

EXHIBIT “1”

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20 STATER BROS. MARKETS

21 SUPERIOR COURT OF CALIFORNIA
22 COUNTY OF SAN BERNARDINO

23 GILBERT VALADEZ, on behalf of himself,
24 all others similarly situated, and the general
25 public,

26 Plaintiff,

27 vs.

28 STATER BROS. MARKETS; a California
corporation, and DOES 1-50, inclusive,

Defendants.

CASE NO. CIVDS1701283

Assigned for all purposes to
Hon. Brian F. Foster

CLASS ACTION

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

Dept: S22

Trial Date: None Set

Complaint Filed: June 14, 2016

29 Subject to the approval of the Court, this Joint Stipulation of Class Action Settlement and
30 Release ("Settlement") is made and entered into by and between Plaintiff, GILBERT VALADEZ III

1 (“Named Plaintiff”), individually and as a class representative of the Putative Class Members, as
2 defined below, (collectively, the “Class”), on the one hand, and Defendant STATER BROS.
3 MARKETS, including its officers, directors, shareholders, managing agents, representatives,
4 attorneys, successors, assigns, predecessors, successors, affiliates, parents, subsidiaries, and related
5 companies (collectively “Defendant” or “Stater Bros.”), on the other hand. The Class and Stater
6 Bros. are jointly referred to in this Settlement as the “Settling Parties.”

8 DEFINITIONS

9 In addition to the other terms defined elsewhere in this Settlement, the terms below have the
10 following meanings in this Settlement:

11 I. DEFINITIONS

12 A. “Action” means the civil action entitled *Gilbert Valadez, an individual, and all other*
13 *similarly situated employees v. Stater Bros. Markets, et al.*, currently filed in the Superior Court of
14 California, County of San Bernardino, Case Number CIVDS1701283, which was commenced on
15 June 14, 2016.

17 B. “Claims Administration Costs” means all fees and costs owed to the Claims
18 Administrator in connection with administering the class settlement in this Action under the terms of
19 this Settlement.

20 C. “Claims Administrator” means the third-party administrator appointed by the Court
21 to administer the class action settlement of this Action under the terms of this Settlement. KCC, LLC
22 shall serve as the Claims Administrator, subject to the Court’s approval.

24 D. “Class Counsel” means Setareh Law Group.

25 E. “Class Counsel Fees and Expenses” means the total amount of attorney’s fees,
26 litigation costs, and expenses awarded to Class Counsel by the Court to compensate them for their
27 representation of the Class in this Action, including their pre-filing investigation, their filing of the
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1 Action, all related litigation activities including discovery, mediation, the motion for class
2 certification, this Settlement, and all post-Settlement compliance procedures.

3 **F.** “Class Members” means: All non-exempt retail employees who were employed
4 between June 14, 2012 and September 6, 2018 and (1) worked overtime and received a premium rate
5 during the same pay period. Defendant estimates that the Class Members consist of approximately
6 34,695 individuals.
7

8 **G.** “Class Period” shall mean the period of time from June 14, 2012 through September
9 6, 2018

10 **H.** “Class Representative Incentive Award” means the amounts awarded by the Court to
11 the class representative, Gilbert Valadez III, who will seek the enhancement amount of \$5,000.

12 **I.** “Class Representative” shall mean the named-Plaintiff Gilbert Valadez III.

13 **J.** “Compensable Weeks Worked” means the following: The total number of weeks in
14 which the Class Member performed work for Stater Bros. in California as a non-exempt employee.
15 “Compensable Weeks Worked” shall include all weeks for which Stater Bros.’s payroll records reflect
16 that a Class Member received any pay for work performed (*e.g.*, a Class Member who is on leave for
17 an entire week does not receive “pay for work performed” during that period, regardless of whether
18 the leave is paid).
19

20 **K.** “Court” means the San Bernardino Superior Court.

21 **L.** “Effective Date” will be the last to occur of the following:
22

23 1. If there are no objections to the settlement, then the date of final approval by
24 the Court;

25 2. If there are objections to the settlement, and if an appeal, review or writ is not
26 sought from the order granting final approval of the settlement, the 61st day after service of
27 notice of entry of the order; or;
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1 3. If an appeal, review or writ is sought from the order, the day after the order is
2 affirmed or the appeal, review or writ is dismissed or denied, and the order is no longer subject
3 to further judicial review.

4 Prior to the effective date of the settlement, Defendant will not be required to fund this
5 settlement, in whole or in part, through the claims administrator or any third party.

6 **M.** “Final” means that the Settlement has been finally approved by the Court without
7 material modification and either: (i) the applicable date for seeking appellate review of the Court’s
8 final approval of the Settlement has passed without a timely appeal or request for review having been
9 made; or (ii) if an appeal, review or writ is sought from the final judgment (including an appeal by
10 Class Counsel of any fee reduction), the day after the judgment is affirmed or the appeal, review or
11 writ is dismissed or denied, and the judgment is no longer subject to further judicial review.

12 **N.** “Final Approval Hearing” means the hearing to be conducted by the Court to
13 determine whether to finally approve and implement the terms of this Settlement.

14 **O.** “Gross Settlement Amount” is the maximum potential monetary value to be
15 contributed as part of the settlement payable by Stater Bros. as provided herein, which is Four Million
16 Five Hundred Thousand Dollars (\$4,500,000.00). The Gross Settlement Amount is inclusive of
17 payments to Class Members under the terms of this Settlement, Class Counsel Fees (up to and not to
18 exceed \$1,500,000 of the Gross Settlement Amount), Expenses (not to exceed \$25,000) awarded by
19 the Court, the Class Representative Incentive Award (in the discrete amounts stated hereinabove in
20 paragraph “H”) approved by the Court, the Class Representative’s general release payment of \$5,000,
21 Claims Administration Costs (not to exceed \$100,000), and the LWDA Payment defined below.
22 Defendant shall be responsible for paying the employer-side payroll taxes (including FICA) on the
23 portion of the settlement amounts characterized as wages separately from the Gross Settlement
24 Amount. Plaintiff and Class Counsel are entering into the settlement relied upon the employee class
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1 data provided at mediation. According to Defendant the class size is 34,695.

2 **P.** “Judgment” means the judgment entered by the Court after it grants final approval of
3 this Settlement.

4 **Q.** “Net Settlement Amount” means the Gross Settlement Amount less Class Counsel
5 Fees (up to and not to exceed \$1,500,000 of the Gross Settlement Amount) and Expenses (not to
6 exceed \$25,000) approved by the Court, the Class Representatives’ Incentive and general release
7 payment approved by the Court, the LWDA Payment defined below, Class Member’s portion of
8 employee payroll taxes and the Claims Administration Costs.

9 **R.** “Participating Class Member” means any Class Members who did not timely opt-out
10 of the settlement.

11 **S.** “Preliminary Approval of the Settlement” means the Court’s preliminary approval of
12 the Settlement.

13 **T.** “Settlement Share” means the amount of each Class Member’s share of the Net
14 Settlement Amount, as determined in accordance with the terms of this Settlement.

15 **U.** “Stater Bros.’ Counsel” means Varner & Brandt LLP.

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18 **II. RECITALS**

19 **A.** On June 14, 2016, Plaintiff Gilbert Valadez filed this action in this Court. The
20 Complaint alleged violations of California’s wage and hour laws, including but not limited to claims
21 for failure to pay hourly wages, failure to provide accurate written wage statements, failure to timely
22 pay all final wages and unfair competition. On July 20, 2016, Plaintiff filed a First Amended
23 Complaint adding a Private Attorney General Act (“PAGA”) claim.

24 **B.** On July 11, 2018 the Settling Parties attended mediation with Steve Rottman, a
25 nationally distinguished labor and employment mediator. After lengthy negotiations during which the
26 Class, represented by their counsel, and Stater Bros., represented by its counsel, recognized the
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1 burdens and risk of continuing with the litigation, the Parties reached an agreement to settle and resolve
2 all claims alleged in the matter or which could have been alleged based on the allegations in the
3 Complaint.

4 C. This Settlement represents a good faith compromise and settlement of highly disputed
5 claims. This settlement was reached based upon the Parties assessment of the mutual risks and costs
6 of further litigation and the assessments of their respective counsel, after arms-length negotiations and
7 mediation discussions before Mediator Steve Rottman. Nothing in the Settlement is intended, or may
8 be construed, as an admission by Stater Bros. that any of the claims alleged in the Action have merit,
9 or that bears any liability to the Class Members on those claims, nor as an admission by the Class
10 Members that Stater Bros.'s defenses in the Action have merit. In fact, Stater Bros. filed an Answer
11 in this matter, which generally denies any and all wrongdoing, and denies that it failed to pay its
12 employees all wages due.
13

14 D. The Parties agree that for purposes of this settlement, Plaintiff shall file a Third
15 Amended Complaint ("TAC") to clarify the existing allegations of the "regular rate" allegations to
16 include night shift premiums, and any other pay based on the existing "regular rate" theory, and to add
17 a cause of action for alleged violation of Labor Code 227.3 related to the failure to pay vacation pay
18 at the regular rate of pay. The Parties agree that Defendant's Answer filed in response to the Second
19 Amended Complaint will be deemed as the responsive pleading to the TAC.
20

21 Based on these Recitals, the Settling Parties hereby agree as follows.
22

23 **III. SETTLEMENT TERMS AND CONDITIONS**

24 A. **Gross Settlement Amount.** In order to settle the claims in this Action, Stater Bros.
25 agrees to pay a maximum gross sum of Four Million Five Hundred Thousand Dollars (\$4,500,000.00).
26 This Gross Settlement Amount is inclusive of: payments to Class Members under the terms of this
27 Settlement; PAGA Penalties; Class Counsel Fees (up to and not to exceed \$1,500,000 from the Gross
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1 Settlement Amount) Expenses (not to exceed \$25,000) awarded by the Court; the Class Representative
2 Incentive Awards (as set forth in Definitions paragraph "H") approved by the Court; the Class
3 Representative's general release payment of \$5,000; and Claims Administration Costs (not to exceed
4 \$100,000). Defendant shall be responsible for paying the employer-side payroll taxes (including
5 FICA) on the portion of the settlement amounts characterized as wages separately from the Gross
6 Settlement Amount. Except for the employer-side of payroll taxes, in no event shall Defendant be
7 liable for paying any more than the amount of four million five hundred thousand dollars (\$4,500,000).
8

9 **B. Class Counsel Fees And Expenses.** Stater Bros. and their counsel will not oppose the
10 application to the Court by the Class for an award of Class Counsel Fees and Expenses consisting of:
11 (1) up to \$1,500,000 of the Gross Settlement Amount for attorney's fees; and (2) up to \$25,000 for
12 reimbursement of Class Counsel's costs. Class Members and Class Counsel shall not seek payment
13 of attorney's fees or reimbursement of costs or expenses except as set forth herein. The award of such
14 Class Counsel Fees and Expenses will be paid from the Gross Settlement Amount. Stater Bros. (or
15 the Claims Administrator) will issue an IRS Form 1099 to Class Counsel with respect to the attorney's
16 fees and costs awarded to them. Stater Bros. agrees not to oppose a motion for attorney's fees or a bill
17 of costs for the aforementioned amounts but this should not be construed as approval or endorsement
18 by Stater Bros. of the amount sought, and under no circumstances shall be awarded in excess of the
19 \$1,500,000. Whatever attorney's fees and costs the Court approves shall be paid from the Gross
20 Settlement Amount. Should the Court approve less than the amount of fees and costs requested by
21 Class Counsel the difference shall be included in the Net Settlement Amount.
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24 **C. LWDA Payment.** Of the Gross Settlement Amount, \$100,000.00 shall be deemed
25 payment for the State of California Labor Workforce Development Agency ("LWDA") share of
26 PAGA Penalties, all of which will be payable out of the Gross Settlement Amount. Of the PAGA
27 allotment, the Parties agree that seventy-five percent (75%), (i.e. \$75,000), will be made payable to
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1 the State of California via the Labor Workforce and Development Agency, and the remaining twenty-
2 five percent (25%), i.e. \$25,000, will be distributed among all putative “aggrieved employees,” pay to
3 determined on a pro-rata basis through calculation of number of workweeks worked, of those who
4 were employed by Defendant for one-year before the filing of the LWDA Notice through the date of
5 Preliminary Approval in this Action.
6

7 **D. Class Representative Incentive Awards.**

8 1. Class Counsel will request, and Stater Bros. will not oppose, payment of an incentive
9 award to the Named Plaintiff in the Action in an amount up to and not to exceed \$5,000 for Gilbert
10 Valadez. The incentive award is intended as reasonable additional compensation for the time and
11 effort expended by Gilbert Valadez in connection with the initiation and maintenance of this Action.
12 The Class Representative Incentive Award will be paid from the Gross Settlement Amount, and is in
13 addition to whatever payment the Named Plaintiff is otherwise entitled to as a Class Member. The
14 Class Representative Incentive Award will be reported to the taxing authorities by means of an IRS
15 Form 1099. The amount of the Class Representative Incentive Award is left to and within the Court’s
16 sole discretion. Stater Bros. agrees not to oppose an application for the Class Representative Incentive
17 Award in the above amounts. Whatever Class Representative Incentive Award the Court orders shall
18 be paid from the Gross Settlement Amount. Should the Court approve less than the amount of the
19 Class Representative Incentive Award requested, or not at all, the difference shall be included in the
20 Net Settlement Amount. The Parties agree that the approval, and amount, of any incentive awards in
21 this Action shall be in the Court’s sole discretion and not subject to any appeal by the Named Plaintiff
22 who is the intended recipient of any approved Class Representative Incentive Award. This Settlement
23 is not contingent on the Named Plaintiff’s receipt of any incentive award out of the Settlement
24 Amount.
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27 2. The Class Representative acknowledges and agrees that Stater Bros. and its attorneys
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1 have made no representations or warranties regarding the tax consequences of payment of the
2 Incentive Award, and Class Representative has not relied on any such representations or warranties.
3 Class Representative further agree to pay and bear sole responsibility for all taxes, liens, levies,
4 encumbrances, interest, and penalties that may be due or payable to any taxing authority as a result of
5 payment of the Incentive Award. Furthermore, Class Representative agrees to defend and indemnify
6 Stater Bros. in connection with any taxes, fines interest or penalties incurred as a result of any failure
7 by Class Representatives to pay taxes due, if any, on the Incentive Award paid pursuant to this
8 Agreement.

10 **E. Claims Administration Costs.** The parties agree that KCC, LLC will act as the
11 Claims Administrator in this matter. Class Counsel has or will obtain a “not to exceed” quote from
12 KCC LLC in the amount of \$100,000. The “not to exceed” quote will represent the Claims
13 Administrator’s agreement that, based on the class size and distributions under the terms of this
14 Settlement, the costs for administration of the terms of this Settlement will not exceed a specified
15 monetary amount. All of the Claims Administration Costs shall be paid from the Gross Settlement
16 Amount upon completion of all duties required to be performed by the Claims Administrator under
17 the terms of this Settlement, or as otherwise required by the Court, subject to the “not to exceed” quote
18 from the agreed upon Claims Administrator.

22 **F. Settlement Shares.** After deducting the Class Counsel Fees and Expenses, the Class
23 Representative Incentive Award, the Class Representative general release payment, the LWDA
24 Payment, and the Claims Administration Expenses, the remainder of the Gross Settlement Amount
25 (the “Net Settlement Amount”) will be divided and distributed to the Class as follows:

26 1. Payment To Class Members.

27 The amount that each Class Member will be eligible to receive under the Settlement will be
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1 determined by dividing the number of workweeks worked by each individual Settlement Class
2 member by the total number of workweeks worked by all Settlement Class members in the Class
3 Period who do not opt out, resulting in a payment ratio for each individual Settlement Class member
4 (“Payment Ratio”).

5
6 The gross settlement award payable to each Class Member will be apportioned as follows: 20%
7 as taxable wages, 40% non-taxable penalties and 40% interest. The amounts paid as wages (the “Wage
8 Component”) shall be subject to all tax withholdings customarily made from employee’s wages and
9 all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all
10 amounts will be made subject to backup withholding unless a duly executed W-9 form is received
11 from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and
12 required withholdings other than the tax withholdings customarily made from employees’ wages and
13 shall be reported by IRS 1099 forms.

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15 2. Distributions.

16 a. Defendant will fund the settlement within 30 days of the Effective Date as defined
17 above.

18 b. The Claims Administrator will distribute checks to Class Members (for their Settlement
19 Awards), to the LWDA (for PAGA penalties), to the Named Plaintiff (for the Class Representative
20 Incentive Award approved by the Court, along with his respective Settlement Award and general
21 release payment), and to Class Counsel (for the Class Counsel Fees and Expenses approved by the
22 Court) within thirty (30) calendar days of receipt of payment from Stater Bros. pursuant to this
23 Paragraph.

24
25 c. Settlement checks issued to Participating Class Members will expire one hundred and
26 eighty (180) days from the date they are issued by the Claims Administrator. Any check not cashed
27 within 180 calendar days will be void. Any funds remaining from settlement checks not cashed within
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1 180 days of issuance, shall be distributed to the *Cy Pres* designee which shall be agreed upon by the
2 parties prior to the filing of a motion for preliminary approval

3 3. Taxes. The Claims Administrator will issue a W-2 Form to each Class Member for the
4 Wage Component of each Class Member's Individual Gross Settlement Amount made under the
5 Settlement Agreement, a 1099 form to each Participating Class Member for the Class Member's
6 Penalty/Interest Payment, a 1099 Form to the Named Plaintiff for the Class Representative Incentive
7 Award, a 1099 Form to Class Counsel for the Class Counsel Fees and Expenses, and a 1099 Form to
8 the Claims Administrator for all Claims Administration Costs. All Class Members covered by this
9 Settlement agree that they are not relying on any representations regarding the tax allocation or
10 treatment of any amounts paid to them under the terms of this Settlement and agree to hold Stater
11 Bros. harmless for any and all tax consequences relating to the allocation of the payments made under
12 this Settlement.
13
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15 **G. Payments To Class Do Not Trigger Additional or Derivative Payments.**

16 1. It is expressly understood and agreed that the receipt of settlement payments will not
17 entitle any Class Member to additional or derivative compensation or benefits under any company
18 bonus, contest or other compensation or benefit plan or agreement in place during the period covered
19 by the Settlement, nor will it entitle any Class Member to any increased retirement, 401k benefits or
20 matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the
21 settlement awards provided for in this Agreement are the sole payments to be made by Stater Bros. to
22 the Class Members, and that the Class Members are not entitled to any additional or derivative
23 compensation or benefits as a result of having received the settlement payments (notwithstanding any
24 contrary language or agreement in any benefit or compensation plan document that might have been
25 in effect during the period covered by this Settlement).
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1 2. This is an all in nonrevisionary settlement. Class members will not need to make
2 claims but will be mailed checks directly. Under no circumstances will any remaining money from
3 the Gross Settlement Amount revert to Defendant.

4 **H. Motion For Preliminary Approval.**

5 1. Class Counsel will file an unopposed motion with the Court (the “Preliminary Approval
6 Motion”) seeking an order approving the Settlement; setting a date for the Final Approval Hearing;
7 and approving the Notice of Settlement to the Class, Preliminary Approval of the Class Settlement,
8 and Final Approval Hearing (the “Class Notice”) (in the form attached hereto as “Exhibit A”), and the
9 procedure for opting-out or objecting to the Settlement. The Preliminary Approval Motion will be
10 filed within 90 days of the filing of any Joint Stipulation regarding Class Action Settlement with the
11 Court. Stater Bros.’s counsel will not respond or will file a notice of non- opposition to the motion.
12

13 2. At the hearing on the Preliminary Approval Motion, the Settling Parties will jointly
14 appear, and support the granting of the motion, and submit a Proposed Order Approving the
15 Settlement, Approving Notice to Class and Claim Form, and Setting Hearing for Final Approval of
16 Settlement (the “Proposed Order”).
17

18 3. Should the Court, after a reasonable opportunity to cure and remedy any stated
19 deficiencies, ultimately decline to grant preliminarily approval of the Settlement as proposed by the
20 Parties, then the Settlement is terminated and the parties will revert to their respective positions.
21

22 **I. Mailing Of Class Notice To Class Members.**

23 After the Court enters its order granting preliminary approval of the Settlement, all Class
24 Members will be provided with the Class Notice (completed to reflect the order granting preliminary
25 approval of the Settlement) by the Claims Administrator as follows:

26 1. Within thirty (30) calendar days after the Court grants preliminary approval of the
27 Settlement, Stater Bros. will provide to the Claims Administrator updated contact information for
28

1 Settlement Class Members, including last known addresses and telephone numbers (if available in
2 Stater Bros.'s data systems), Social Security numbers, the dates of hire and, if applicable, termination
3 date for each Class Member. The list of Settlement Class Members, without any personal contact
4 information or the social security number, will be provided to Class Counsel to be used for no purpose
5 other than to monitor the settlement and to facilitate the Claims Administrator with management of
6 any updated address information. The data provided to the Claims Administrator, and the list of Class
7 Members provided to the Claims Administrator and Class Counsel, will be treated as confidential and
8 will not be disclosed to anyone, except as may be required to applicable tax authorities, pursuant to
9 Stater Bros.'s express written consent, by order of the Court, or to carry out the reasonable steps
10 described in this Settlement to locate missing Class Members.
11

12 2. Within thirty (30) calendar days after receiving the Class Member information from
13 Stater Bros., the Claims Administrator will mail the Class Notice to all identified Class Members via
14 first-class regular U.S. Mail, using the last known address information provided by Stater Bros., unless
15 such address is modified by any updated address information that the Claims Administrator obtains in
16 the course of administration of the Settlement. Prior to completing this mailing, the Claims
17 Administrator will perform a National Change of Address ("NCOA") search to confirm the validity
18 of each listed Class Member's address.
19

20 3. If any Class Notices are returned as undeliverable within thirty (30) calendar days of
21 the mailing of the Class Notice with a forwarding address, the Claims Administrator shall have five
22 (5) calendar days to re-mail the Class notice to the forwarding address. If any Class Notices are
23 returned as undeliverable within thirty (30) calendar days of the mailing of the Class Notice without a
24 forwarding address, the Claims Administrator will have five (5) calendar days from receipt of the
25 returned Class Notices to search for a more current address for the Class Member and to re-mail the
26 Class Notice to the Class Member. This inquiry shall include a skip-trace search. The Claims
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1 Administrator will be responsible for taking all reasonable steps, consistent with its agreed upon job
2 parameters, Court orders and fee, as agreed to with Class Counsel and according to the deadlines set
3 forth in this Settlement, to trace the mailing address of any Class Member for whom a Class Notice is
4 returned by the U.S. Postal Service as undeliverable. These reasonable steps will include, at a
5 minimum, the tracking of all undelivered mail, performing an address search for all mail returned
6 without a forwarding address, and promptly re-mailing the Class Notice and Claim Form to Class
7 Members for whom new addresses are found. If the Class Notice is re-mailed, the Claims
8 Administrator will note for its own records the date and address of each such re-mailing and so notify
9 Class Counsel and Stater Bros.'s Counsel. The obligation to trace and resend returned Class Notices
10 shall cease after two mailings or thirty (30) calendar days after the initial mailing, whichever occurs
11 first. The time period to respond may not be extended on account of a returned or undeliverable
12 mailing.
13

14
15 4. The Claims Administrator shall provide weekly status reports to counsel for the Parties,
16 including: (a) the number of Class Notices mailed; (b) the number of Claim Forms filed; (c) the number
17 of objections filed; and (d) the number of Requests for Exclusion filed.

18
19 5. No later than thirty (30) calendar days before the Final Approval Hearing, the Claims
20 Administrator will serve on Class Counsel and Stater Bros.'s counsel, for filing with the Court in
21 support of Plaintiff's motion for final approval of the Settlement, a declaration of due diligence setting
22 forth its compliance with its obligations under this Settlement.

23 **J. Opt Outs and Objections To Settlement.**

24 Class Members are not required to sign a claim form to participate. Class Members may opt
25 out of the settlement or submit objections to the Settlement pursuant to the following procedures:

26 1. The Class Notice will provide that Class Members who do not want to participate in
27 the settlement may exclude themselves by submitting an opt-out notice to the Claims Administrator
28

1 not later than thirty (30) calendar days after the date that the Claims Administrator first mails the Class
2 Notice ("Opt-Out Deadline"). To be valid, the Class Member must fill out the Opt-Out Notice: (1)
3 must contain the full name, address and last four digits of the social security number of the person
4 requesting to opt-out; and (2) must be signed by the person requesting to opt-out. The opt-out notice
5 should also state in substance: "I wish to exclude myself from the class action Settlement in the
6 Valadez case and that I understand that by requesting to be excluded from the Settlement, I will receive
7 no money from the Settlement." If the Request for Exclusion does not contain the information listed
8 in (1)-(2) or is not postmarked by the Response Deadline and returned to the Claims Administrator at
9 the specified address, it will not be deemed a timely and valid request to opt-out of the Settlement. If
10 the Request for Exclusion is not filled out on the official Opt-Out Form, it will not be deemed a timely
11 and valid request to opt-out of the Settlement. The date of the postmark on the return mailing envelope
12 shall be the exclusive means used to determine whether the opt-out form has been timely submitted.
13 Any Class Members who submit a timely and valid opt-out notice from the Settlement will not be
14 entitled to any recovery under the Settlement and will not be bound by the terms of the Settlement or
15 have any right to object, appeal, or comment thereon. Class Members who fail to submit a timely and
16 valid opt-out request on or before the Response Deadline shall be Class Members bound by all terms
17 of the Settlement and the Final Approval Order entered in this Action if the Settlement is approved by
18 the Court. No later than fourteen (14) calendar days after the Response Deadline, the Claims
19 Administrator shall provide Counsel for the Defendant with a complete list of all Class Members who
20 have timely submitted valid Requests for Exclusion, including their name and social security number.
21 Class Counsel shall be provided with a summary report that includes only the number of Requests for
22 Exclusion received by the Claims Administrator. If more than 5% of the Class Members opt-out of
23 the Agreement Stater Bros. has the right to terminate the Settlement. Notice of the termination of the
24 Settlement must be provided pursuant to the time frame set forth in section III (L)(3).
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1 2. The Class Notice will provide that Class Members who wish to object to the Settlement
2 must file with the Court and serve on the Claims Administrator and Counsel for the Settling Parties,
3 not later than thirty (30) calendar days after the date that the Claims Administrator first mails the Class
4 Notice (“Objection Deadline”), a written statement objecting to the Settlement and setting forth the
5 grounds for the objection. The written statement of objection must indicate whether the Class Member
6 intends to appear and object to the Settlement at the Final Approval Hearing, and the failure to so
7 indicate will constitute a waiver of the right to appear at the Final Approval Hearing. However, if a
8 Class Member opts out of the Settlement s/he cannot object to the settlement.
9

10 3. A Class Member who does not file and timely serve an objection in the manner and by
11 the Objection Deadline specified above will be deemed to have waived all objections and will be
12 foreclosed from making any objections to the Settlement, whether by appeal or otherwise.
13

14 4. If a Class Member who has timely filed an objection to the Settlement files a Notice of
15 Appeal of the judgment within the time period prescribed by law, Stater Bros. shall not be required to
16 fund any portion of the Gross Settlement Amount, and the Claims Administrator shall not distribute
17 or pay any monies until the appeal(s) are finally resolved in favor of the settlement or dismissed with
18 prejudice.
19

20 **K. Resolution of Class Member Disputes Over Compensable Weeks Worked.**

21 1. If a Class Member disputes the number of Compensable Weeks Worked stated for that
22 Class Member in Exhibit A to the Class Notice, the Class Member must ask the Claims Administrator
23 to resolve the matter by submitting in writing under penalty of perjury the number of Compensable
24 Weeks Worked that the Class Member claims to have actually worked for Stater Bros. as a non-exempt
25 retail employee during the Class Period. Such Class Members also will be asked to submit all
26 supporting documentation they may have. If such a dispute arises with respect to a Class Member,
27 Stater Bros. will manually review its payroll and personnel records to verify the correct number of
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1 Compensable Weeks Worked. Stater Bros.'s records shall have a rebuttable presumption of
2 correctness.

3 2. After consultation with Class Counsel and Counsel for Stater Bros., the Claims
4 Administrator will make a determination of the Class Member's Compensable Weeks Worked. This
5 determination shall be final and binding on the Settling Parties and the Class Member unless a request
6 for review thereof is submitted by Class Counsel (on behalf of the affected Class Member) or Counsel
7 for Stater Bros. to the Court, which will make a final decision at the Final Approval Hearing, and is
8 non-appealable.
9

10 **L. No Solicitation of Objections or Requests for Exclusion.** Neither the Settling Parties
11 nor their respective counsel or management will solicit or otherwise encourage any Class Member,
12 directly or indirectly, to object to the Settlement, or appeal from the Judgment.
13

14 **M. Additional Briefing and Final Approval.**

15 1. As soon as practicable following the deadline for objecting to or opting out of the
16 settlement, Class Counsel will file with the Court a motion for final approval of the Settlement and a
17 memorandum in support of his motion, which Stater Bros. agrees it will not oppose. While the notice
18 period is pending, the Class Members and Class Counsel will also move for an award of the Class
19 Representative Incentive Award and Class Counsel Fees and Expenses pursuant to and in accordance
20 with the terms of this Settlement, with a memorandum in support of their motion, which Stater Bros.
21 agrees it will not oppose.
22

23 2. Not later than five (5) court days before the Final Approval Hearing, the Settling Parties
24 may file, jointly or separately, a reply in support of the motion for final approval of the Settlement as
25 may be necessary or helpful to the Court regarding the subject matter of the Final Approval Hearing.
26 In addition, the Settling Parties and Class Counsel may file replies in support of the motions for the
27 Class Representative Incentive Award and the Class Counsel Fees and Expenses as may be necessary
28

1 or helpful to the Court regarding the subject matter of the motions.

2 3. Either Settling Party may terminate this Settlement by giving written notice to the other
3 Settling Party (through its counsel) no later than twenty (20) calendar days after receiving notice that
4 one of the following has occurred: (i) the Court denies approval of the Settlement; (ii) the Settlement
5 does not become final because of any appellate court action; or (iii) the Court's final approval of the
6 Settlement is reversed or materially modified on appellate review.
7

8 4. In the event termination of this Settlement is provided in accordance with the foregoing,
9 this Settlement will become and shall be considered null and void, and it will have the following
10 effects: (i) the Settling Parties will have no further obligations under the Settlement; (ii) Stater Bros.
11 shall have no obligation to make any payments to any person, party, Class Member or attorney that
12 otherwise would have been owed under this Settlement, except that Stater Bros. will pay the Claims
13 Administrator's reasonable fees and expenses incurred as of the date that the Settlement is terminated;
14 (iii) the Preliminary Approval Order, Final Approval Order and Judgment, including any order of class
15 certification, shall be vacated; (iv) the Settlement and all negotiations, statements and proceedings
16 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
17 restored to their respective positions in the Action prior to the Settlement; and (v) neither this
18 Settlement nor any ancillary documents, actions, statements or filings in furtherance of settlement
19 (including all matters associated with the mediation) shall be admissible or offered into evidence in
20 the Action or any other case or proceeding for any purpose whatsoever.
21

22 5. Upon final approval of the Settlement by the Court at or after the Final Approval
23 Hearing, the Settling Parties will present a Final Judgment for the Court's approval and entry. After
24 entry of the Final Judgment, the Court will have continuing jurisdiction over the Action and the
25 Settlement solely for purposes of: (i) enforcing this Settlement, (ii) addressing any claims
26 administration matters that may arise; and (iii) addressing such post-Judgment matters as may be
27
28

1 appropriate under court rules or applicable law.

2 **N. Dispute Resolution.** Any disputes not resolved by the Claims Administrator or the
3 Settling Parties will be resolved by the Court. Before any such resort to the Court, counsel for the
4 Settling Parties will confer in good faith in an attempt to resolve the dispute.

5 **O. Waiver of Right to Appeal.** The Settling Parties agree to waive all appeals from the
6 Court's Final Approval of this Settlement, with the exception that Class Counsel may appeal any
7 reduction in the Class Counsel's Fees and Expenses.

8
9 **P. Release of Claims.**

10 1. Release of Claims By Class Members. In exchange for the consideration, undertakings,
11 and covenants undertaken by Stater Bros. in this Settlement, all Class Members will release all state
12 and federal wage claims against Defendant, and its present and former parents, subsidiaries, co-
13 employers, and each of their respective present and former owners, boards, directors, officers, trustees,
14 shareholders, members, partners, employees, agents, attorneys, representatives, successors and
15 assigns, and present and former parents, subsidiaries, affiliated and related parties, and each of them,
16 of any and all claims, debts, liabilities, demands, actions, or causes of actions of every nature and
17 description that were alleged or that reasonably could have arisen out of the factual allegations
18 contained in the operative Complaint (the "Complaint") on file with this court including, but not
19 limited to: all wages earned, including any straight-time, overtime, double time or other premium
20 wages, vacation pay, waiting time penalties, itemized wage statement penalties, any other related
21 penalties, attorney's fees, and/or costs and all claims under the Private Attorneys General Act of 2004,
22 and the Unfair Competition Law, arising from the claims described above within the Class Period (the
23 "Claims"). The settlement also contemplates that Plaintiff Valadez, in consideration for receipt of an
24 enhanced award, will execute a general release of any and all claims, including his Claims in the
25 Complaint
26
27
28

1 As of the Effective Date, Named Plaintiff and the Settlement Class release the Released Parties
2 from the Released Claims in exchange for the consideration provided by this Settlement. The Named
3 Plaintiff may hereafter discover facts in addition to or different from those they now know or believe
4 to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, shall
5 be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled
6 and released any and all of the Released Claims, whether known or unknown, suspected or
7 unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any
8 theory of law or equity now existing, including, but not limited to, conduct that is negligent,
9 intentional, with or without malice, or a breach of any duty, law or rule, without regard to the
10 subsequent discovery or existence of such different or additional facts.
11

12 2. No DLSE/DOL/Other Claims For Monetary Relief. All Class Members shall be
13 enjoined from seeking any monetary relief/award by filing any claims with the Division of Labor
14 Standards and Enforcement or Department of Labor, or from initiating other proceedings regarding
15 claims released under this Settlement pending final approval of the Settlement by the Court.
16

17 3. Complete And General Release By Named-Plaintiff Gilbert Valadez III. In addition to
18 the releases of the claims enumerated above, including but not limited to the Released Claims, the
19 Named Plaintiff, in exchange for a general release payment of FIVE-THOUSAND DOLLARS AND
20 ZERO CENTS (\$5,000), hereby provides Stater Bros. and all of the Released Parties a complete and
21 general release of all known and unknown claims, including but not limited to any claims arising out
22 of his employment or, the ending of employment. This complete and general release applies to any
23 and all claims, without limitation, against Stater Bros. and all of the Released Parties. Plaintiff
24 expressly acknowledges and waives all of the rights afforded to him under California Civil Code §
25 1542, which reads as follows:
26

27 “A general release does not extend to claims which the creditor does not know or suspect to exist in
28

1 his or her favor at the time of executing the release, which if known by him or her must have materially
2 affected his or her settlement with the debtor.”

3 **Q. Publicity.**

4 1. The Parties and their Counsel agree that they will not issue any press releases, initiate
5 any contact with the press, respond to any press inquiry or have any communication with the press
6 about the fact, amount or terms of the Settlement. The Parties and their Counsel further agree not to
7 distribute or advertise any materials which relate to the Settlement of this case, including but not
8 limited to any postings on any websites maintained or used by Class Counsel, and under no
9 circumstances shall Class Counsel identify Defendant’s name, business or trade, case name, case
10 number or settlement amount. To the extent possible, Plaintiff, the Class and Class Counsel shall
11 refrain from publicizing the Settlement of this case, its settlement terms, Defendant’s name, business
12 or trade. .

13
14 2. The Parties will confer in good faith to agree upon adequate confidentiality provisions
15 to prevent the class representatives and their counsel from, prior to the filing of a preliminary approval
16 motion, discussing the terms or the fact of the settlement with third parties other than: (1) their spouses,
17 or (2) their respective accountants or lawyers as necessary for tax purposes. Outside of legal
18 obligations of filing necessary documents for approval with the Court, Plaintiff and Class Counsel
19 agree not to publish or make published by direct or indirect cause the legal names of the Parties, any
20 of the terms, or conditions as it relates to this settlement.

21 3. Nothing herein shall be interpreted as preventing any good-faith communications by
22 any Counsel and/or any Parties with the Court, the Class Members, or the Claims Administrator.

23 **R. Fair, Adequate And Reasonable Settlement.** This Settlement was reached after
24 extensive negotiations. The Settling Parties believe and agree that this Settlement is a fair, adequate,
25 and reasonable resolution of the Action and have arrived at this Settlement in arms-length negotiations,
26
27
28

1 taking into account all relevant factors, present and potential, and will so represent it to the Court.

2 **S. No Admission Of Liability.** Stater Bros. denies any and all alleged wrongdoing or the
3 violation of any rights of the Named Plaintiff and/or all Class Members. By entering into this
4 Settlement, Stater Bros. does not admit, and in fact specifically disclaims, the violation of any law or
5 regulation. This Settlement is entered into solely for the purpose of compromising highly disputed
6 claims. Nothing in this Settlement is intended or will be construed as an admission of any liability or
7 wrongdoing by Stater Bros., or as an admission by the Class Members that any of their claims were
8 non-meritorious or that any defense asserted by Stater Bros. was meritorious. This Settlement and the
9 fact that the Settling Parties were willing to settle the Action and have entered into this Settlement will
10 have no bearing on, and will not be admissible in connection with, any litigation, other than as is
11 necessary to enforce the terms of this Settlement.
12

13 **T. Miscellaneous Terms.**

14 1. Integrated Agreement. After it is signed and delivered by all Parties and their counsel,
15 this Settlement and its exhibits will constitute the entire agreement between the Settling Parties relating
16 to the terms of Settlement, and will supersede any prior or contemporaneous oral representations,
17 warranties, covenants, or inducements made to any Settling Party concerning this Settlement or its
18 exhibits, including the Settlement Terms.
19

20 2. Execution in Counterparts. This Settlement may be executed in one or more
21 counterparts and by facsimile or PDF version. All executed counterparts, and each of them, will be
22 deemed to be one and the same instrument, provided that counsel for the Settling Parties will exchange
23 between themselves original signed counterparts. Facsimile or PDF signatures will be accepted if the
24 original signature is made available upon request within seven days. Any executed counterpart will
25 be admissible in evidence to prove the existence and contents of this Settlement.
26

27 3. Modification of Settlement. This Settlement, and any and all parts of it, may be
28

1 amended, modified, changed, or waived only by an express written instrument signed by all Settling
2 Parties or their successors-in-interest.

3 4. Settlement Binding on Successors. This Settlement will be binding upon, and inure to
4 the benefit of, the successors of each of the Settling Parties.

5 5. Applicable Law. All terms and conditions of this Settlement and its exhibits will be
6 governed by and interpreted according to the laws of the State of California, without giving effect to
7 any conflict of law or choice of law principles.

8 6. Interim Stay of Proceedings. The Parties agree to a 180 day stay of all proceedings in
9 the Action, subject to necessary compliance with the Court's orders, except such proceedings
10 necessary to implement and complete the Settlement, in abeyance pending the Final Approval Hearing
11 to be conducted by the Court.

12 7. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
13 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement
14 and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this
15 Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms
16 of this Agreement. The Parties and their counsel will cooperate with each other and use their best
17 effort to effect the implementation of the Settlement. In the event the Parties are unable to reach
18 agreement on the form or content of any document needed to implement the Settlement, or on any
19 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the
20 Parties may seek the assistance of the Court to resolve such disagreement. The person(s) signing this
21 Agreement on behalf of Defendant represent and warrant that they are authorized to sign this
22 Agreement on behalf of Defendant. Plaintiff represents and warrant that he is authorized to sign this
23 Agreement and that he has not assigned any claim, or part of a claim, covered by this Settlement to a
24 third-party.
25
26
27
28

1 8. Notices. Unless otherwise specifically provided herein, all notices, demands or other
2 communications given hereunder shall be in writing and shall be deemed to have been duly given as
3 of the third business day after mailing by United States registered or certified mail, return receipt
4 requested, addressed as follows:
5

6
7 To Class Counsel:

8 SHAUN SETAREH, SBN 204514
9 THOMAS SEGAL, SBN 222791
10 FARRAH GRANT, SBN 293898
11 SETAREH LAW GROUP
12 9454 Wilshire Boulevard, Suite 907
13 Beverly Hills, CA 90212
14 Telephone: (310) 888-7771
15 Fax: (310) 888-0109

16
17 To Stater Bros.:

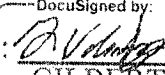
18 BRENDAN W. BRANDT, SBN 150603
19 MICHELLE M. WOLFE, SBN 156666
20 JEFF T. OLSEN, SBN 283249
21 VARNER & BRANDT LLP
22 3750 University Avenue, Suite 610
23 Riverside, California 92501
24 Telephone: (951) 274-7777
25 Facsimile: (951) 274-7770

26
27 9. Cooperation in Drafting. The Settling Parties have cooperated in the drafting and
28 preparation of this Settlement. This Settlement will not be construed against any Settling Party on the
basis that the Settling Party was the drafter or participated in the drafting.

1 IT IS SO AGREED:

2
3 Dated: 11/16/2018

PLAINTIFF AND THE CLASS

4 By: ^{DocuSigned by:} 
GILBERT VALADEZ on behalf of himself all
others similarly situated, and the general public

6 DEFENDANT STATER BROS. MARKETS

8
9 Dated: November 12, 2018

10 By: 
BRUCE D. VARNER

11 Its: Secretary

12
13 APPROVED AS TO FORM:

14
15
16 Dated: 11-19-18

SETAREH LAW GROUP

17 By: 
18 SHAUN SETAREH
Attorneys for Plaintiff
19 Gilbert Valadez and the proposed
SETTLEMENT CLASS

20
21
22
23 Dated: November 12, 2018

24 VARNER & BRANDT LLP
By: 
BRENDAN W. BRANDT
Attorneys for Defendant
25 STATER BROS. MARKETS
26
27
28

EXHIBIT “A”

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO

GILBERT VALADEZ, on behalf of himself,
all others similarly situated, and the general
public,

Plaintiff,

vs.

STATER BROS. MARKETS; a California
corporation, and DOES 1-50, inclusive,

Defendants.

Case No. CIVDS1701283

ASSIGNED FOR ALL PURPOSES TO JUDGE
BRYAN F. FOSTER, DEPT S22

CLASS ACTION

**NOTICE OF PROPOSED CLASS ACTION
SETTLEMENT AND FAIRNESS HEARING**

Date:
Time:
Dept: S22

Trial Date: None Set
Complaint Filed: January 9, 2017

TO: All current and former non-exempt retail employees of Stater Bros. Markets who worked at
any time between June 14, 2012 and September 6, 2018.

THIS NOTICE MAY AFFECT YOUR RIGHTS.

PLEASE READ THIS NOTICE CAREFULLY.

YOU ARE HEREBY NOTIFIED THAT A HEARING HAS BEEN SCHEDULED FOR
_____, 2019 AT _____ BEFORE THE HONORABLE BRYAN F. FOSTER,
SUPEIOR COURT JUDGE OF THE STATE OF CALIFORNIA, COUNTY OF SAN
BERNARDINO, TO CONSIDER A PROPOSED SETTLEMENT OF THE CLAIMS THAT HAVE
BEEN BROUGHT ON YOUR BEHALF.

This notice summarizes the proposed settlement. For the precise terms and conditions of the
settlement, please see the settlement agreement available at _____, by

1 contacting class counsel (contact information set out in section VII below), by accessing the Court
2 docket in this case through the _____, or by visiting the office of the Clerk of the
3 Court for located at located at 247 West Third Street, San Bernardino, California, 92415, Monday
4 through Friday, excluding Court holidays. PLEASE DO NOT TELEPHONE THE COURT OR THE
5 COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM
6 PROCESS.

7 **I. INTRODUCTION**

8 On June 14, 2016, Plaintiff Gilbert Valadez filed a lawsuit against defendant Stater Bros.
9 Markets ("Stater Bros.") for damages, interest, penalties and other monetary relief for failure to pay
10 hourly wages, failure to provide accurate written wage statements, failure to timely pay all final wages
11 and unfair competition. On July 20, 2016, Plaintiff filed a First Amended Complaint adding a Private
12 Attorney General Act ("PAGA") claim.

13 Class Counsel in this matter is Setareh Law Group.

14 A tentative settlement of the case has been reached with Stater Bros. The settlement applies
15 to all members of the following settlement class: All non-exempt retail employees who worked at any
16 time between June 14, 2012 and September 6, 2018.

17 **II. THE REASON YOU HAVE RECEIVED THIS NOTICE**

18 You are a Class Member for purposes of the settlement of this case. Your rights will be
19 affected because the current Class Representative, Gilbert Valadez and Stater Bros. ("the Parties")
20 have tentatively settled the lawsuit. Pursuant to that tentative settlement, the Court is considering the
21 entry and final approval of the settlement. On _____, 2019, the Court preliminarily
22 determined that this lawsuit could be settled against Stater Bros.

23 You are hereby notified that:

- 24 1. A settlement of the claims of on behalf of Class Members has been proposed by Class
25 Representative Gilbert Valadez, on the one hand, and Stater Bros., on the other.
- 26 2. The proposed Settlement has been submitted to the Court and has received preliminary
27 approval.
- 28 3. You and any Class Members have the right to object to the proposed settlement by following
the procedures in Part V of this notice or to opt out of the proposed settlement by following
the procedures set forth in Part VI of this notice.
4. A hearing to finally approve the settlement is scheduled for _____, 2019 at _____
in Dept. 22, at the San Bernardino Superior Court, located at 247 West Third Street, San
Bernardino, California, 92415, before the Honorable Bryan Foster.

At the hearing, any Class Member who did not opt out may appear and object to the proposed
settlement. However, no such person shall be heard at the hearing, and no papers or written briefs
shall be considered, unless the procedures set forth in Part V of this Notice have been followed. You
should read that part carefully. Class Members who do not make objections in the manner provided
in Part V of this Notice shall be deemed to have waived such objections.

This notice is not to be understood as an expression of any opinion by the Court as to the merits
of any claims or defenses asserted by any party in these lawsuits. This notice is sent for the sole

1 purpose of informing you of the pendency of this lawsuit and the terms of the proposed settlement so
2 that you may make appropriate decisions. In the event of any conflicts between this notice and the
3 Settlement Agreement, the terms of the Settlement Agreement shall govern. You may obtain a copy
4 of the Settlement Agreement by contacting Class Counsel, who are identified in Part VII below.

5 **III. NATURE OF THE LAWSUIT**

6 In this case, Plaintiff sued Stater Bros. for (1) failure to pay hourly wages, (2) failure to provide
7 accurate written wage statements, (3) failure to timely pay all final wages, (4) unfair competition; (5)
8 civil penalties under the Private Attorney General Act (“PAGA”), and (6) any other claim for penalties,
9 as well as fees and costs. Stater Bros. denied and continues to deny all of the allegations made by
10 Plaintiff.

11 Plaintiff and Stater Bros. have tentatively settled this lawsuit. The Settlement has received
12 preliminary approval of the Court, subject to notice being provided to Class Members and final
13 approval by the Court after a public hearing. This proposed settlement is described in the next section.

14 As a Class Member, you will receive money from the proposed Settlement if the Court grants
15 final approval. If the proposed settlement is not approved, then the offer of settlement will be deemed
16 withdrawn, and the case will proceed in Court as if no settlement had ever been made.

17 **IV. SUMMARY OF THE RELIEF GRANTED BY THE PROPOSED SETTLEMENT** 18 **AGREEMENT**

19 For purposes of settlement, and without admitting any liability, Stater Bros. has agreed to
20 provide certain relief to Class Members. The following is only a summary of the relief contained in
21 the proposed Settlement. In the event there are any conflicts between this Notice and the Settlement
22 Agreement, the terms of the Settlement shall govern. For a copy of the proposed Settlement, you may
23 contact Class Counsel, whose names, addresses, and telephone numbers are listed below in Part VII.
24 The relief granted by the proposed Settlement Agreement is summarized as follows:

- 25 1. Stater Bros. will pay class members the Net Settlement Amount. The Net Settlement Amount
26 will be the Gross Settlement Amount, less attorneys’ fees and costs awarded to Class Counsel,
27 any enhancement awarded to the Class Representative, the costs of the appointed Claims
28 Administrator, and payment of \$100,000.00 to the California Labor Workforce and
Development Agency (LWDA) (75% goes to the LWDA and 25% to Class Members).
2. Out of the Sum, Stater Bros. will pay reasonable attorneys’ fees in a maximum amount not to
exceed \$1,500,000 and actual costs incurred by Class Counsel (not to exceed \$25,000). All
payments for attorneys’ fees and costs will be paid from the Sum, which will reduce any
payments made to the Certified Class. Class Counsel will apply to the court for approval of
their attorneys’ fees and costs at the hearing scheduled for _____, 2019 at _____.
3. Class Representative Gilbert Valadez will apply for an enhancement payment in the amount
of \$10,000. The enhancement payment is in recognition of the time and efforts he expended
in this case on behalf of the Certified Class.
4. The Settlement provides monetary compensation to Class Members for unpaid compensation,
interest thereon, PAGA penalties and other penalties.
5. Any Participating Class Member has the right to object to the proposed settlement by
following the procedures set forth in Part V below or to opt out as set forth in Part VI below.

- 1
2 6. In exchange for the payments set for above, the Certified Class Member will provide Stater
3 Bros. with the releases set forth in Section VIII below.

4 Based upon the equitable formula that has been devised, there will be substantial differences
5 among Class Members as to the amount each individual Participating Class Member will receive in
6 settlement. The amount that each Class Member will be eligible to receive under the Settlement will
7 be determined by dividing the number of workweeks worked by each individual Settlement Class
8 member by the total number of workweeks worked by all Settlement Class members in the Class
9 Period who do not opt out

10 **V. HEARING AND PROCEDURE FOR OBJECTING TO THE SETTLEMENT** 11 **AGREEMENT**

12 If you are satisfied with the proposed Settlement Agreement, you do not need to appear at the
13 hearing at which the Court will consider final approval of the Settlement Agreement. If you object to
14 the proposed Settlement Agreement, you MUST take the following steps. Your failure to do so will
15 be deemed a waiver of your objections and will result in a foreclosure of your right to make any
16 objections to the Settlement, whether by appeal or otherwise:

17 A. So that it is postmarked by _____, 2019, you MUST mail a request by first
18 class postage to the San Bernardino Superior Court, located at 247 West Third Street, San Bernardino,
19 California, 92415.

20 B. You can ask the Court to deny approval by filing an objection. You can't ask the Court
21 to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies
22 approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you
23 want to happen, you must object. You may object to the proposed settlement in writing. You may also
24 appear at the Final Approval Hearing, either in person or through your own attorney. If you appear
25 through your own attorney, you are responsible for paying that attorney.

26 C. All written objections and supporting papers must (a) clearly identify the case name
27 and number (*Valadez v. Staer Bros. Markets et al.*, Case No. CIVDS1701283, (b) be submitted to the
28 Court either by mailing them to Class Action Clerk, San Bernardino Superior Court, 247 West Third
Street, San Bernardino, California, 92415, and (c) be filed or postmarked on or before
_____."

29 **VI. OPT-OUT PROCEDURE**

30 You may exclude yourself by submitting an opt-out notice to the Claims Administrator at [list
31 address] not later than thirty (30) calendar days after the date that the Claims Administrator first mails
32 the Class Notice – that means that it must be post-marked by _____, 2019. To be valid, the opt-out
33 notice: (1) must contain your full name, address and last four digits of your social security number;
34 and (2) must be signed by you. The opt-out notice should also state in substance: "I wish to exclude
35 myself from the class action Settlement in the Valadez case and that I understand that by requesting
36 to be excluded from the Settlement, I will receive no money from the Settlement." If the Request for
37 Exclusion does not contain the information listed in (1)-(2) or is not postmarked by the date stated
38 above and returned to the Claims Administrator at the specified address, it will not be deemed a timely
and valid request to opt-out of the Settlement. The date of the postmark on the return mailing envelope
shall be the exclusive means used to determine whether the opt-out form has been timely submitted.
Any Class Members who submit a timely and valid opt-out notice from the Settlement will not be
entitled to any recovery under the Settlement and will not be bound by the terms of the Settlement or
have any right to object, appeal, or comment thereon. Class Members who fail to submit a timely and
valid opt-out request on or before the Response Deadline shall be Class Members bound by all terms

1 of the Settlement and the Final Approval Order entered in this Action if the Settlement is approved by
2 the Court.

3 **VII. CLASS COUNSEL**

4 If you have any questions concerning the proposed Settlement Agreement, or this Notice, you
5 may contact either of the following Class Counsel:

6 SHAUN SETAREH, SBN 204514
7 THOMAS SEGAL, SBN 222791
8 FARRAH GRANT, SBN 293898
9 SETAREH LAW GROUP
10 315 S. Beverly Drive, Suite 315
11 Beverly Hills, CA 90212
12 Telephone: (310) 888-7771
13 Fax : (310) 888-0109

14 BRENDAN W. BRANDT, SBN 150603
15 MICHELLE M. WOLFE, SBN 156666
16 JEFF T. OLSEN, SBN 283249
17 VARNER & BRANDT LLP
18 3750 University Avenue, Suite 610
19 Riverside, California 92501
20 Telephone: (951) 274-7777
21 Fax: (951) 274-7770

22 **VII. Releases**

23 If you participate in the settlement you will agree to provide the following release of claims
24 against Stater Bros.:

25 In exchange for the consideration, undertakings, and covenants undertaken by Stater Bros.
26 in this Settlement, all Class Members will release all state and federal wage claims against
27 Defendant, and its present and former parents, subsidiaries, co-employers, and each of their
28 respective present and former owners, boards, directors, officers, trustees, shareholders,
members, partners, employees, agents, attorneys, representatives, successors and assigns,
and present and former parents, subsidiaries, affiliated and related parties, and each of
them, ("Released Parties") of any and all claims, debts, liabilities, demands, actions, or
causes of actions of every nature and description that were alleged or that reasonably could
have arisen out of the factual allegations contained in the operative Complaint (the
"Complaint") on file with this court including, but not limited to: all wages earned,
including any straight-time, overtime, double time or other premium wages, vacation pay,
waiting time penalties, itemized wage statement penalties, any other related penalties,
attorney's fees, and/or costs and all claims under the Private Attorneys General Act of
2004, and the Unfair Competition Law, arising from the claims described above within the
Class Period (the "Claims"). The settlement also contemplates that Plaintiff Valadez, in
consideration for receipt of an enhanced award, will execute a general release of any and

1 all claims, including his Claims in the Complaint (“all of which are hereinafter referred to
2 as “Released Claims”).

3 2. As of the Effective Date, Named Plaintiff and the Settlement Class release the
4 Released Parties from the Released Claims in exchange for the consideration provided by this
5 Settlement. The Named Plaintiff may hereafter discover facts in addition to or different from those
6 they now know or believe to be true with respect to the subject matter of the Released Claims, but
7 upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall
8 have, fully, finally, and forever settled and released any and all of the Released Claims, whether
9 known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or
10 heretofore have existed, upon any theory of law or equity now existing, including, but not limited
11 to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or
12 rule, without regard to the subsequent discovery or existence of such different or additional facts.

13 **PLEASE DO NOT TELEPHONE OR CONTACT THE COURT OR**
14 **THE OFFICE OF THE CLERK FOR INFORMATION REGARDING**
15 **THIS SETTLEMENT OR THE CLAIM PROCESS.**
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1

2 **EXHIBIT A**

3 **[name/ID#]**

4 Stater Bros.' records indicate that during the applicable time period, you worked ____ Compensable
5 Weeks Worked as a non-exempt employee. If you disagree with the full workweeks figure as set forth
6 above, you must notify the Claims Administrator in writing by the deadline of
7 _____ and attach documentation supporting your belief. Failure to provide this
8 information and satisfactory supporting documentation of the workweeks you believe you worked for
9 Stater Bros. during the applicable time period will result in any claim you submit being based solely
10 on Stater Bros. records.

11 **ESTIMATED CLAIM AMOUNT**

12 **Based on the above your estimated payment is \$ _____ ("Individual Settlement**
13 **Amount").** This estimated amount is only an estimate. The actual amount of your Individual
14 Settlement Amount may increase or decrease based on several factors, including the final amounts
15 approved by the Court and disputes raised by other Class Members. As a result you may receive a
16 smaller, or larger, payment.

17 **QUESTIONS**

18 If you have questions, please call or write to _____. at the telephone number and address
19 shown on page 1 above.
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