) the Gross
 26 Settlement Amount will increase pro rata per additional workweek over the ten percent increase,
 27 i.e., if the workweeks during the Class Settlement Period are 10,124, which is twelve percent
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(12%) greater than the estimate at mediation, then the Gross Settlement Amount increases by two percent to \$300,900. This election must be made seven (7) calendar days prior to the Preliminary Approval Hearing, so that the Court is informed of the correct Class Period and the Class Notice is distributed to the correct individuals. If the escalator provision is triggered and elected, the Parties agree that the portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the Gross Settlement Amount after the upward adjustment required by this provision is implemented.

3.3 Allocation of Gross Settlement Amount

3.3.1 Class Representative Enhancement Award: Defendant will not oppose Plaintiff's application to the Court for an Enhancement Award of up to \$5,000 to Plaintiff to be paid out of the Gross Settlement Amount, in addition to Plaintiff's Individual Settlement Payment and Individual PAGA Payment as a Participating Class Member and a PAGA Member. Plaintiff shall be required to execute a general release and 1542 waiver. The Settlement Administrator (and not the Defendant) shall issue an IRS Form 1099 to Plaintiff reflecting Plaintiff's Enhancement Award.

3.3.2 Attorneys' Fees and Costs: Defendant will not oppose an application to the Court for attorneys' fees payable to Class Counsel in the amount of 1/3 of the Gross Settlement Amount ("Class Counsel's Fees") plus reimbursement for reasonable costs and expenses incurred not to exceed \$30,000.00 ("Class Counsel's Costs"). The Settlement Administrator (and not the Defendant) shall issue IRS Form 1099 to Class Counsel reflecting the awarded Class Counsel's Fees and Costs. Class Counsel shall retain the right to appeal an award of fees that is less than twenty-five (25%) of the Gross Settlement Amount.

3.3.3 Settlement Administrator Costs: The Settlement Administration Costs incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Settlement shall be paid out of the Gross Settlement Amount and are estimated not to exceed \$5,900.00. Under no circumstances will Defendant be required to contribute additional funds, above and in addition to the Gross Settlement Amount, to cover any unexpected

Settlement Administration Costs. The Settlement Administration Costs shall include: all costs of administering the Settlement, including all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with establishing and maintaining a Qualified Settlement Fund; all costs and fees associated with preparing, issuing and mailing the Notice of Settlement and other correspondence to Settlement Class Members; all costs and fees associated with communicating with Settlement Class Members, Class Counsel, and Defendant's Counsel; all costs and fees associated with computing, processing, reviewing, and paying the payments due under this Settlement, and resolving disputed claims; all costs and fees associated with calculating tax withholdings and payroll taxes, making related payment to federal and state tax authorities, and issuing tax forms relating to payments made under the Settlement; all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared in the course of administering payments due under this Settlement; and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Settlement. Any amount of Settlement Administration Costs that is not awarded by the Court shall be added to the Net Settlement Amount.

3.3.4 Individual Settlement Payments to Participating Class Members: Each Participating Class Member will be entitled to receive an Individual Settlement Payment, which will be paid out of the Net Settlement Amount. The amount of each Individual Settlement Payment will be calculated on a pro rata basis, based on the Eligible Workweeks each Participating Class Member worked during the Class Settlement Period. There is no need for a Participating Settlement Class Member to submit a claim form in order to be eligible for and to receive an Individual Settlement Payment. To determine each Settlement Class Member's estimated "Individual Settlement Payment," the Settlement Administrator will use the following formula: $\text{estimated Individual Settlement Payment} = \frac{\text{individual Eligible Workweeks}}{\text{all Settlement Class Member Eligible Workweeks}} \times \text{Net Settlement Amount}$. The Parties recognize

1 that the Individual Settlement Payments to be paid to Participating Class Members reflect
2 settlement of a dispute over claimed wages, interest, penalties, and other alleged damages.

3 3.3.5 PAGA Payment: A total amount of \$30,000 of the Gross Settlement
4 Amount will be allocated to the settlement of claims for civil penalties under PAGA (the “PAGA
5 Payment”). The PAGA Payment will be distributed in accordance with PAGA so that sixty-five
6 percent (65%), \$19,500, is paid to the California Labor and Workforce Development Agency
7 (“LWDA”) and the remaining thirty-five percent (35%), \$10,500, shall be distributed to the
8 PAGA Members on a pro rata basis based on their Eligible Pay Periods during the PAGA
9 Settlement Period.

10 3.4 **Taxation**

11 3.4.1 Tax Treatment of Individual Settlement Payments. For tax purposes, the
12 Parties agree that thirty-three percent (33%) of each Participating Class Members’ individual
13 payment shall constitute payment in the form of wages and each Participating Class Member will
14 be issued an IRS Form W-2 for such payment to him or her. The remaining sixty-seven percent
15 (67%) of each Participating Class Members’ individual payment shall constitute settlement for
16 reimbursement of expenses, penalties and interest and each Participating Class Member will be
17 issued an IRS Form 1099 for such payment to him or her, if required by law. The Settlement
18 Administrator will not make any deductions, withholdings, or additional payments, including
19 without limitation, medical or other insurance payments or premiums, employee 401(k)
20 contributions or matching employer contributions, wage garnishments to the extent permitted by
21 law, or charity withholdings, from or with respect to the Individual Settlement Payments.

22 3.4.2 Tax Treatment of Individual PAGA Payments: All Individual PAGA
23 Payments shall be allocated as one hundred percent (100%) penalties, for which a 1099 will be
24 issued if required. PAGA Members will be responsible for paying all other taxes due on their
25 Individual PAGA Payments. PAGA Members will be responsible for paying all taxes due on
26 their Individual PAGA Payments. The Settlement Administrator will not make any deductions,
27 withholdings, or additional payments, including without limitation, medical or other insurance
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1 payments or premiums, employee 401(k) contributions or matching employer contributions, wage
2 garnishments to the extent permitted by law, or charity withholdings, from or with respect to the
3 Individual PAGA Payments.

4 3.4.3 Circular 230 Disclaimer: Each Party to this Settlement (for purposes of
5 this section, the “acknowledging party” and each Party to this Settlement other than the
6 acknowledging party, an “other party”) acknowledges and agrees that (1) no provision of this
7 Settlement, and no written communication or disclosure between or among the Parties or their
8 attorneys and other advisers, is or was intended to be, nor shall any such communication or
9 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of
10 United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the
11 acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and
12 tax counsel for advice (including tax advice) in connection with this Settlement, (b) has not
13 entered into this Settlement based upon the recommendation of any other party or any attorney or
14 advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by
15 any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the
16 acknowledging party; and (3) no attorney or adviser to any other party has imposed any limitation
17 that protects the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of
18 whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax
19 treatment or tax structure of any transaction, including any transaction contemplated by this
20 Settlement.

21 3.5 **No Effect on Employee Benefits.** Neither this Settlement nor any amounts paid
22 under the Settlement will modify any previously credited hours or service under any employee
23 benefit plan, policy, or bonus program sponsored by the Released Parties. Such amounts will not
24 form the basis for additional contributions to, benefits under, or any other monetary entitlement
25 under the Released Parties’ sponsored benefit plans, policies, or bonus programs. The payments
26 made under the terms of this Settlement shall not be applied retroactively, currently, or on a going
27 forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of
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1 the Released Parties' benefit plans, policies, or bonus programs. The Released Parties retain the
2 right to modify the language of their benefit plans, policies and bonus programs to effectuate this
3 intent, and to make clear that any amounts paid pursuant to this Settlement are not for "hours
4 worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable
5 plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any
6 other purpose, and that additional contributions or benefits are not required by this Settlement.

7 **3.6 Releases.**

8 **3.6.1 Class Representative's Release.** As of the Effective Date and full funding
9 of the Gross Settlement Amount, including the employer's share of payroll taxes, Plaintiff fully
10 and finally releases the Released Parties from any and all claims, known and unknown, under
11 federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law,
12 including but not limited to the Released Claims ("Class Representative's Released Claims").
13 Class Representative's Released Claims include all claims, whether known or unknown. Even if
14 Plaintiff discovers facts in addition to or different from those that Plaintiff now know or believe
15 to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will
16 remain released and forever barred. Thus, Plaintiff expressly waives and relinquishes the
17 provisions, rights and benefits of section 1542 of the California Civil Code, which reads:

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

25 Notwithstanding the foregoing, Plaintiff does not waive or release any claim which cannot be
26 waived or released by private agreement. Further, nothing in this Agreement shall prevent
27 Plaintiff from filing a charge or complaint with, or from participating in, an investigation or
28 proceeding conducted by the SEC, OSHA, Cal-OSHA, EEOC, DFEH, NLRB or any other
federal, state or local agency charged with the enforcement of any employment or other

1 applicable laws. Plaintiff, however, understands that by signing this Agreement, he waives the
2 right to recover any damages or to receive other relief in any claim or suit brought by or through
3 the EEOC, Cal-OSHA, the DFEH or any other state or local deferral agency on their behalf to the
4 fullest extent permitted by law, but expressly excluding any monetary award or other relief
5 available from the SEC/OSHA, including an SEC/OSHA whistleblower award, or other awards
6 or relief that may not lawfully be waived.

7 3.6.2 Participating Class Member Release. As of the Effective Date and full
8 funding of the Gross Settlement Amount, including the employer's share of payroll taxes, all
9 Participating Class Members fully and finally release the Released Parties from the Released
10 Class Claims that arose during the Class Settlement Period.

11 3.6.3 The State of California, Plaintiff and the PAGA Member Release. As of
12 the Effective Date and full funding of the Gross Settlement Amount, including the employer's
13 share of payroll taxes, Plaintiff, as representative of the State of California and on behalf of the
14 LWDA and as representative of the PAGA Members, fully and finally releases the Released
15 Parties from the PAGA Released Claims for the PAGA Settlement Period.

16 **4. APPROVAL OF SETTLEMENT, NOTICE TO CLASS AND ADMINISTRATION**

17 **4.1 Preliminary Approval**

18 4.1.1 Class Counsel shall submit to the Court this Settlement and exhibits thereto
19 for preliminary approval by the Court. Class Counsel will prepare and file the motion for
20 preliminary approval and supporting papers. Plaintiff will provide the motion for preliminary
21 approval and supporting papers to Defendant's Counsel for its review and approval at least seven
22 (7) calendar days before filing. In the event that any party is required to file supplemental papers
23 in support of settlement approval, the submitting party will provide the draft supplemental papers
24 to the other party for its review and approval at least seven (7) calendar days before filing to the
25 extent feasible.

1 4.1.2 Pursuant to California Labor Code § 2699(l), concurrently with the filing
2 of the motion for preliminary approval, Plaintiff will provide notice of the proposed Settlement to
3 the LWDA.

4 4.1.3 The Court's preliminary approval of this Settlement shall be embodied in
5 an order certifying the Class for settlement purposes only, preliminarily approving the Settlement
6 and providing for Notice of Settlement to be mailed to the Class in materially the same format
7 attached hereto as Exhibit 1, and which will also set the date for the Final Approval Hearing. The
8 Notice of Settlement shall advise Settlement Class Members of their options, which include filing
9 an Opt-Out Request to the class settlement; filing an objection to the Settlement and receiving an
10 Individual Settlement Payment and an Individual PAGA Payment (if applicable); or taking no
11 action and receiving an Individual Settlement Payment and an Individual PAGA Payment (if
12 applicable).

13 4.2 **Notice**

14 4.2.1 Delivery of Class Data: No later than twenty-one (21) calendar days after
15 the Preliminary Approval Date, Defendant shall provide the Class Data to the Settlement
16 Administrator. The Settlement Administrator shall maintain the Class Data, and all data
17 contained within the Class Data, as private and confidential and shall not disclose such data to
18 any persons or entities, unless otherwise required by law. The information in the Class Data is
19 being supplied solely for purposes of the administration of the settlement and cannot be used by
20 the Settlement Administrator or any agent or representative of the Settlement Administrator for
21 any other purpose. Upon receipt of the Class Data, the Settlement Administrator shall check with
22 the U.S. Postal Service National Change of Address Database and update any addresses for the
23 Settlement Class Members.

24 4.2.2 Notice By First-Class Mail. Within twenty-one (21) calendar days of the
25 receipt of the Class Data, the Settlement Administrator will send via United States first class mail
26 the Notice of Settlement to the Settlement Class Members. If any Notice of Settlement is
27 returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall run
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1 a skip-trace using that Settlement Class Member's social security number in an effort to attempt
2 to ascertain the current address of the Settlement Class Member. If such an address(es) is
3 ascertained, the Settlement Administrator shall re-mail the Notice of Settlement within ten
4 calendar days. If alternative addresses are obtained for a Settlement Class Member, the
5 Settlement Administrator shall send the Notice of Settlement to up to two (2) alternative
6 addresses.

7 4.3 Opt-Out Requests

8 4.3.1 Settlement Class Members, except for the Class Representative, will have
9 until the Response Deadline within which to opt out of the class portion of this Settlement;
10 however, exercising this option has no effect on the PAGA portion of this settlement, PAGA
11 Members will be mailed an Individual PAGA Payment and be bound by the release of the
12 Released PAGA Claims regardless of whether they opt out of the class settlement. Settlement
13 Class Members who want to opt out must timely submit a signed and dated written request to be
14 excluded from the class portion of the Settlement to the Settlement Administrator ("Opt-Out
15 Request"). The Opt-Out Request must be postmarked on or before the Response Deadline,
16 include the case name and number, the Settlement Class Member's name, address, and last four
17 of their social security number, must be signed by the Settlement Class Member, and must
18 reasonably communicate the Settlement Class Member's election to be excluded from the class
19 Settlement.

20 4.3.2 Settlement Class Members who do not timely submit an executed Opt-Out
21 Request shall be deemed a Participating Class Member and bound by this Settlement including
22 the Participating Class Member Release. Settlement Class Members who timely submit an
23 executed Opt-Out Request will not be bound by the Participating Class Member Release and will
24 not receive an Individual Settlement Payment. The Notice of Settlement shall advise Settlement
25 Class Members of their ability to opt-out of the class portion of the Settlement and of the
26 consequences thereof, and further inform them that they cannot opt out of the PAGA settlement.
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Neither the Parties nor any of their counsel will solicit any Settlement Class Member to submit an Opt-Out Request.

4.3.3 If a Settlement Class Member submits both an Opt-Out Request and an Objection within the Response Deadline, then the Opt-Out Request will be deemed valid and the Objection invalid and the individual will not be deemed a Participating Class Member.

4.4 **Objections.** Settlement Class Members shall have until the Response Deadline to submit a written objection or request exclusion from the Settlement. Any Settlement Class Member who does not submit a timely and valid request for exclusion by this deadline will become a Participating Class Member. Only Settlement Class Members who have not filed an Opt-Out Request (i.e., Participating Class Members) may object to the Settlement. The written objection should be mailed or filed with the Court, include the case number and name of this case, should state the Participating Class Member's name and address and describe the reason(s) why the Participating Class Member objects to the Settlement and include or attach any documents upon which the objection is based. Participating Class Members may also appear at the Final Approval Hearing to present their objection, regardless of whether they submitted a written objection. The Parties and their counsel agree that they will not solicit, encourage, counsel or advise any individual to object to the Settlement.

4.5 **Eligible Workweek and Eligible Pay Period Disputes.** Participating Class Members and PAGA Members may dispute their Eligible Workweeks and Eligible Pay Periods if they believe they worked for more Eligible Workweeks or Eligible Pay Periods in the Class Settlement Period or PAGA Settlement Period than stated on their Notice of Settlement. Participating Class Members and PAGA Members may do this by submitting information to the Settlement Administrator in writing no later than the Response Deadline. The Settlement Administrator will jointly work with Class Counsel and Defendant's Counsel to resolve the dispute in good faith. If the Parties cannot agree on the Eligible Workweeks or Eligible Pay Periods to be credited to that Participating Class Member or PAGA Member, the Court shall make the final decision based on the information presented by the individual and the Parties.

1 **4.6 Certification Reports by the Settlement Administrator.** The Settlement
2 Administrator will, on a weekly basis during and for a reasonable period following distribution of
3 the Notice of Settlement, provide updates to Class Counsel and Defendant's Counsel as to the
4 number of persons in the Settlement Class who submitted (1) valid Opt-Out Requests; (2) written
5 Objections, and (3) Eligible Workweeks or Eligible Pay Period disputes. All written objections
6 shall be provided to the Parties' counsel within two days of receipt by the Settlement
7 Administrator. To the extent practicable, the weekly updates shall also provide updated data on
8 the extent of Notices of Settlement that are returned undeliverable and any re-mailing efforts.

9 **4.7 Nullification of Settlement.** Defendant shall have the sole right to void and
10 withdraw from this Settlement if at any time prior to the Final Approval Date: (1) five percent
11 (5%) or more of all Settlement Class Members submit timely and valid Opt-Out Requests; or (2)
12 the Settlement is construed in such a fashion that Defendant would be required to pay more than
13 the Gross Settlement Amount, exclusive of Defendant's share of the employer payroll taxes and
14 any increase to the Gross Settlement Amount pursuant to the escalator provision set forth in
15 Section 3.2.2.; or (3) the Court does not certify the Settlement Class, or does not certify a class
16 releasing all of the Released Class Claims defined in this Settlement, or does not approve the
17 PAGA settlement including the release of the Released PAGA Claims, or otherwise makes an
18 order inconsistent with any of the material terms (as determined by Defendant) of this Settlement;
19 (4) any pending litigation or litigation filed prior to the Final Approval Date in any way prevents
20 the Settlement from being preliminarily or finally approved by the Court; or (e) Plaintiff or Class
21 Counsel materially breach the Settlement and fail to cure such breach within a reasonable period
22 after written notice.

23 **4.8 Final Approval and Entry of Final Judgment**

24 4.8.1 Prior to the Final Approval Hearing, Plaintiff will move the Court for entry
25 of an "Order of Final Approval" and associated entry of Judgment: (1) certifying the Settlement
26 Class for Settlement purposes only, (2) finding the Settlement fair, reasonable, adequate, and in
27 the best interests of the Participating Class Members, (3) approving the PAGA Payment to the
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1 LWDA and the PAGA Members; (4) approving Class Counsel's application for an award of
2 attorneys' fees and costs, (5) approving the Class Representative's application for an
3 Enhancement Award, (6) approving the payment of reasonable Settlement Administration Costs,
4 and (7) releasing and barring any further Released Class Claims by Participating Class Members
5 and Released PAGA Claims by or on behalf of the PAGA Members. Plaintiff will provide the
6 motion for final approval and supporting papers to Defendant's Counsel for its review and
7 approval at least seven (7) calendar days before filing. In the event that any party is required to
8 file supplemental papers in support of settlement approval, the submitting party will provide the
9 draft supplemental papers to the other party for its review and approval at least seven (7) calendar
10 days before filing to the extent feasible. The Parties and their respective counsel shall make all
11 reasonable efforts to secure entry of the Order of Final Approval. The proposed Order of Final
12 Approval and the associated proposed Judgment shall be filed with the Court with the motion for
13 final approval, or as otherwise directed by the Court.

14 4.8.2 Class Representative and Class Counsel shall be responsible for justifying
15 the amount of the Enhancement Award and attorneys' fees and costs to the Court, and they agree
16 to submit, as appropriate, the necessary materials to justify these payments. If the Court (or any
17 appellate court) awards less than the amount requested for attorneys' fees and/or costs, or less
18 than the amount requested for the Enhancement Award for the Class Representative, only the
19 awarded amounts shall be paid and shall constitute satisfaction of the obligations of Defendant
20 under this Settlement.

21 4.8.3 Defendant, Class Counsel, and the Class Representative waive their rights
22 to file an appeal, writ, or any challenge whatsoever to an Order of Final Approval or Judgment or
23 to the terms of this Settlement, and such waiver includes the right to appeal any award or
24 reduction in the awards of attorneys' fees provided that the Court does not reduce the attorneys'
25 fees award below twenty-five percent (25%) of the Gross Settlement Amount, costs or the
26 Enhancement Award. However, either Party may appeal in the event an objector's objection is
27 upheld by the trial court.

1 4.8.4 If an appeal results in an order materially modifying, setting aside, or
2 vacating any portion of the Settlement, with the exception of any modification of the amount of
3 attorneys' fees or costs to be paid to Class Counsel, or the amount of the Enhancement Award
4 paid to the Class Representative, each party adversely impacted by the order shall have the right
5 to treat such order as an event preventing Final Approval. To exercise this right, the party must
6 inform the other Party and the Settlement Administrator, in writing, of the exercise of this right,
7 within ten calendar days of receiving notice of any order modifying, setting aside, or vacating any
8 portion of the Settlement. Before any Party elects to exercise its right to treat such order as an
9 event permanently preventing Final Approval, that Party must meet and confer in good faith with
10 the other Party to determine if an agreement can be reached modifying this Settlement to the
11 mutual satisfaction of the Parties.

12 4.8.5 If the Final Approval does not occur, or if this Settlement is terminated or
13 canceled pursuant to its terms, the Parties to this Settlement shall be deemed to have reverted to
14 their respective status as of the date and time immediately prior to the execution of this
15 Settlement. In such an event, if the Settlement is not approved by the Court substantially in the
16 form agreed to by the Parties, or if the Settlement is terminated, cancelled, declared void, or fails
17 to become effective in accordance with its terms, or if the Judgment does not become a Final
18 Judgment, or if the Final Approval Date does not occur, this Settlement (except for those
19 provisions relating to non-admission, denial of liability set forth herein, and the confidentiality
20 agreements entered into by the Parties) shall be deemed null and void, its terms and provisions
21 shall have no further force and effect and shall not be used in this Action or in any other
22 proceeding for any purpose, and any Judgment or order entered by the Court in accordance with
23 the terms of the Settlement shall be treated as vacated, *nunc pro tunc*. Notwithstanding any other
24 provision of this Settlement, no order of the Court, or modification or reversal on appeal of any
25 order of the Court, reducing the amount of any attorneys' fees or costs to be paid by Defendant to
26 Class Counsel, or reducing the amount of the Enhancement Award paid to the Class
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1 Representative, shall constitute grounds for cancellation or termination of the Settlement, or
2 grounds for limiting any other provision of the Judgment.

3 **4.9 Funding and Distribution of the Settlement Proceeds**

4 4.9.1 Within twenty-one (21) calendar days after the Effective Date or within
5 fourteen (14) days of the Settlement Administrator providing all information necessary for
6 Defendant to transfer funds to the Qualified Settlement Fund, whichever is later, Defendant shall
7 pay the Gross Settlement Amount and the employer's share of payroll taxes into the Qualified
8 Settlement Fund set up, held, and controlled by the Settlement Administrator.

9 4.9.2 Within fifteen (15) calendar days after Defendant funds the Qualified
10 Settlement Fund, the Settlement Administrator shall issue Individual Settlement Payments to
11 Participating Class Members, Individual PAGA Payments to the PAGA Members, the LWDA
12 PAGA Payment to the LWDA, the Court-approved attorneys' fees and costs to Class Counsel,
13 and the court-approved Enhancement Award to the Class Representative.

14 4.9.3 The Settlement Administrator shall keep counsel for the Parties apprised of
15 all distributions from the Qualified Settlement Account and upon completion of administration of
16 that portion of the Settlement, the Settlement Administrator shall provide written certification,
17 under penalty of perjury, of such completion to the Court and counsel for all Parties.

18 **4.10 Uncashed Checks.** After one hundred and eighty (180) calendar days of issuance,
19 funds from undeposited Individual Settlement Payment and Individual PAGA Payment checks
20 will be held by the Settlement Administrator. Even if a Participating Class Member or PAGA
21 Member does not cash or deposit his or her settlement payment check(s) within one-hundred
22 eighty (180) calendar days of issuance, the Settlement, including its release, will be binding on
23 that Participating Class Member or PAGA Member. After one hundred and eighty (180) days,
24 any uncashed checks for the Settlement shall be tendered to the State Controller's Office,
25 Unclaimed Property Division in the name of the recipient.
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1 **5. MISCELLANEOUS PROVISIONS**

2 **5.1 This Settlement is Fair, Adequate and Reasonable.** The Parties believe this
3 Settlement is a fair, adequate and reasonable settlement of the Action and have arrived at this
4 Settlement in arms-length negotiations, taking into account all relevant factors, present and
5 potential.

6 **5.2 Invalidity of Any Provision.** Before declaring any provision of this Settlement
7 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
8 consistent with applicable precedents so as to define all provisions of this Settlement valid and
9 enforceable. Should the Court deem any clause or provision of this Settlement be invalid, illegal,
10 or unenforceable, it shall first attempt to modify or reform it as minimally necessary to be valid,
11 lawful, and enforceable.

12 **5.3 No Admission.** Neither the acceptance nor the performance by Defendant of the
13 terms of this Settlement, nor any of the related negotiations or proceedings, is or shall be claimed
14 to be, construed as, or deemed to be, an admission by Defendant of the truth of any of the
15 allegations in the Complaint, the representative character of the Action, the validity of any of the
16 claims that were or could have been asserted by Plaintiff, Settlement Class Members and/or
17 PAGA Members in the Action, or of any liability or guilt of Defendant or the Released Parties in
18 the Action. Nothing in this Settlement shall be construed to be or deemed an admission by
19 Defendant of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Settlement
20 Class Members, or any other person, and Defendant specifically disclaims any liability,
21 culpability, negligence, or wrongdoing toward Plaintiff, the Settlement Class Members, PAGA
22 Members and any other person. Each of the Parties has entered into this Settlement with the
23 intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and
24 contingencies.

25 **5.4 Cooperation.** The Parties agree to cooperate fully with one another to accomplish
26 and implement the terms of this Settlement. Such cooperation shall include, but not be limited to,
27 execution of such other documents and the taking of such other action as may reasonably be
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1 necessary to fulfill the terms of this Settlement. The Parties to this Settlement shall exercise
2 reasonable efforts, including all efforts contemplated by this Settlement and any other efforts that
3 may become necessary by Court order, or otherwise, to effectuate this Settlement and the terms
4 set forth herein.

5 **5.5 Privacy of Documents and Information.** Plaintiff and Class Counsel agree that
6 none of the documents and information provided to them by Defendant in connection with the
7 Action and this Settlement shall be used for any purpose (including in any other litigation) other
8 than this Settlement of the Action.

9 **5.6 Notices.** Unless otherwise specifically provided herein, all notices, demands, or
10 other communications given hereunder shall be in writing and shall be deemed to have been duly
11 given as of the third business day after mailing by United States certified mail, return receipt
12 requested, addressed as follows:

13 **To the Class Counsel:**

14 Kane Moon
15 H. Scott Leviant
16 Sandy Pham
17 Moon Law Group, PC
18 725 S. Figueroa St.,
19 31st Floor
20 Los Angeles, California 90017

21 **To Defendant:**

22 Max Fischer
23 Anahi Cruz
24 Morgan, Lewis & Bockius LLP
25 300 South Grand Avenue
26 Twenty-Second Floor
27 Los Angeles, CA 90071-3132

28 Sarah Zenewicz
Morgan, Lewis & Bockius LLP
600 Montgomery Street
Suite 2300
San Francisco, CA 94111-2725

5.7 **Drafting.** The Parties hereto agree that the terms and conditions of this Settlement
are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this

1 Settlement shall not be construed in favor of or against any party by reason of the extent to which
2 any party or its counsel participated in the drafting of this Settlement.

3 **5.8 Publicity.** Neither Plaintiff nor Plaintiff's counsel shall issue any press release or
4 announcement of any kind related in any way to the Settlement. Plaintiff and Plaintiff's counsel
5 agree that, prior to filing a motion for preliminary approval of the settlement, they will keep the
6 terms of the Settlement confidential except for purposes of communicating with Plaintiff only.
7 Plaintiff understands that prior to the filing of a motion for preliminary approval, the Settlement is
8 confidential and Plaintiff shall keep it confidential. From and after preliminary approval of the
9 Settlement, Plaintiff and Plaintiff's counsel may: (1) as required by law; (2) as required under the
10 terms of the settlement; or (3) as required under counsel's duties and responsibilities as class
11 counsel, comment regarding the specific terms of the Settlement. In all other cases, Plaintiff and
12 Plaintiff's counsel agree to limit their statements regarding the terms of the Settlement, whether
13 oral, written or electronic (including the world wide web), to say the Action has been resolved
14 and that Plaintiff and Plaintiff's counsel are satisfied with the Settlement terms. Nothing in this
15 Paragraph is intended to interfere with Plaintiff's counsel's duties and obligations to faithfully
16 discharge their duties as class counsel, including but not limited to, communicating with
17 Settlement Class Members regarding the settlement, and nothing shall prohibit Plaintiff's counsel
18 from referring to the Settlement in adequacy of counsel declarations or related court filings.

19 **5.9 No Exclusion by Class Representative.** The Class Representative, by signing
20 this Settlement, is bound by the terms herein and further agrees not to request to be excluded from
21 the Settlement and not to object to any terms of this Settlement. Any such request for exclusion
22 or objection shall therefore be void and of no force or effect.

23 **5.10 Computation of Time.** If the prescribed time period in which to complete the
24 required or permitted action expires on a Saturday, Sunday or legal holiday, such time period
25 shall be continued to the following business day.

26 **5.11 Modification.** This Settlement may not be changed, altered, or modified, except
27 in writing signed by the Parties hereto and approved by the Court. This Settlement may not be
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discharged except by performance in accordance with its terms or by a writing used by the Parties hereto.

5.12 Binding on Successors. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

5.13 Execution in Counterparts. This Settlement shall become effective upon its execution by all of the undersigned. The Parties may execute this Settlement in counterparts, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument.

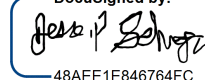
5.14 Jurisdiction. The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of the Settlement, and all Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement. This Settlement shall be enforceable pursuant to California Code of Civil Procedure section 664.6 and admissible pursuant to California Evidence Code section 1123(a). Any action to enforce this Settlement shall be commenced and maintained only in the Court.

5.15 Headings. Paragraph titles or captions contained in the Settlement are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement, or any provision thereof.

IN WITNESS WHEREOF, this Stipulation of Settlement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

AGREED AND UNDERSTOOD.

JESSE P. SAHAGUN



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Dated: 6/26/2026

By: _____
Jesse P. Sahagun

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ARCHER-DANIELS-MIDLAND COMPANY

Dated: _____, 2026

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

MOON LAW GROUP, PC.

Dated: 6/26/2026

By:  _____

Kane Moon
H. Scott Leviant
Sandy Pham
Attorneys for Plaintiff

MORGAN, LEWIS & BOCKIUS LLP

Dated: _____, 2026

By: _____

Max Fischer
Sarah Zenewicz
Anahi Cruz
Attorneys for Defendant
ARCHER-DANIELS-MIDLAND COMPANY.

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ARCHER-DANIELS-MIDLAND COMPANY

Dated: July 9, 2026, 2026

Signed by:
By: John Eagan
Name: John Eagan
Title: Senior Counsel - Labor & Employment

APPROVED AS TO FORM:

MOON LAW GROUP, PC.

Dated: _____, 2026

By: _____
Kane Moon
H. Scott Leviant
Sandy Pham
Attorneys for Plaintiff

MORGAN, LEWIS & BOCKIUS LLP

Dated: July 14, 2026

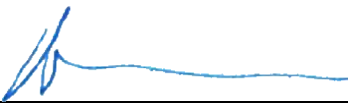
By: 
Max Fischer
Sarah Zenewicz
Anahi Cruz
Attorneys for Defendant
ARCHER-DANIELS-MIDLAND COMPANY.

Exhibit 1

Jesse P. Sahagun v. Archer-Daniels-Midland Company.
San Francisco County Superior Court Case No. CGC-24-617054

*A court has authorized this notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
Your legal rights are affected whether you act or do not act.*

NOTICE OF SETTLEMENT

To: Current and former employees for Archer-Daniels-Midland Company in non-exempt positions in California during the Class Settlement Period, at any time period from August 7, 2020, through April 30, 2026 (the “Settlement Class”).

SETTLEMENT CLASS MEMBERS ARE ELIGIBLE TO RECEIVE PAYMENT FROM THE CLASS SETTLEMENT AND MAY ALSO BE ELIGIBLE TO RECEIVE PAYMENT FROM THE PAGA SETTLEMENT DESCRIBED IN THIS NOTICE.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	To receive a settlement payment, you do not need to do anything. Your payment will be mailed to you, automatically, after the Court grants final approval to the settlement. <i>You must keep a current address on file with the Settlement Administrator to ensure receipt of your check.</i>
CHANGE CONTACT AND ADDRESS INFORMATION	Update your address with the Administrator to ensure your check is sent to the correct address.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	If you do not want to participate in the class settlement, you may exclude yourself (“opt out”) of the class portion of the settlement. If you exclude yourself from the class settlement, then you will not receive any payment from the Net Settlement Amount (defined below). This is the only option that allows you to pursue your own claims (in your own lawsuit) against Defendant about the legal claims in this case. However, if you are a PAGA Member (defined below), then even if you exclude yourself from the class settlement, you will still receive a portion of the PAGA settlement and will be bound by the release of PAGA claims.
OBJECT IN WRITING OR AT THE HEARING	Write to the Court if you think the settlement is not fair or appear at the Final Approval hearing to speak to the Court about why you think the settlement is not fair.

- **YOUR RIGHTS AND OPTIONS – AND THE DEADLINES TO EXERCISE THEM – ARE EXPLAINED IN THIS NOTICE.**
- **DEFENDANT WILL NOT RETALIATE IN ANY MANNER AGAINST ANY SETTLEMENT CLASS MEMBER FOR PARTICIPATING OR NOT PARTICIPATING IN THIS SETTLEMENT.**

BACKGROUND ON THE LAWSUIT

1. **What is this Class and PAGA Action and Settlement about?**

On August 8, 2024, Plaintiff filed Class Action Complaint in San Francisco Superior Court alleging causes of action for (1) failure to pay minimum wage; (2) failure to pay overtime wage; (3) meal period violations; (4) rest break violations; (5) failure to indemnify reasonable and necessary business expenses; (6) failure to provide accurate wage statements; (7) recordkeeping violations; (8) waiting time penalties; and (9) violation of the California unfair competition law (“UCL”) based on the same alleged Labor Code violations. On November 11, 2024 Plaintiff filed a First Amended Complaint to add a claim for civil penalties under PAGA.

Defendant denies all allegations in the Action and contends that it has fully complied with federal, state and local wage and hour laws. The settlement is not an admission of any wrongdoing by Defendant or an indication that any law was violated or that this case was suitable for class, collective or representative treatment. Through arms-length negotiations with an experienced wage and hour mediator, the Parties reached a class and PAGA settlement subject to Court approval, which is summarized in this Notice.

2. **Why did I get this notice?**

You received this Notice because records identify you as a California non-exempt employee of Defendant at some time during the period from **August 7, 2020, through April 30, 2026** (the “Class Settlement Period”). The settlement will resolve Settlement Class Members’ claims, summarized above, during the Class Settlement Period. The Settlement will also resolve claims for civil penalties under the California Private Attorneys’ General Act (“PAGA”). You may also be a “PAGA Member” if you worked for Defendant during the period from August 4, 2023, through **April 30, 2026** (the “PAGA Settlement Period”).

The purpose of this notice is to explain the Action, the pending Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the San Francisco County Superior Court, and the case is known as *Sahagun v. Archer-Daniels-Midland Company.*, Case No. CGC-24-617054. The Court held a hearing on [REDACTED], 2026, and Hon. Jeffrey S. Ross preliminarily approved this Settlement and directed that you receive this Notice. The Court will hold a Final Approval hearing concerning the Settlement on [REDACTED], 2026 at [REDACTED], in Department 613, 400 McAllister Street, San Francisco, CA 94102-3680. The Final Approval Hearing may be continued to another date without further notice.

3. **Why is there a settlement?**

The Court has not decided in favor of Plaintiff or Defendant or made any decision as to whether this case could proceed on a class, collective or representative basis. There was no trial. Instead, both sides agreed to a no-fault settlement of the Action.

4. **Who are the Attorneys for the Settlement Class and the PAGA Members?**

The Court has appointed Class Counsel to represent the Settlement Class and the PAGA Members in connection with this Settlement, Kane Moon, H. Scott Leviant, and Sandy Pham of Moon Law Group, PC, 725 S. Figueroa St., 31st Floor Los Angeles, California 90017, (213) 232-3128.

THE TERMS OF THE SETTLEMENT

5. What is the Settlement Amount?

The proposed Settlement provides for a maximum payment of \$295,000.00 (referred to as the “Gross Settlement Amount”). From the Gross Settlement Amount, Class Counsel will apply to the Court for: attorneys’ fees of \$98,333.33 and up to \$30,000.00 in recoverable costs incurred in this Action; Class Representative Enhancement Award of \$5,000.00 to Plaintiff for her work and efforts prosecuting this case, for undertaking the risks of payment of costs (in the event of an unsuccessful outcome of this Action) and for signing a general release of any claims they may have against Defendant; a \$30,000.00 payment as settlement for claims for civil penalties under PAGA (the “PAGA Payment”), of which 65% will go to the California Labor Workforce Development Agency (“LWDA”) and 35% will be divided among the PAGA Members as described below; and Settlement Administration Costs to APEX Class Action Administration, estimated at \$5,900.00. The exact amount of the attorneys’ fees, litigation costs, Class Representative Enhancement Award, and Settlement Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Gross Settlement Amount is the “Net Settlement Amount,” which is currently estimated to be approximately **\$125,766.67**. The Net Settlement Amount will be apportioned and paid out as Individual Settlement Payments to the Participating Class Members, who are the Settlement Class Members who do not request to be excluded (“opt out”) of the settlement.

6. How will the Individual Settlement Payments to Participating Class Members be calculated?

Participating Class Members will receive Individual Settlement Payments from the Net Settlement Amount. **A claim form is not required to become a Participating Class Member.** Settlement Class Members who opt out of the class settlement will not become Participating Class Members and will not receive Individual Settlement Payments and will not be bound by the class portion of this Settlement.

Each Participating Class Member’s Individual Settlement Payment will be a pro rata share of the Net Settlement Amount based on the number of workweeks that each Participating Class Member worked for Defendant during the Class Settlement Period (**August 7, 2020, through April 30, 2026**) (“Eligible Workweeks”) as a proportion of all Eligible Workweeks for all Participating Class Members.

All Individual Settlement Payments to Participating Class Members shall be allocated as follows for tax purposes: 33% of each Individual Settlement Payment reflects a compromise of claims for alleged unpaid wages; 67% of each Individual Settlement Payment reflects a compromise of claims for alleged interest and penalties. The portion of the Individual Settlement Payment attributable to unpaid wages will be subject to regular and/or applicable payroll and income tax withholdings and will be reported on an IRS Form W-2. Participating Class Members will receive an IRS Form 1099 for the portion of the Individual Settlement Payment attributable to alleged interest and penalties if required by law. Participating Class Members will be responsible for correctly characterizing the Individual Settlement Payment for tax purposes and paying taxes due, if any.

Your total estimated Eligible Workweeks is . Based on that, your anticipated approximate Individual Settlement Payment is .

7. How will the PAGA Payment be allocated to the LWDA and PAGA Members?

The Parties will ask the Court to approve the \$30,000 PAGA Payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 65% of the PAGA Payment, or \$19,500, will be paid to the LWDA. The remaining 35% of the PAGA Payment, or \$10,500, will be distributed to the PAGA Members as Individual PAGA Payments.

Not all Settlement Class Members are PAGA Members who are entitled to an Individual PAGA Payment. If you are a PAGA Member, you are entitled to receive an Individual PAGA Payment; no claim form is required. Because PAGA Members cannot opt out of the PAGA settlement, if you are a PAGA Member and you opt out of the class settlement, you will still receive an Individual PAGA Payment and be bound by the PAGA settlement.

Each PAGA Member's Individual PAGA Payment will be a pro rata share of the 35% of the PAGA Payment to be distributed to PAGA Members. It will be based on the number of pay periods that each PAGA Member worked for Defendant during the PAGA Period (August 4, 2023, through April 30, 2026) ("Eligible Pay Periods") as a proportion of all Eligible Pay Periods for all PAGA Members. For tax purposes, 100% of the Individual PAGA Payments will be allocated as penalties for which an IRS Form 1099, if required by law.

Your total estimated Eligible Pay Periods is [REDACTED]. Based on that, your anticipated approximate Individual PAGA Payment is [REDACTED].

HOW TO GET A PAYMENT

8. How can I get a settlement payment?

If you do nothing, you will automatically receive your Individual Settlement Payment and Individual PAGA Payment (if any) after the Court approves the Settlement at a Final Approval Hearing. You must notify the Settlement Administrator of any change in your name, mailing address and/or telephone number if the information shown on this is not correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your address. Settlement payments will be mailed to the last known address the Settlement Administrator has on file for you.** You can contact the Settlement Administrator by U.S. Mail, email or phone at [REDACTED] if you need to update contact information.

9. What do I do if I believe my Eligible Workweeks or Eligible Pay Periods are incorrect?

If you believe the Eligible Workweeks and Eligible Pay Periods above are not correct, you may send a letter to the Settlement Administrator indicating what you believe to be the correct information. Your letter must be postmarked on or before [REDACTED], 2026. You should include any documents or other information which supports what you believe support that you worked a different number of Eligible Workweeks or Eligible Pay Periods.

Settlement checks should be cashed promptly upon receipt. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. Proceeds of checks for Individual Settlement Payments Individual PAGA Payments that remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each PAGA Member who did not cash his or her settlement check.

WHAT HAPPENS IF THE COURT APPROVES THE SETTLEMENT

10. What am I giving up to get an Individual Settlement Payment?

If the Court approves this Settlement, and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be a part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the claims described below:

Released Class Claims: As of the Effective Date of the Settlement and full funding of the Gross Settlement Amount, including the employer's share of payroll taxes, the Participating Class Members who do not timely opt out of the Class Settlement will release Archer-Daniels-Midland Company and any parent, subsidiary, affiliated or related entities including ADM Rice, Inc. and any companies, corporations, partnerships, alter egos, joint venturers, and actual or alleged joint employers, but excluding any staffing agencies), and each of their respective past, present and future agents, employees, servants, officers, directors, partners, members, trustees, fiduciaries, representatives, shareholders, stockholders, attorneys, equity sponsors (defined as a company/corporation and/or partnership that is, directly or indirectly, under common control with that Defendant or any of its parents and/or affiliates), divisions, assigns, predecessors, successors, insurers, and consultants (the "Released Parties"), from all federal, state and local law claims, rights, demands, liabilities, and causes of action, that were alleged, or reasonably could have been alleged, based on facts alleged in the operative First Amended Complaint and that arose or accrued during the Class Settlement Period including causes of action for (1) failure to pay minimum wage; (2) failure to pay overtime wage; (3) meal period violations; (4) rest break violations; (5) failure to indemnify reasonable and necessary business expenses; (6) failure to provide accurate wage statements; (7) waiting time penalties; (8) violation of the California unfair competition law ("UCL") based on the same alleged Labor Code violations; and (9) all claims for interest, penalties, attorneys' fees, costs and any other monetary relief based upon the claims described above and including, but not limited to, pursuant to any Wage Orders, Labor Code §§ 210, 218.5, 218.6, Code of Civil Procedure §1021.5.

11. What PAGA Claims are released by this Settlement?

If the Court approves this Settlement, then, as of the date of the Effective Date and full funding of the Gross Settlement Amount, including the employer's share of payroll taxes, Plaintiff, as representative of the State of California and on behalf of the LWDA and as representatives of the PAGA Members, fully and finally release the Released Parties claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the allegations in the PAGA Notice(s), and that arose or accrued during the PAGA Settlement Period, including but not limited to claims for violations of the California Labor Code for (1) failure to pay minimum wage; (2) failure to pay overtime wage; (3) meal period violations; (4) rest break violations; (5) failure to indemnify reasonable and necessary business expenses; (6) failure to provide accurate wage statements; (7) waiting time penalties; and (8) violations of or claims for civil penalties under Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2 1197, 1197.1, 1198, 1199, 2699, et seq, and 2802.

EXCLUDING YOURSELF FROM THE CLASS SETTLEMENT

12. How do I exclude myself ("opt out") of the class settlement?

If you wish to pursue your own separate lawsuit against any of the Released Parties for the claims asserted in the Action on behalf of the Settlement Class, or if you otherwise wish not to participate in the class settlement for whatever reason, you should exclude yourself from the class settlement (that is, "opt out" of the class portion of the Settlement). However, you cannot opt out of the PAGA portion of the settlement. Those who opt out of this Settlement and who are also PAGA Members will still be bound by the release of PAGA in this Settlement and will receive an Individual PAGA Payment.

To opt out of the class portion of the Settlement and the Released Class Claims, you must provide a signed and dated letter to the Settlement Administrator requesting to be excluded. The letter must include the case name and number, your name, address, and last four of your social security number, must be signed by you, and must reasonably communicate your election to be excluded from the class Settlement. The letter must be postmarked and mailed to the Settlement Administrator at the following address (or in the enclosed envelope) on or before [REDACTED], 2026. Opt-out requests postmarked after the deadline will be invalid.

[Settlement Admin address]

13. If I don't exclude myself from the class settlement, can I sue Defendant for the same thing?

No. Unless you exclude yourself, you give up any right to sue the Released Parties for the Released Class Claims. If you have a claim or lawsuit already filed against Defendant or any of the Released Parties, you should speak to your lawyer in that case immediately.

You cannot exclude yourself from the PAGA portion of the Settlement and you cannot sue the Released Parties for the Released PAGA Claims later if this Settlement is approved.

OBJECTING TO THE SETTLEMENT

14. How do I tell the Court that I do not agree with the Settlement or believe it is not fair?

You can ask the Court to deny approval by making an objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out, and the Action will continue. If that is what you want to happen, you should object. Even if you object, if the Court approves the Settlement, then you will still receive the Individual Settlement Payments unless you opt-out of the Class Settlement and you will be bound by the releases in this Settlement. You can either object to the Settlement in person at the Final Approval Hearing, or you can submit a written objection.

You may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing at your expense, either in person, telephonically, or through an attorney, provided you notify the Court of your intention to do so. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must (a) clearly identify the case name and number (*Sahagun v. Archer-Daniels-Midland Company*, Case No. CGC-24-617054), (b) be mailed to the Settlement Administrator at [REDACTED] and be postmarked on or before 2026.

To Class Counsel: Kane Moon H. Scott Leviant Sandy Pham Moon Law Group, PC 725 S. Figueroa St., 31st Floor Los Angeles, California 90017	To Defendant: Max Fischer Anahi Cruz Morgan, Lewis & Bockius LLP 300 South Grand Avenue Twenty-Second Floor Los Angeles, CA 90071-3132 Sarah Zenewicz Morgan, Lewis & Bockius LLP 600 Montgomery Street Suite 2300 San Francisco, CA 94111-2725
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THE FINAL APPROVAL HEARING WITH THE COURT

15. When and where will the Court decide whether to grant final approve the settlement?

The Court will hold a Final Approval hearing concerning the Settlement on [REDACTED], 2026 at [REDACTED], in Department 613, 400 McAllister Street, San Francisco, CA 94102-3680. At this hearing the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will

also be asked to approve Class Counsel's request for attorneys' fees and costs, the Class Representative's Enhancement Award, and the Settlement Administrator's fees and expenses.

The Court may reschedule the Final Approval hearing without further notice to Settlement Class Members. You should check the San Francisco County Superior Court website (<https://sf.courts.ca.gov/>) or you can contact Class Counsel to verify the date and time of the Final Approval hearing.

16. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Judge may have. But you are welcome to come at your own expense. If you timely submit a written objection, you don't have to come to Court to talk about it. You may also hire and pay your own lawyer to attend if you so desire.

GETTING MORE INFORMATION

17. Whom may I contact if I have questions about the settlement?

You may contact Class Counsel at the contact information listed above in Paragraph 4 if you have any questions about the Settlement. You may also contact the court-appointed Settlement Administrator, [redacted] by calling toll free at 1-800-[redacted], writing to [Admin Address], or visiting [website].

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined (a) online on the Superior Court of California, County of San Francisco's Electronic Filing and Service Website at www.sceffiling.org, or (b) in person at Records, Superior Court of California, County of San Francisco, 400 McAllister Street, San Francisco, CA 94102-3680, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures, or you may contact Class Counsel or the Settlement Administrator.

PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.