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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF KERN

DULCE MARIA SANTACRUZ SANCHEZ and
SALUD SANTACRUZ, individuals on behalf of
themselves, the State of California, as private
attorneys general, and on behalf of all others
similarly situated,

Plaintiffs,

v.

GOLDEN LABOR SERVICES, LLC, a
California Limited Liability Company; PACIFIC
AG MANAGEMENT, INC., a California
Corporation; and DOES 1 TO 50,

Defendants.

Case Number: BCV-20-102729

**SETTLEMENT AGREEMENT AND
RELEASE OF CLASS ACTION**

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SETTLEMENT AGREEMENT AND RELEASE OF CLASS ACTION

This Settlement Agreement and Release of Class Action (“Settlement Agreement” or “Settlement” or “Agreement”) is made and entered into by: (1) Plaintiffs Dulce Maria Santacruz Sanchez and Salud Santacruz (collectively “Plaintiffs”), individually and in their representative capacity on behalf of the Settlement Class, as defined below, and as private attorneys general on behalf of the State of California; and (2) Defendants Golden Labor Services, LLC and Pacific Ag Management, Inc. (collectively, “Defendants”). Plaintiffs and Defendants (collectively, the “Parties”) enter into this Agreement to effect a full and final settlement and dismissal of all claims brought against Defendants. This Settlement Agreement is subject to the approval of the Court, pursuant to California Rules of Court, rule 3.769, subdivisions (c), (d), and (e), and is intended to fully, finally, and forever compromise, release, resolve, discharge, and settle the released claims subject to the following terms and conditions. As detailed below, in the event the Court does not enter an order granting final approval of this Settlement Agreement or the conditions precedent are not met for any reason, this Settlement Agreement is null and void and of no force or effect whatsoever, and shall not be referred to or utilized for any purpose whatsoever.

1. DEFINITIONS

As used in this Settlement Agreement, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Settlement Agreement are not specifically defined below, but are defined elsewhere in this Settlement Agreement, they are incorporated by reference into this definition section.

1.1. ACTION

“Action” shall mean the following civil action: *Dulce Maria Santacruz Sanchez, et al. v. Golden Labor Services, LLC, et al.*, case number BCV-20-102729, filed on November 20, 2020, in the Superior Court of California for the County of Kern.

1.2. ADMINISTRATIVE EXPENSES

“Administrative Expenses” shall include all costs and expenses associated with and payable from the Gross Settlement Amount to the third-party Settlement Administrator for administering the Class Settlement, including, but not limited to, (a) printing, translating into Spanish, mailing, and

1 tracking documents for this Class Settlement; (b) calculating estimated amounts per Class Member; (c)
2 tax reporting; (d) distributing the appropriate settlement amounts; (e) providing necessary reports and
3 declarations; and (f) performing other duties and responsibilities set forth herein to process this
4 Settlement, and as requested by the Parties. The Administrative Expenses are anticipated not to exceed
5 Twenty Thousand U.S. Dollars (\$20,000.00).

6 **1.3. APPLICABLE WAGE ORDER**

7 “Applicable Wage Order” shall mean the California Industrial Welfare Commission (“IWC”)
8 Wage Order applicable to the facts of this case, including IWC Wage Order 14-2001 and others that
9 may be applicable. (Cal. Code of Regs., tit. 8, § 11140.)

10 **1.4. CLAIMS**

11 “Claims” shall mean the claims that were asserted in the Action or that could have been brought
12 or asserted based on the facts alleged in the Action.

13 **1.5. CLASS ATTORNEY FEES AND EXPENSES**

14 “Class Attorney Fees and Expenses” shall mean the portion of the Gross Settlement Amount
15 attributable to attorney fees and litigation expenses, as agreed upon by the Parties and approved by the
16 Court for Class Counsel’s litigation and resolution of this Action, and all litigation costs and expenses
17 incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs and
18 expenses associated with mediation, documenting the Class Settlement, securing the Court’s approval
19 of the Class Settlement, administering the Class Settlement, obtaining entry of a Judgment terminating
20 this Action, and expenses for any experts. The Parties agree that the fee portion of the Class Attorney
21 Fees and Expenses shall be up to one-third of the Gross Settlement Amount or not to exceed Two-
22 Hundred Ninety One Thousand, Six Hundred Sixty Six U.S. Dollars and Sixty Seven Cents (\$291,666.67),
23 as approved by the Court, plus up to an additional Nine Thousand Dollars (\$9,000.00), as approved by
24 Court.

25 **1.6. CLASS COUNSEL**

26 “Class Counsel” shall mean Jonathan Melmed and Laura Supanich of Melmed Law Group P.C.
27
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1 **1.7. CLASS MEMBER OR CLASS MEMBERS**

2 “Class Member” or “Class Members” shall mean any individual who is or was employed as a
3 non-exempt employee by Defendants in California at any time from November 20, 2016 through the
4 Preliminary Approval Date.

5 **1.8. CLASS NOTICE**

6 “Class Notice” shall mean the *Notice of Proposed Class Action Settlement*, as set forth in the
7 form of **Exhibit 1** attached hereto, or as otherwise approved by the Court, which is to be mailed to
8 Class Members along with the Share Form.

9 **1.9. CLASS PARTICIPANTS**

10 “Class Participants” shall mean all Class Members who do not timely Opt Out from the Class
11 Settlement.

12 **1.10. CLASS PERIOD**

13 “Class Period” shall mean the period from November 20, 2016, through the Preliminary
14 Approval Date.

15 **1.11. CLASS REPRESENTATIVES**

16 “Class Representatives” shall mean Plaintiffs Dulce Maria Santacruz Sanchez and Salud
17 Santacruz, collectively.

18 **1.12. CLASS SETTLEMENT**

19 “Class Settlement” shall mean the settlement embodied in this Settlement Agreement, which is
20 subject to Court approval.

21 **1.13. COMPLAINT**

22 “Complaint” shall mean the currently-operative Second Amended Class Action Complaint filed
23 in the Action.

24 **1.14. COURT**

25 “Court” shall mean the California Superior Court of the County of Kern, where the Action is
26 pending, and any Court-appointed referee or agent of the Court or other judicial entity with jurisdiction
27 over this matter.
28

1 **1.15. DEFENDANTS**

2 “Defendants” shall mean Defendants Golden Labor Services, LLC and Pacific Ag
3 Management, Inc., collectively.

4 **1.16. DEFENSE COUNSEL**

5 “Defense Counsel” shall mean T. Scott Belden and Jazmine Flores of Belden Blaine Raytis,
6 LLP, counsel of record in the Action for Defendant Pacific Ag Management, Inc., and Gregory J. Norys
7 and Judith M. Sasaki of Coleman & Horowitz, LLP, counsel of record in the Action for Defendant
8 Golden Labor Services, LLC, collectively.

9 **1.17. EFFECTIVE DATE**

10 “Effective Date” shall mean the date on which the Class Settlement shall become effective after
11 all of the following events have occurred: **(a)** this Settlement Agreement has been executed by all
12 Parties and by Class Counsel and Defense Counsel; **(b)** the Court has given preliminary approval to
13 the Class Settlement; **(c)** the Class Notice has been given to the Settlement Class providing them with
14 an opportunity to request exclusion from the Class Settlement; **(d)** the Court has held a Final Approval
15 and Fairness Hearing and entered a final order and judgment certifying the Settlement Class and
16 approving this Settlement Agreement; and **(e)** the later of the following events: **(i)** the expiration of the
17 period for filing any appeal, writ, or other appellate proceeding opposing the Class Settlement has
18 elapsed without any appeal, writ, or other appellate proceeding having been filed; **(ii)** the dismissal of
19 any appeal, writ, or other appellate proceeding opposing the Class Settlement with no right to pursue
20 further remedies or relief; or **(iii)** any appeal, writ, or the issuance of such other final appellate order
21 upholding the Court’s final order with no right to pursue further remedies or relief. In this regard, it is
22 the intention of the Parties that the Class Settlement shall not become effective until the Court’s order
23 approving the Class Settlement is completely final and there is no further recourse by an appellant or
24 objector who seeks to contest the Class Settlement. In the event no objections are filed, the Effective
25 Date shall be after steps (a) through (d) are completed (i.e., the date that the Court has entered a final
26 order and judgment certifying the Settlement Class and approving this Settlement Agreement).

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1.18. EMPLOYEE’S TAXES AND REQUIRED WITHHOLDING

“Employee’s Taxes and Required Withholding” shall mean the employee’s share of any and all applicable federal, state, or local payroll taxes, including those collected under authority of the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), and/or the State Unemployment Tax Act (SUTA) on the portion of any Class Participant’s Individual Settlement Amount that constitutes wages. The Employee’s Taxes and Required Withholdings will be withheld from and paid out of the Net Settlement Amount.

1.19. EMPLOYER’S TAXES

“Employer’s Taxes” shall mean and refer to Defendants’ share of payroll taxes (e.g., Unemployment Insurance, Employment Training Tax, Social Security, and Medicare taxes) that is owed on the portion of any Class Participant’s Individual Settlement Amount that constitutes wages. The Employer’s Taxes shall be separately paid by Defendants and shall not be paid from the Gross Settlement Amount or Net Settlement Amount.

1.20. FINAL APPROVAL AND FAIRNESS HEARING

“Final Approval and Fairness Hearing” shall mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class Settlement.

1.21. GROSS SETTLEMENT AMOUNT

“Gross Settlement Amount” shall mean the sum of Eight Hundred Seventy-Five Thousand U.S. Dollars (\$875,000.00), which is the total and maximum amount that Defendants will be required to pay for any and all purposes under this Settlement, with the sole exception that Defendants’ share of the Employer’s Taxes will be paid in accordance with Section 5.5 of this Settlement Agreement. The Gross Settlement Amount includes all payments of any kind which Defendants shall be obligated to pay including, but not limited to, all the Administrative Expenses, the Employee’s Taxes and Required Withholdings, the Class Attorney Fees and Expenses, the Incentive Awards, the Individual Settlement Amounts, and the PAGA Payment. Defendants shall separately pay its share of the Employer’s Taxes in addition to the Gross Settlement Amount on the portion of each Individual Settlement Amount allocated as wages in accordance with Section 5.5 of the Settlement Agreement.

1 **1.22. HEARING ON PRELIMINARY APPROVAL**

2 “Hearing on Preliminary Approval” shall mean the hearing held on the motion for preliminary
3 approval of the Class Settlement.

4 **1.23. INCENTIVE AWARDS**

5 “Incentive Awards” shall mean the monetary payment made to Plaintiffs, in their capacity as
6 the Class Representatives, to compensate them for their efforts and risks on behalf of the Settlement
7 Class in this Action. Defendants will not object to the Class Representatives’ request for Court approval
8 of the Incentive Awards of up to Seven Thousand Five Hundred U.S. Dollars (\$7,500.) to each of the
9 Class Representatives.

10 **1.24. INDIVIDUAL SETTLEMENT AMOUNT OR INDIVIDUAL SETTLEMENT**
11 **AMOUNTS**

12 “Individual Settlement Amount” or “Individual Settlement Amounts” shall mean the amount
13 which is ultimately distributed to each Class Participant, less any Employee’s Taxes and Required
14 Withholdings. The Individual Settlement Amount does not include any portion of the PAGA Payment.

15 **1.25. LWDA**

16 “LWDA” shall mean the California Labor and Workforce Development Agency.

17 **1.26. NET SETTLEMENT AMOUNT**

18 “Net Settlement Amount” shall mean the Gross Settlement Amount minus: Administrative
19 Expenses; Class Attorney Fees and Expenses; the PAGA Payment; and the Incentive Awards. The Net
20 Settlement Amount is the maximum amount that shall be made available to Class Members.

21 **1.27. OPT OUT**

22 “Opt Out” shall mean and refer to the process of submitting a timely and valid request exclusion
23 from the Class Settlement in accordance with Section 7.3 of this Settlement Agreement and the terms
24 of the Class Notice and no later than the Response Deadline.

25 **1.28. OPT-OUTS**

26 “Opt-Outs” shall mean all Class Members who timely and validly request exclusion from the
27 Class Settlement in accordance with Section 7.3 of this Settlement Agreement and the terms of the
28 Class Notice and no later than the Response Deadline.

1 **1.29. PAGA**

2 “PAGA” shall mean the California Labor Code Private Attorneys General Act of 2004 (as
3 amended), California Labor Code §§ 2698 *et seq.*

4 **1.30. PAGA PAYMENT**

5 “PAGA Payment” shall mean the amount of Fifty Thousand U.S. Dollars (\$50,000.00), which
6 the Parties have agreed to allocate for penalties pursuant to the PAGA claims. The Parties have agreed
7 that the PAGA Payment will be paid out of the Gross Settlement Amount. Pursuant to the PAGA, the
8 PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be
9 distributed as follows: Seventy-five percent (75%) or Thirty-Seven Thousand Five Hundred U.S.
10 Dollars (\$37,500.00) of the PAGA Payment to the LWDA, and twenty-five percent (25%) or Twelve
11 Thousand Five Hundred U.S. Dollars (\$12,500.00) to the PAGA Settlement Class. Class Counsel shall
12 give timely notice of this Settlement Agreement to the LWDA pursuant to Labor Code section 2699,
13 subdivision (1)(2).

14 **1.31. PAGA PERIOD**

15 “PAGA Period” shall mean the period from November 20, 2019, through the Preliminary
16 Approval Date.

17 **1.32. PAGA SETTLEMENT CLASS**

18 “PAGA Settlement Class” shall mean all individuals who are or were employed as non-exempt
19 employees by Defendants in California at any time during the PAGA Period. Defendants represent that
20 the PAGA Settlement Class consists of approximately 1,116 employees that worked a total of
21 approximately 9,000 pay periods during the PAGA Period.

22 **1.33. PARTIES**

23 “Parties” shall mean Plaintiffs and Defendants, collectively.

24 **1.34. PLAINTIFFS**

25 “Plaintiffs” shall mean Plaintiffs Dulce Maria Santacruz Sanchez and Salud Santacruz,
26 collectively.

1 **1.35. PRELIMINARY APPROVAL DATE**

2 “Preliminary Approval Date” shall mean the date upon which the Court enters an order
3 preliminarily approving this Settlement Agreement.

4 **1.36. RELEASED CLAIMS**

5 “Released Claims,” as it pertains to the Releasing Parties, shall mean any and all claims, debts,
6 liabilities, demands, obligations, actions, causes of action, guarantees, liens, promises, penalties, costs,
7 expenses, interest, restitution, attorneys’ fees and costs, losses, damages, liquidated damages, punitive
8 damages, equitable relief, or complaints of whatever kind or nature, whether known or unknown,
9 contingent or accrued, against Defendants or the Released Parties or any of them, under any state,
10 municipal or federal law, statute, ordinance, regulation, order or common law principle or theory,
11 arising out of or related to the allegations set forth in the Action, the Complaint and/or Plaintiffs’ PAGA
12 notices to the LWDA, including, but not limited to: **(1)** failure to pay minimum wage in accordance
13 with applicable law including, but not limited to, Labor Code sections 1194 and 1194.2, and the
14 Applicable Wage Order; **(2)** failure to pay overtime wages in accordance with applicable law including,
15 but not limited to, Labor Code sections 510, 1197, and 1198, and the Applicable Wage Order;
16 **(3)** failure to provide rest breaks and/or failure to pay rest break premiums in accordance with
17 applicable law including, but not limited to, Labor Code section 226.7 and the Applicable Wage Order;
18 **(4)** failure to provide meal periods and/or failure to pay meal period premiums in accordance with
19 applicable law including, but not limited to, Labor Code sections 226.7 and 512, and the Applicable
20 Wage Order; **(5)** failure to maintain accurate employment records in accordance with applicable law
21 including, but not limited to, Labor Code section 1174; **(6)** failure to pay wages during employment in
22 accordance with applicable law including, but not limited to, Labor Code sections 204, 210; **(7)** failure
23 to pay all wages due and owing at separation of employment in violation of applicable law including,
24 without limitation, Labor Code sections 201, 202, and 203; **(8)** waiting time penalties; **(9)** failure to
25 reimburse business expenses in accordance with applicable law including, but not limited to, Labor
26 Code sections 2802 and 2804; **(10)** failure to provide accurate wage statements in violation of
27 applicable law including, without limitation, Labor Code sections 226 and 226.3; **(11)** failure to provide
28 potable water in accordance with applicable law including, without limitation, Labor Code sections

1 142.3 and 226.7, and the California Code of Regulations (Cal. Code Regs., tit. 8, § 3395); **(12)** failure
2 to provide suitable restrooms and/or toilet facilities in accordance with applicable law including,
3 without limitation, Labor Code sections 142.3 and 226.7, and the California Code of Regulations (Cal.
4 Code Regs., tit. 8, § 3364); **(13)** unfair competition, and/or deceptive, fraudulent, or otherwise unlawful
5 business practices in violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–
6 17210); **(14)** penalties pursuant to the PAGA; **(15)** all other statutory penalties, including those
7 recoverable under the California Unfair Competition Act, and in particular, California Bus. & Prof.
8 Code Sections 17200, *et seq.*, California Code of Civil Procedure Section 1021.5; and any other
9 provision of the California Labor Code, including but not limited to Labor Code Sections 2698, *et seq.*,
10 or any Applicable Wage Order, in all their iterations; **(16)** all claims that were alleged in the Action or
11 that could have been brought based on the facts alleged in the Action; and **(17)** all claims for liquidated
12 damages, penalties, interest, fees, costs based on the foregoing (collectively, the “Released Claims”).
13 The Released Claims include any unknown claims that the Releasing Parties do not know or suspect
14 to exist in his or her favor, which if known by him or her, might have affected this Settlement
15 Agreement with Defendants and the release of the Released Parties. However, the Released Claims
16 only include all claims alleged in the Action or that could have been set forth based on the facts alleged
17 in the Action to the fullest extent permitted by law.

18 **1.37. RELEASED PARTIES**

19 “Released Parties” shall mean Defendants and all of Defendants’ former, present and/or future
20 parent companies, subsidiaries, affiliates, and their current, former and/or future, direct or indirect,
21 shareholders, officers, directors, employees, members, agents, partners, managers, representatives,
22 insurers, administrators, and attorneys, and the predecessors, successors, and assigns and legal
23 representatives of all such entities and individuals, as well as any entities with whom Defendants shared
24 a joint employer relationship, including, for avoidance of doubt, the principals for which Class
25 Members and Defendants performed services.

26 **1.38. RELEASING PARTIES**

27 “Releasing Parties” shall mean Plaintiffs and each and every Class Participant and all persons
28 purporting to act on their behalf or purporting to assert a claim under or through them, including, but

1 not limited to, their dependents, heirs, assigns, beneficiaries, devisees, legatees, executors, administrators,
2 agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether
3 individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other
4 capacity.

5 **1.39. RESPONSE DEADLINE**

6 “Response Deadline” shall mean the date forty-five (45) days following the date on which the
7 Settlement Administrator first mails the Class Notice to the Class Members, which is the last day on
8 which Class Members may submit a request for exclusion and/or objection to the Class Settlement.

9 **1.40. SETTLEMENT ADMINISTRATOR**

10 “Settlement Administrator” shall mean ILYM Group, Inc., an independent third-party class
11 action settlement claims administrator selected by the Parties, subject to approval by the Court, for
12 purposes of the administration of the Class Settlement and related matters. The Parties each represent
13 that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship
14 with the Claims Administrator that could create a conflict of interest.

15 **1.41. SETTLEMENT CLASS**

16 “Settlement Class” shall mean all individuals who are or were employed as non-exempt
17 employees by Defendants in California at any time during the Class Period. Defendants represent that
18 the Settlement Class consists of approximately 3,284 Class Members who worked a total of approximately
19 25,000 workweeks during the Class Period.

20 **1.42. SHARE FORM**

21 “Share Form” shall mean the *Class Action Settlement Share Form*, as set forth in the form of
22 **Exhibit 2** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class
23 Members along with the Class Notice.

24 **2. FACTUAL AND PROCEDURAL BACKGROUND**

25 **2.1. PLAINTIFFS’ CLAIMS**

26 On November 20, 2020, Plaintiff Dulce Maria Santacruz Sanchez initiated the Action by filing
27 a Class Action Complaint with the California Superior Court for the County of Kern against
28

1 Defendants. On or around September 20, 2021, Plaintiffs filed their Second Amended Class Action
2 Complaint in the Action.

3 Plaintiffs, individually and in their representative capacity on behalf of the Settlement Class,
4 and as private attorneys general on behalf of the State of California, allege in this Action the following
5 violations: **(1)** failure to pay minimum wages for all hours worked (Labor Code sections 1194 and
6 1194.2, and the Applicable Wage Order); **(2)** failure to pay overtime wages (Labor Code sections 510,
7 1197, and 1198, and the Applicable Wage Order); **(3)** failure to provide compliant rest periods and pay
8 rest break premiums (Labor Code section 226.7 and the Applicable Wage Order); **(4)** failure to provide
9 compliant meal periods and pay meal period premiums (Labor Code sections 226.7 and 512, and the
10 Applicable Wage Order); **(5)** failure to maintain accurate employment records (Labor Code section
11 1174); **(6)** failure to timely pay wages during employment (Labor Code sections 204 and 210);
12 **(7)** failure to pay all wages due and owing at separation (Labor Code sections 201, 202, and 203);
13 **(8)** failure to reimburse business expenses (Labor Code sections 2802 and 2804); **(9)** failure to provide
14 accurate wage statements (Labor Code sections 226 and 226.3); **(10)** failure to provide potable water
15 in violation of Labor Code sections 142.3 and 226.7, and the California Code of Regulations (Cal. Code
16 Regs., tit. 8, § 3395); **(11)** failure to provide suitable restrooms and/or toilet facilities in violation of
17 Labor Code sections 142.3 and 226.7, and the California Code of Regulations (Cal. Code Regs., tit. 8,
18 § 3364); **(12)** unfair competition or deceptive, fraudulent, or otherwise unlawful business practices in
19 violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and
20 **(13)** statutory penalties under the PAGA (Lab. Code, §§ 2698-2699.6).

21 **2.2. DEFENDANTS’ DENIALS OF WRONGDOING AND LIABILITY**

22 Defendants deny any and all liability and/or wrongdoing of any kind associated with the claims
23 alleged by the Class Representatives and deny all of the allegations, claims, and contentions alleged by
24 Plaintiffs in the Action, and have asserted numerous affirmative defenses. Defendants expressly deny
25 all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts,
26 or omissions alleged in the Action. Defendants contend, among other things, that at all times they
27 complied with California and federal wage and hour laws including, but not limited to, the California
28 Labor Code and Industrial Wage Commission Orders, and have at all times dealt legally and fairly with

1 Plaintiffs and the Class Members. Defendants further contend that, for any purpose other than settling
2 this Action, the Action and the claims asserted therein, are not appropriate for class or representative
3 action treatment. However, Defendants have concluded that further proceedings in the Action would
4 be protracted and expensive and that it is desirable that the Action be fully and finally settled in the
5 manner and upon the terms and conditions set forth in this Settlement Agreement, to dispose of
6 burdensome and protracted litigation, to permit the operation of Defendants' respective businesses
7 without further expensive litigation and the distraction and diversion of their personnel with respect to
8 matters at issue in the Action. Defendants have also taken into account the uncertainty and risks
9 inherent in any litigation, especially in complex cases such as the Action. Defendants have, therefore,
10 determined that it is desirable and beneficial to them that the Action be settled in the manner and upon
11 the terms and conditions set forth in this Settlement Agreement and that all actual or potential claims
12 be fully and finally settled by Plaintiffs and the Class Members.

13 **2.3. DISCOVERY, INVESTIGATION, RESEARCH, AND MEDIATION**

14 Class Counsel has conducted significant informal discovery during the prosecution of the
15 Action. This discovery, investigation, and prosecution has included, among other things, **(a)** over a
16 dozen telephonic conferences with Plaintiffs; **(b)** inspection and analysis of hundreds of pages of
17 documents and other information produced by Plaintiffs and Defendants; **(c)** analysis of employment
18 data from a sample of Class Members; **(d)** an analysis of the legal positions taken by Defendants;
19 **(d)** investigation into the viability of class treatment of the claims asserted in the Action; **(e)** analysis
20 of potential class-wide damages, including information sufficient to understand Defendants' potential
21 defenses to Plaintiffs' claims; **(f)** research of the applicable law with respect to the claims asserted in
22 the Complaint and the potential defenses thereto; and **(g)** assembling and analyzing of data for
23 calculating damages.

24 Class Counsel and the Class Representatives have vigorously prosecuted this Action, and
25 Defendants has vigorously contested it. The Parties have engaged in sufficient investigation and
26 discovery to assess the relative merits of the claims of the Class Representatives and of the defenses to
27 them. After such discovery, investigation, and prosecution, the Parties attended a full-day mediation
28 before Kelly A. Knight, Esq., a respected and experienced mediator of wage and hour class actions,

1 which culminated in a settlement in principal, the terms of which are elaborated in this Settlement
2 Agreement.

3 **2.4. ALLEGATIONS OF THE CLASS REPRESENTATIVES AND BENEFITS OF**
4 **CLASS SETTLEMENT**

5 The document and data exchange in this Action, as well as discussions between counsel, have
6 been adequate to give the Class Representatives and Class Counsel a sound understanding of the merits
7 of their positions and to evaluate the value of the claims of the Settlement Class. The informal discovery
8 conducted in this Action and the information exchanged by the Parties through pre-mediation
9 discussions are sufficient to reliably assess the merits of the Parties' respective positions and to
10 compromise the issues on a fair and equitable basis.

11 The Class Representatives and Class Counsel believe that the claims, causes of action,
12 allegations, and contentions asserted in the Action have merit. However, the Class Representatives and
13 Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings
14 necessary to prosecute the Action against Defendants through trial and through appeals. Class Counsel
15 has taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex
16 actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential
17 difficulty of obtaining certification of the Settlement Class as well as trying the claims of the class.
18 Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims
19 alleged in the Action.

20 The Class Representatives and Class Counsel believe that the settlement set forth in this
21 Settlement Agreement confers substantial benefits upon Plaintiffs and the Settlement Class and that an
22 independent review of this Settlement Agreement by the Court in the approval process will confirm
23 this conclusion. Based on their own independent investigation and evaluation, Class Counsel has
24 determined that the settlement set forth in this Settlement Agreement is in the best interests of Plaintiffs
25 and the Class Members.

26 **3. CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS**

27 For purposes of this Settlement Agreement and the Class Settlement of this Action only, the
28 Parties stipulate and agree to conditional class certification of the Settlement Class for settlement

1 purposes only, contingent on final approval of the Class Settlement. The conditional certification of
2 the Settlement Class shall be binding only with respect to the Class Settlement of this Action. The
3 conditional certification of the Settlement Class shall not constitute an admission of any kind by
4 Defendants, in this Action or any other proceeding, including without limitation, that class certification
5 for trial purposes is or would be warranted, appropriate or proper; or that Plaintiffs could establish any
6 of the requisite elements for class treatment of any of the claims in the Action.

7 In the event that the Settlement Agreement is not approved by the Court for any reason, the
8 Effective Date is not reached or achieved, or the Settlement Agreement or Class Settlement is rejected,
9 terminated, or otherwise rendered null and void as set forth herein, then certification of the Settlement
10 Class shall be automatically vacated, shall be void *ab initio*, of no force or effect, and shall not
11 constitute evidence or a binding determination that the requirements for certification of a class for trial
12 purposes in this Action or in any other action which have been, are or can be, satisfied, and the Action
13 shall proceed as the Settlement Class had never been certified, and this Settlement Agreement shall be
14 of no force or effect. Further, if the Settlement Agreement is not approved by the Court for any reason,
15 the Effective Date is not reached or achieved, or the Settlement Agreement or Class Settlement is
16 rejected, terminated, or otherwise rendered null and void as set forth herein, Plaintiffs agree that
17 Plaintiffs will not argue, claim, reference, or otherwise raise any preliminary approval of the Class
18 Settlement or conditional certification of the Settlement Class in the Action or in connection with any
19 later proceeding before the Court.

20 **4. APPOINTMENT OF CLASS COUNSEL**

21 For purposes of this Settlement Agreement only and subject to the Court's approval, the Parties
22 stipulate and agree to the appointment of Class Counsel as counsel for the Settlement Class and the
23 effectuation of the Class Settlement pursuant to this Settlement Agreement.

24 **5. CONSIDERATION**

25 **5.1. SETTLEMENT AMOUNT**

26 Without admitting any liability whatsoever and subject to the terms and conditions of this
27 Agreement, and in consideration for settlement of the Action and the releases of claims as set forth in
28 this Agreement, including the Released Claims, Defendants agree to pay or cause to be paid the Gross

1 Settlement Amount of Eight Hundred Seventy-Five Thousand U.S. Dollars (\$875,000.00) in full. There
2 shall be no reversion to Defendants.

3 The Gross Settlement Amount is the maximum total amount that Defendants are obligated to
4 pay for any and all purposes under this Agreement and the Class Settlement, with the sole exception of
5 Defendants' Employer's Taxes that are due by virtue of any settlement payments made, including any
6 Individual Settlement Amounts paid, pursuant to the terms of this Agreement.

7 After the Court issues an order preliminarily approving this Class Settlement, the Settlement
8 Administrator will distribute the Class Notice to the Class Members, which shall describe the terms of
9 the Class Settlement and procedures to Opt Out, object, or participate in the Class Settlement as well
10 as the Share Form, which shall identify the Class Member, the number of workweeks worked by each
11 Class Member ("Workweeks"), as well as the estimated amount of the Individual Settlement Amount
12 the Class Member can expect to receive once the Class Settlement becomes effective on the Effective
13 Date. Class Members shall be given the opportunity to challenge their Workweeks information.

14 **5.2. INCENTIVE AWARDS FOR PLAINTIFFS**

15 Plaintiffs may petition the Court to approve Incentive Awards in an amount up to Seven
16 Thousand Five Hundred U.S. Dollars (\$7,500.00) for Dulce Maria Santacruz Sanchez and up to Seven
17 Thousand Five Hundred U.S. Dollars (\$7,500.00) for Salud Santacruz to acknowledge their efforts on
18 behalf of the Settlement Class in this Action, including assisting in the investigation and consulting
19 with Class Counsel and providing crucial documents to Class Counsel. Defendants shall not oppose
20 any request by Plaintiffs for Incentive Awards in such an amount. Any Incentive Awards approved by
21 the Court shall be paid to Plaintiffs from the Gross Settlement Amount and shall be in addition to any
22 distribution to which they may otherwise be entitled as a Class Participants. Any Incentive Awards
23 approved by the Court shall not be considered wages, and the Settlement Administrator shall issue to
24 each of the Plaintiffs an IRS Form 1099 reflecting such payment. Plaintiffs shall be responsible for the
25 payment of all taxes with respect to any Incentive Awards approved by the Court and shall hold
26 Defendants harmless from all liability with regard thereto.

1 **5.3. PAYMENT TO CLASS PARTICIPANTS**

2 Each of the Class Participants shall be eligible to receive payment of the Individual Settlement
3 Amount, which is a share of the Net Settlement Amount based on the pro rata number of weeks worked
4 by the Class Members during the Class Period as a proportion of all weeks worked by all Class
5 Members. Each of Class Participants, including Plaintiffs, shall be responsible for the payment of the
6 Employee's Taxes and Required Withholding with respect to his or her Individual Settlement Amount
7 and shall hold Defendants harmless from any and all liability with regard thereto.

8 **5.4. PAYMENT TO PAGA SETTLEMENT CLASS**

9 Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA
10 Payment of Fifty Thousand U.S. Dollars (\$50,000.00), which Parties have agreed will be paid out of
11 the Gross Settlement Amount. The PAGA Payment shall consist of the penalties pursuant to PAGA
12 that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included
13 in the Action, which is \$50,000.00. The PAGA Payment shall be approved by the Court pursuant to
14 Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) or Thirty-
15 Seven Thousand Five Hundred U.S. Dollars (\$37,500.00) to the LWDA and twenty-five percent (25%)
16 or Twelve Thousand Five Hundred U.S. Dollars (\$12,500.00) to the PAGA Settlement Class. The
17 portion of the PAGA Payment allocated to the PAGA Settlement Class shall be distributed to the PAGA
18 Settlement Class based on the pro rata number of pay periods worked by each particular PAGA
19 Settlement Class member during the PAGA Period as a proportion of all pay periods worked by all
20 members of the PAGA Settlement Class during the PAGA Period.

21 Class Counsel shall give timely notice of this Settlement Agreement to the LWDA pursuant to
22 Labor Code section 2699, subdivision (1)(2).

23 **5.5. TAX TREATMENT AND PAYMENT**

24 For the purpose of calculating the Employer's Taxes and the Employee's Taxes and Required
25 Withholding for the Individual Settlement Amounts for Class Participants (including any payments to
26 the Class Representatives but exclusive of their Incentive Awards), the Parties agree that 20% of each
27 of the Individual Settlement Amounts shall constitute payment in the form of wages (and each of the
28 Class Participants shall be issued an IRS Form W-2 for such payment to him or her), and 80% of each

1 of the Individual Settlement Amounts shall constitute penalties and interest (and each of the Class
2 Participants shall be issued an IRS Form 1099 for such payment to him or her). Prior to final distribution
3 of the Individual Settlement Amounts, the Settlement Administrator shall calculate the total of each
4 Class Participants' Employee's Taxes and Required Withholding due as a result of the wage portion of
5 the Class Participants' respective anticipated Individual Settlement Amounts and such actual amount
6 will be deducted from the Net Settlement Amount. Additionally, prior to the funding of the Gross
7 Settlement Amount and final distribution, the Settlement Administrator shall calculate the total amount
8 of Defendants' share of Employer's Taxes due on the wage portion of the Class Participants' Individual
9 Settlement Amounts and issue instructions to Defendants to separately fund Defendants' share of
10 Employer's Taxes. The Parties understand that Plaintiffs and the Class Participants who receive any
11 payment pursuant to this Settlement Agreement shall be solely responsible for all other individual tax
12 obligations.

13 With respect to the portion of the PAGA Payment that is to be paid to the PAGA Settlement
14 Class in accordance with the terms of this Settlement Agreement, all such payments shall be treated as
15 payments owing for penalties and interest thereon and shall not be considered wages. The Settlement
16 Administrator shall issue an IRS Form 1099 reflecting such payments to the receiving members of the
17 PAGA Settlement Class. Members of the PAGA Settlement Class shall be solely responsible for the
18 payment of all taxes with respect to any payments of any portion of the PAGA Payment made to them.

19 **5.6. TAX OBLIGATIONS**

20 Each of the Parties and the Class Participants will be responsible for their own tax obligations.
21 The Parties agree and understand that Defendants have not made any representations regarding the tax
22 obligations or consequences, if any, related to the Class Settlement. In the event that it is subsequently
23 determined by a tax authority that any of the Class Participants, including Plaintiffs, owe any additional
24 taxes with respect to any money distributed under the Class Settlement, it is expressly agreed that the
25 determination of any tax liability is between the payment recipient and the tax authorities, and that
26 Defendants shall not be responsible for the payment of such taxes, including any interest and penalties.

1 **5.7. NO EFFECT ON EMPLOYEE BENEFIT PLANS**

2 Neither the Class Settlement nor any amounts paid under the Class Settlement will modify any
3 previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus
4 program sponsored by Defendants. Such amounts will not form the basis for additional contributions
5 to, benefits under, or any other monetary entitlement under Defendants' sponsored benefit plans,
6 policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall
7 not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any
8 other form of compensation for the purposes of any of Defendants' benefit plan, policy, or bonus
9 program. Defendants retain the right to modify the language of their benefits plans, policies, and bonus
10 programs to reflect this intent and to make clear that any amounts paid pursuant to this Settlement
11 Agreement are not for "weeks worked," "weeks paid," "weeks of service," or any similar measuring
12 term as defined by applicable plans, policies, and bonus programs for purpose of eligibility, vesting,
13 benefit accrual, or any other purpose, and that additional contributions or benefits are not required by
14 this Settlement Agreement. Defendants do not consider the Class Settlement payments "compensation"
15 for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or
16 bonus programs, or any other plan sponsored by Defendants.

17 **5.8. CLASS ATTORNEY FEES AND EXPENSES**

18 As part of the motion for final approval of the Class Settlement, Class Counsel may apply for
19 an award of Class Attorney Fees and Expenses with the fee portion not to exceed one-third of the Gross
20 Settlement Amount or up to Two-Hundred Ninety One Thousand, Six Hundred Sixty Six U.S. Dollars
21 and Sixty Seven Cents (\$291,666.67) and the award of costs and expenses up to an additional Nine
22 Thousand U.S. Dollars (\$9,000.00). Defendants agree to not object to any such fee, cost, or expense
23 application in those amounts.

24 As a condition of this Class Settlement, Class Counsel has agreed to pursue fees only in the
25 manner reflected by this subsection. Any Class Attorney Fees and Expenses awarded by the Court shall
26 be paid from the Gross Settlement Amount prior to arriving at the Net Settlement Amount and shall
27 not constitute payment to any Class Members. If Class Counsel voluntarily reduces the request for
28 Class Attorney Fees and Expenses or the Court's award of Class Attorney Fees and Expenses is less

1 than set forth above, the Net Settlement Amount shall be recalculated to reflect the actual Class
2 Attorney Fees and Expenses awarded.

3 The Class Attorney Fees and Expenses approved by the Court shall reflect: **(a)** all work
4 performed and costs and expenses incurred by, or at the direction of, any attorney purporting to
5 represent the Settlement Class through the date of this Settlement Agreement; **(b)** all work to be
6 performed and costs to be incurred in connection with approval by the Court of the Class Settlement;
7 **(c)** all work to be performed and costs and expenses, if any, incurred in connection with administering
8 the Class Settlement through the Effective Date and dismissal of the Action with prejudice; and **(d)** may
9 be based on the “catalyst theory” and/or the “common fund doctrine.”

10 **6. SETTLEMENT ADMINISTRATION**

11 **6.1. COSTS AND EXPENSES**

12 All Administrative Expenses and costs and expenses due to the Settlement Administrator in
13 connection with its administration of the Class Settlement, including, but not limited to, providing the
14 Class Notice, locating Class Members, processing Opt Out requests and objections, distributing the
15 portion of the PAGA Payment payable to the LWDA, distributing the portion of the PAGA Payment
16 payable to the members of the PAGA Settlement Class, and calculating, administering and distributing
17 Individual Settlement Amounts to the Class Participants and related tax forms, shall be paid from the
18 Gross Settlement Amount, and is not expected to exceed Twenty Thousand U.S. Dollars (\$20,000.00).

19 **6.2. PAYMENT BY DEFENDANTS**

20 Within fifteen (15) days of the Effective Date, Defendants shall deposit the Gross Settlement
21 Amount, plus the amount necessary to pay Defendants’ share of the Employer’s Taxes as determined
22 by the Settlement Administrator, into a Qualified Settlement Fund (“QSF”), which shall be established
23 and administered by the Settlement Administrator. The Gross Settlement Amount is the maximum total
24 amount that Defendants are obligated to pay for any and all purposes under this Agreement and the
25 Class Settlement, with the sole exception of Defendants’ Employer’s Taxes that are due by virtue of
26 any settlement payments made, including any Individual Settlement Amounts paid, pursuant to the
27 terms of this Agreement. In no event shall Defendants be obligated to pay or deposit with the Settlement
28

1 Administrator more than the Gross Settlement Amount plus Defendants' share of the Employer's Taxes
2 as determined by the Settlement Administrator, except where the Escalator Provision is triggered.

3 **7. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

4 **7.1. THE SETTLEMENT ADMINISTRATOR**

5 The Settlement Administrator will be responsible for: mailing the Class Notice and Share Form
6 (**Exhibit 1** and **Exhibit 2**, respectively) to Class Members; posting notice of entry of final order and
7 judgment certifying the Class Settlement and approving this Settlement Agreement; handling inquiries
8 from Class Members concerning the Class Notice; establishing and maintaining a QSF; determining
9 the Individual Settlement Amounts; determining Defendants' share of the Employer's Taxes;
10 determining each of the Class Participant's share of Employee's Taxes and Required Withholding;
11 determining the individual payments of the PAGA Payment to members of the PAGA Settlement Class;
12 maintaining the settlement funds in an appropriate interest-bearing account; preparing, administering,
13 and distributing Individual Settlement Amounts to Class Participants; preparing, administering, and
14 distributing individual payments to members of the PAGA Settlement Class; distributing the portion
15 of the PAGA Payment payable to the LWDA; issuing a final report and performing such other duties
16 as the Parties may direct. Additionally, the Settlement Administrator will handle all tax document
17 preparation and reporting, including state and federal tax forms, if any.

18 On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and
19 Defense Counsel with summary information updating them as to the number of validated and timely
20 objections and Opt Out requests. The Settlement Administrator will serve on Class Counsel and
21 Defense Counsel via e-mail date-stamped copies of the original Opt Out requests and objections no
22 later than seven (7) days after their receipt. The Settlement Administrator will provide Class Counsel
23 with proof of mailing of the Class Notice, without listing individual Class Member names which the
24 Settlement Administrator will file with the Court at the time Class Counsel files its motion in support
25 of the Court's Final Approval and Fairness Hearing.

26 No later than seven (7) days prior to the Final Approval and Fairness Hearing, the Settlement
27 Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary
28 information regarding: **(a)** the total amount of final Individual Settlement Amounts of each Class

1 Participant, without any identifying personal information; **(b)** the number of Class Participants to
2 receive such payments, and **(c)** the final number of Opt-Outs and objections.

3 Administrative Expenses are not anticipated to exceed \$20,000.00. Prior to the calculation and
4 distribution of the Individual Settlement Amounts, the Settlement Administrator shall calculate the
5 total Administrative Expenses through the conclusion of their services and such actual amount will be
6 deducted from the Gross Settlement Amount prior to the final calculation of the Individual Settlement
7 Amounts.

8 **7.2. NOTICE TO CLASS MEMBERS**

9 Notice shall be provided to Class Members in the following manner: Within fourteen (14) days
10 after the Preliminary Approval Date, Defendants shall provide the Settlement Administrator with an
11 updated list of Class Members and members of the PAGA Settlement Class containing their names,
12 social security numbers, last-known addresses, telephone numbers, and the number of workweeks
13 worked during the Class Period and the PAGA Period, if any (the “Database”). The Database shall be
14 marked “Confidential – Settlement Administrator’s Eyes Only.” Class Counsel shall not receive a copy
15 of the Database.

16 Within twenty-eight (28) days following the Preliminary Approval Date, the Settlement
17 Administrator shall calculate each Class Member’s estimate Individual Settlement Amounts, populate
18 the data for each Class Member accordingly, and send each Class Member the Class Notice via first-
19 class, United States mail. The Class Notice shall also contain an easily-understood statement alerting
20 the Class Members that, unless they elect to Opt Out of the Class Settlement, the Class Member is
21 releasing and waiving all Released Claims against the Released Parties.

22 The Class Notice will inform Class Members of their estimated Individual Settlement Amounts
23 and the number of workweeks they worked during the Class Period. Class Members may dispute their
24 workweeks if they believe they worked more weeks in the Class Period than Defendants’ records show
25 by submitting information to the Settlement Administrator no later than forty-five (45) days after being
26 mailed the Class Notice and Share Form by the Settlement Administrator, which is the defined
27 Response Deadline. The Settlement Administrator shall immediately notify Class Counsel and Defense
28 Counsel of any such disputes in accordance with the provisions of Section 8.9 of this Agreement. The

1 Settlement Administrator will jointly work with Plaintiffs and Defendants to resolve the dispute in
2 good faith. If Plaintiffs and Defendants cannot agree over the workweeks to be credited, the Settlement
3 Administrator shall make the final decision based on the written documentation presented by the Class
4 Member and any materials submitted by Defendants in accordance with the provisions of Section 8.9
5 of this Agreement.

6 **7.3. OPT OUT PROCEDURE**

7 Class Members who do not timely Opt Out of the Class Settlement will be deemed to participate
8 in the Class Settlement and shall become Class Participants without having to submit a claim form or
9 take any other action. To Opt Out of the Class Settlement, the Class Member must submit a letter or
10 postcard to the Settlement Administrator by the Response Deadline. The Opt Out request must state
11 the Class Member's name, address, telephone number, and signature. The Opt Out request should state
12 something to the effect of:

13 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *DULCE*
14 *MARIA SANTACRUZ SANCHEZ, ET AL. V. GOLDEN LABOR SERVICES, LLC, ET*
15 *AL.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE
16 SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS
17 SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY
18 CLAIMS I MIGHT HAVE."
19

20 Any Opt Out request that is not postmarked by the Response Deadline will be invalid. In the
21 event that, prior to the Response Deadline, any Class Notice mailed to a Class Member is returned as
22 having been undelivered by the United States Postal Service, the Settlement Administrator shall
23 perform a skip trace search and seek an address correction for such Class Members, and a second Class
24 Notice will be sent to any new or different address obtained. Such Class Members shall have an
25 additional fourteen (14) days in which to Opt Out.

26 It will be presumed that, if an envelope containing the Class Notice has not been returned within
27 twenty-eight (28) days of the mailing, the Class Member received the Class Notice. At least seven (7)
28 days prior to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class

1 Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard
2 to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall
3 specify the number of Class Members to whom the Class Notice was sent and the number of Class
4 Members to whom the Class Notice was not delivered, as well as information relating to the number
5 of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

6 If the Settlement Administrator determines that an Opt Out request returned by a Class Member
7 before the Response Deadline is deficient, then the Settlement Administrator shall mail a deficiency
8 letter to that Class Member identifying the problem. If a Class Member submits both a dispute and an
9 Opt Out request, the Settlement Administrator shall make reasonable attempts to clarify as if the Opt
10 Out request were deficient. If the Class Member fails to cure the deficiency, the Opt Out request shall
11 be disregarded and the claim will be paid, and the Class Member will become bound by the judgment.

12 Class Participants will be bound by the Release of Released Claims set forth in the definition
13 of “Released Claims” provided in this Settlement Agreement.

14 A request to Opt Out of the Class Settlement shall *not* serve to exclude the Class Member from
15 participation in the PAGA Settlement Class. Opt-Outs shall still be entitled to their share of the PAGA
16 Payment. Class Members who are also members of the PAGA Settlement Class shall have no right or
17 ability to opt out of the portion of this Settlement Agreement releasing any and all PAGA claims as set
18 forth herein.

19 **7.4. OBJECTION PROCEDURE**

20 The Class Notice shall inform the Class Members of their right to object to the Class Settlement.
21 Any Class Member who wishes to object to the Class Settlement may submit a written objection to the
22 Settlement Administrator no later than the Response Deadline. Only Class Participants may object to
23 the Settlement. The objection should include the case name and number and must set forth, in clear and
24 concise terms, a statement of the reasons why the objector believes that the Court should find that the
25 proposed Class Settlement is not in the best interest of the Settlement Class and the reasons why the
26 Class Settlement should not be approved, including the legal and factual arguments supporting the
27 objection. If an objector also wishes to appear at the Final Approval and Fairness Hearing, in person
28 or through an attorney, they may do so. The Settlement Administrator will promptly serve copies of

1 any objection or notice of intention to appear on Class Counsel and Defense Counsel. Class Members
2 wishing to make an objection may appear at the Final Approval and Fairness Hearing, either in person
3 or through a lawyer retained at their own expense.

4 **7.5. NOTICE OF FINAL JUDGMENT**

5 Within ten (10) days after the Court has held a Final and Fairness Approval Hearing and entered
6 a final order certifying the Class for settlement purposes only and approving the Class Settlement, the
7 Settlement Administrator will give notice of judgment to Class Members pursuant to rule 3.771(b) of
8 the California Rules of Court, by posting a copy of said order and final judgment on its website at a
9 web address to be included in the Class Notice.

10 **8. CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

11 **8.1. ALLOCATION OF THE GROSS SETTLEMENT AMOUNT**

12 The claims of all Class Members are settled for the Gross Settlement Amount of \$875,000.00,
13 which will be allocated as follows:

- 14 1. The Administrative Expenses, not to exceed \$20,000.00;
- 15 2. Class Counsel's attorney fees not to exceed \$291,666.67;
- 16 3. Class Counsel's litigation costs and expenses not to exceed \$9,000.00;
- 17 4. The Incentive Awards, not to exceed \$15,000.00; and
- 18 5. PAGA Payment to LWDA of \$37,500.00.

19 **8.2. CALCULATION OF THE INDIVIDUAL SETTLEMENT AMOUNTS FOR**
20 **CLASS PARTICIPANTS**

21 For purposes of calculating the estimated Individual Settlement Amounts, the Settlement
22 Administrator shall calculate the estimated Net Settlement Amount by deducting the following
23 estimated values from the Gross Settlement Amount prior to sending Notice to the Class Members.
24 Prior to final distribution, the Settlement Administrator shall recalculate the final Net Settlement
25 Amount by deducting the actual values from the Gross Settlement Amount as set forth herein:

- 26 1. Administrative Expenses, which are anticipated not to exceed \$20,000.00;
- 27 2. Class Attorney Fees and Expenses, which are not to exceed \$291,666.67 plus an additional
28 \$9,000.00;

1 3. Incentive Awards, which are not to exceed \$15,000.00 (or \$7,500.00 to each Plaintiff); and

2 4. PAGA Payment of \$50,000.00

3 Individual Settlement Amounts to be paid to Class Participants shall be paid from the Net
4 Settlement Amount. The portion of the Net Settlement Amount shall be distributed pro rata on a
5 “checks cashed” basis based on the proportional number of workweeks worked by each Class Member
6 during the Class Period.

7 Defendants will provide the Settlement Administrator with any information reasonably
8 necessary to perform the calculation of number of workweeks for each Class Member, and any other
9 reasonably required information the Settlement Administrator requests to perform the calculations
10 required under this Settlement Agreement. Defendants shall have no responsibility for deciding the
11 validity of the Individual Settlement Amounts or any other payments made pursuant to this Settlement
12 Agreement, shall have no involvement in or responsibility for the determination or payment of
13 Employee’s Taxes and Required Withholding, and shall have no liability for any errors made with
14 respect to such Employee’s Taxes and Required Withholding. Although the Settlement Administrator
15 will calculate and pay the standard Employee’s Taxes and Required Withholding on the portion of the
16 Individual Settlement Amounts constituting wages on their behalf, Plaintiffs and Class Participants
17 represent and understand that they shall be solely responsible for any and all tax obligation associated
18 with their respective Individual Settlement Amounts and Incentive Awards.

19 **8.3. CALCULATION OF THE PAYMENTS FOR INDIVIDUAL MEMBERS OF**
20 **THE PAGA SETTLEMENT CLASS**

21 Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA
22 Payment, namely 25% of the PAGA Payment. The PAGA Payment shall consist of the penalties
23 pursuant to PAGA that the Parties have agreed is a reasonable sum to be paid in settlement of the
24 PAGA claims included in the Action, which is \$50,000.00, subject to Court approval. The PAGA
25 Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed
26 as follows: seventy-five percent (75%) (i.e., \$37,500.00) to the LWDA and twenty-five percent (25%)
27 (i.e., \$12,500.00) to the PAGA Settlement Class.
28

1 The portion of the PAGA Payment allocated to the PAGA Settlement Class shall be distributed
2 to the PAGA Settlement Class based on the pro rata number of pay periods worked by each particular
3 PAGA Settlement Class member during the PAGA Period as a proportion of all pay periods worked
4 by all PAGA Settlement Class members during the PAGA Period. Each member of the PAGA
5 Settlement Class, including Plaintiffs, shall be responsible for the payment of the Employee's Taxes
6 and Required Withholding with respect to their share of the PAGA Payment and shall hold Defendants
7 harmless from any and all liability with regard thereto.

8 Defendants will provide the Settlement Administrator with any information reasonably
9 necessary to perform the calculation of number of pay periods worked for each PAGA Settlement Class
10 member, and any other reasonably required information the Settlement Administrator requests to
11 perform the calculations required under this Settlement Agreement. Defendants shall have no
12 responsibility for deciding the validity of the individual payment amounts allocated to each member of
13 the PAGA Settlement Class or any other payments made pursuant to this Settlement Agreement, shall
14 have no involvement in or responsibility for the determination or payment of Employee's Taxes and
15 Required Withholding, and shall have no liability for any errors made with respect to such Employee's
16 Taxes and Required Withholding.

17 The members of the PAGA Settlement Class shall be solely responsible for any and all tax
18 obligation associated with their respective shares of the PAGA Payment.

19 **8.4. TIME FOR PAYMENT OF ATTORNEY FEES AND EXPENSES**

20 The Settlement Administrator shall distribute to Class Counsel any Class Attorney Fees and
21 Expenses approved by the Court to Class Counsel no later than twenty (20) days after the Effective
22 Date.

23 **8.5. TIME FOR PAYMENT OF INCENTIVE AWARD**

24 The Settlement Administrator shall distribute to Plaintiffs the Incentive Awards approved by
25 the Court no later than twenty (20) days after the Effective Date.

26 **8.6. TIME FOR PAYMENT OF PAGA PAYMENT TO THE LWDA**

27 The Settlement Administrator shall distribute to the LWDA the portion of the PAGA Payment
28 due to the LWDA, as approved by the Court, no later than twenty (20) days after the Effective Date.

1 **8.7. TIME FOR PAYMENT OF TAXES AND REQUIRED WITHHOLDING AND**
2 **INDIVIDUAL SETTLEMENT AMOUNTS**

3 The Settlement Administrator shall make every effort to pay the Employee's Taxes and
4 Required Withholding associated with each Class Participant's Individual Settlement Amount and mail
5 the Individual Settlement Amount to each Class Participant, by first-class United States mail, to the
6 last-known address no later than twenty (20) days after the Effective Date. If the Settlement
7 Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel
8 and Defense Counsel and provide an approximate date by which the Employee's Taxes and Required
9 Withholding shall be paid and the Individual Settlement Amounts will be mailed. Under no
10 circumstances shall the Settlement Administrator distribute checks to Class Participants until all
11 Individual Settlement Amounts have been considered, calculated, and accounted for, and all of the
12 remaining monetary obligations have been calculated and accounted for.

13 **8.8. NON-CASHED SETTLEMENT CHECKS**

14 Any funds associated with checks issued in accordance with the terms of this Settlement
15 Agreement that have not been cashed within one hundred eighty (180) days, will become void and the
16 Individual Settlement Amounts associated with the uncashed checks will be distributed pursuant to
17 Code of Civil Procedure section 384 to the proposed *cy pres* recipient, Wounded Heroes Fund, subject
18 to approval by the Court). For the purposes of determining whether Defendants have met their financial
19 obligation to pay the Individual Settlement Amounts, Defendants will be deemed to have fulfilled their
20 obligation upon the mailing of the check by the Settlement Administrator to the Class Participants,
21 regardless of whether such Class Participants subsequently negotiate the check.

22 **8.9. DISPUTES REGARDING CLASS MEMBER WORKWEEKS DATA OR**
23 **PAYMENT OF INDIVIDUAL SETTLEMENT SHARES**

24 Class Member Workweeks and the corresponding Individual Settlement Amount shall be
25 calculated using the employment and payroll records of Defendants, which presumptively shall be
26 deemed to be full, complete, and accurate for purposes of this Settlement Agreement. To overcome
27 that presumption, any Class Member objecting to the accuracy of the number of Workweeks or amount
28 of the Individual Settlement Amount must submit documentary evidence, such as pay stubs or other

1 written employment records, to the Settlement Administrator. Each Class Member may dispute the
2 number of Workweeks or their estimated Individual Settlement Amount contained on their Class
3 Notice (“Workweeks Dispute”). Any such Workweeks Dispute must be mailed or faxed to the
4 Settlement Administrator by the Class Member, postmarked or fax-stamped on or before the Response
5 Deadline. The Settlement Administrator shall immediately provide copies of all disputes to counsel for
6 Defendants, shall inform Class Counsel of the dispute without disclosing the identity of the Class
7 Member making the dispute, and shall immediately attempt to resolve all such disputes directly with
8 relevant Class Members with the assistance of Defendants, Defense Counsel, and Class Counsel. If the
9 dispute cannot be resolved, it shall be submitted to the Settlement Administrator for its final, non-
10 appealable decision based on the written documentation presented by the Class Member and any
11 materials submitted by Defendants. The Settlement Administrator shall use its best efforts to resolve
12 all such disputes prior to the Effective Date. If, however, a dispute arises or is not resolved until after
13 the Settlement Amount has been distributed, the initial calculation shall stand (as Defendants shall be
14 under no obligation to pay any amounts in excess of the Gross Settlement Amount under this Settlement
15 Agreement).

16 **9. NULLIFICATION OF THIS SETTLEMENT AGREEMENT**

17 **9.1. NON-APPROVAL OF THIS SETTLEMENT AGREEMENT**

18 The Class Settlement and conditional class certification shall be considered null and void, and
19 neither the Class Settlement, conditional class certification, nor any of the related negotiations or
20 proceedings, shall be of any force or effect, and all Parties to the Class Settlement shall stand in the
21 same position, without prejudice, as if the Class Settlement had been neither entered into nor filed with
22 the Court, if any of the following occur: **(a)** the Court should for any reason fail to approve this
23 Settlement Agreement in the form agreed to by the Parties; **(b)** the Court should for any reason fail to
24 enter a judgment with prejudice of the Action, or **(c)** the approval of the Class Settlement and judgment
25 is reversed, modified, or declared or rendered void. Notwithstanding the foregoing, the Parties may
26 attempt in good faith to cure any perceived defects in this Settlement Agreement to facilitate approval.
27
28

1 **9.2. PARTIES' RIGHTS TO VOID CLASS SETTLEMENT; ESCALATOR**
2 **PROVISION**

3 If 10% or more members of the Settlement Class timely submit Opt Out requests, Defendants
4 shall have the right (but not the obligation) to void this Settlement Agreement. If the number of
5 workweeks worked by the Class Members during the Class Period is greater than 10% of the number
6 of workweeks represented by Defendants, then at the election of Defendants, (a) the Gross Settlement
7 Amount shall be increased proportionately for each additional week worked or (b) Defendants shall
8 have the right (but not the obligation) to void this Settlement Agreement.

9 **9.3. INVALIDATION**

10 Invalidation of any material portion of this Settlement Agreement shall invalidate this
11 Settlement Agreement and the Class Settlement in its entirety, unless the Parties subsequently agree in
12 writing that the remaining provisions of the Class Settlement are to remain in full force and effect.

13 **9.4. STAY ON APPEAL**

14 In the event of a timely appeal from the approval of the Class Settlement and judgment, the
15 judgment shall be stayed, and Defendants shall not be obligated to fund the Gross Settlement Amount
16 or take any other actions required by this Settlement Agreement until all appeal rights have been
17 exhausted by operation of law.

18 **10. MOTIONS FOR COURT APPROVAL**

19 **10.1. PRELIMINARY APPROVAL**

20 As soon as practicable after execution of this Settlement Agreement, Class Counsel will submit
21 this Settlement Agreement to the Court along with a Motion for Preliminary Approval of the Class
22 Settlement that contains the following provisions:

- 23 1. Preliminarily approving the Settlement Agreement under the legal standards relating to the
24 preliminary approval of class action settlements;
- 25 2. Approving the form of the Class Notice, and finding that the proposed method of disseminating
26 the Class Notice meets the requirements of California Rule of Court 3.766 and of due
27 process and is the best notice practicable under the circumstances;
- 28 3. Approving ILYM Group, Inc. as the Settlement Administrator;

- 1 4. Establishing the procedures and the deadline by which Class Members may assert
2 objections to the Settlement;
- 3 5. Setting a date for the Final Fairness Hearing and a date by which Plaintiffs, the Class
4 Members, and Defendants must file their respective responses to timely objections, if any,
5 to the Settlement filed by Class Members; and
- 6 6. Providing that, pending the Court's final determination of whether the proposed Settlement
7 will be approved, and in aid of the Court's jurisdiction and to prevent a multiplicity of
8 lawsuits, the Class Representatives and all Class Members, and anyone acting on their
9 behalf (including, but not limited to, attorneys, representatives, and agents of any Class
10 Member), who have not requested to be excluded from the Settlement are barred and
11 enjoined from instituting, commencing, or continuing to prosecute, directly or indirectly, as
12 an individual or collectively, representatively, derivatively, or on behalf of himself or
13 herself, or in any other capacity of any kind whatsoever, any action in this Court, any other
14 state court, or any arbitration or mediation proceeding or any other similar proceeding,
15 against any or all of the Released Parties that asserts any claims that are Released Claims
16 that would be released and discharged upon final approval of the Settlement, except as the
17 Court may further order upon application of a Class Member and notice to all parties.

18 Each of the Parties shall cooperate to present the Class Settlement to the Court for preliminary
19 approval in a timely fashion.

20 **10.2. FINAL APPROVAL**

21 The Final Approval and Fairness Hearing shall be held before the Court. At the Final Approval
22 and Fairness Hearing, Plaintiffs shall move the Court for the entry of the final order certifying the
23 Settlement Class for settlement purposes only and approving the Class Settlement as being fair,
24 reasonable, and adequate to the Class Participants within the meaning of California Rules of Court,
25 Rule 3.769, subdivisions (c), (d) and (e), and for the entry of a final judgment of the Action consistent
26 with the terms of the Class Settlement and rule 3.769, subdivision (h), of the California Rules of Court,
27 that includes the following provisions:

- 28 1. A provision directing the Parties to implement the terms of the Settlement Agreement;

- 1 2. A provision defining the Class;
- 2 3. A provision releasing and discharging the Released Parties from any and all liability with
- 3 respect to the Released Claims and Plaintiffs' General Released Claims as provided herein;
- 4 4. A provision permanently barring and enjoining all Class Members who did not timely opt
- 5 out from prosecuting against any of the Released Parties, any individual, class or collective
- 6 claims based on any of the Released Claims released herein;
- 7 5. A provision awarding reasonable Class Attorney Fees and Expenses to Class Counsel as
- 8 provided in Subsection 5.8 of this Settlement Agreement, or reserving jurisdiction with
- 9 respect thereto;
- 10 6. A provision awarding an Incentive Award to each of the Class Representatives as provided
- 11 in Subsection 5.2 of this Settlement Agreement, or reserving jurisdiction with respect
- 12 thereto; and
- 13 7. A provision reserving continuing and exclusive jurisdiction over all matters related to the
- 14 administration and consummation of the terms of this Settlement, over the enforcement,
- 15 construction and interpretation of this Settlement, over the enforcement, construction, and
- 16 interpretation of the final judgment, including, but not limited to, the provisions therein
- 17 enjoining any further litigation of any of the Released Claims, and over Plaintiffs and all
- 18 Class Members (and their attorneys and law firms) in connection therewith.

19 Class Counsel and Defense Counsel shall submit to the Court such pleadings and/or evidence
20 as may be required for the Court's determination.

21 **11. RELEASES AND WAIVERS**

22 **11.1. RELEASE OF CLAIMS BY ALL SETTLEMENT CLASS MEMBERS**

23 Upon the Effective Date, in exchange for the consideration set forth in this Settlement, all the
24 Releasing Parties, and each of them, shall be deemed to have and by operation of the Final Approval
25 Order and Judgment, will expressly have fully, finally, and forever released, settled, compromised,
26 relinquished, and discharged all the Released Parties, and each of them, of and from any and all
27 Released Claims for any period of time during the Class Period to the fullest extent permitted by law.
28 It is the desire of the Parties and the Releasing Parties for the Releasing Parties to fully, finally, and

1 forever settle, compromise, and discharge the Released Claims. Each of the Releasing Parties,
2 including each of the Class Participants, will be bound by the release of Released Claims as a result of
3 the Class Settlement and to the terms of the final judgment and the satisfaction of such judgment.

4 Class Participants will be deemed to have acknowledged and agreed that their claims for wages
5 and/or penalties in the Action are disputed, and that their Individual Settlement Amount constitutes
6 payment of all sums allegedly due to them. Class Participants will be deemed to have acknowledged
7 and agreed that California Labor Code section 206.5 is not applicable to the Individual Settlement
8 Amount. That section provides in pertinent part as follows:

9 “An employer shall not require the execution of a release of a claim or right on
10 account of wages due, or to become due, or made as an advance on wages to
11 be earned, unless payment of those wages has been made.”

12 The Parties understand and specifically agree that the scope of the release described in this
13 Section 11.1 and Section 1.36 of the Settlement Agreement is a material part of the consideration for
14 this Settlement; was critical in justifying the agreed upon economic value of this Settlement and without
15 it Defendants would not have agreed to the consideration provided; and is narrowly drafted and
16 necessary to ensure that Defendants are obtaining peace of mind regarding the resolution of claims that
17 were asserted or could have been alleged in the Action based on the facts, causes of action, and legal
18 theories asserted in the Action.

19 **11.2. GENERAL RELEASE OF CLAIMS BY PLAINTIFFS**

20 As a condition of the class action Settlement and in consideration for the consideration set forth
21 in this Agreement, Plaintiffs, on behalf of themselves and their dependents, heirs and assigns,
22 beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians,
23 personal representatives, and successors-in-interest, whether individual, class, representative, legal,
24 equitable, direct or indirect, or any other type or in any other capacity, shall and do hereby separately
25 waive, release, acquit and forever release, discharge and agree to hold harmless the Released Parties
26 from the Released Claims and any and all charges, complaints, claims, liabilities, obligations, promises,
27 agreements, controversies, damages, actions, causes of action, suits, rights, demands, grievances, costs,
28 losses, debts, setoffs, guarantees, indemnities, counterclaims, penalties, costs and expenses, attorneys’

1 fees and costs, and controversies of whatever kind and nature, character, and description, whether
2 known or unknown, whether anticipated or unanticipated, whether at law or in equity, whether sounding
3 in tort, contract, federal, state or local law, statute, ordinance, regulation, common law, or other source
4 of law or contract, which they had, may now have or may have after the signing of this Settlement
5 Agreement (collectively, “Claims or Causes of Action”), arising out of or in any way related to their
6 hiring by, employment with, separation of employment with, or otherwise relating to, the Released
7 Parties, including, but not limited to, the Released Claims, claims that were asserted or could have been
8 asserted in the Action, and any and all tort claims, contract claims, claims for wages, premium and
9 other forms of pay, unpaid/unreimbursed costs, penalties (including, without limitation, waiting time
10 penalties and wage statement penalties), general damages, compensatory damages, liquidated damages,
11 punitive damages, interest, attorneys’ fees, litigation and other costs, expenses, restitution, equitable
12 relief, declaratory relief, wrongful termination claims, disability claims, benefit claims, public policy
13 claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion
14 of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims
15 arising under any federal, state or other governmental statute, law, regulation or ordinance including,
16 but not limited to, any and all claims for violation of any provision of **(a)** the Americans with
17 Disabilities Act; **(b)** Title VII of the Civil Rights Act of 1964; **(c)** the Civil Rights Act of 1991; **(d)** 42
18 U.S.C. § 1981; **(e)** the Age Discrimination in Employment Act and/or the Older Workers Benefit
19 Protection Act; **(f)** the Fair Labor Standards Act; **(g)** the Equal Pay Act; **(h)** the Employee Retirement
20 Income Security Act, as amended; **(i)** the Consolidated Omnibus Budget Reconciliation Act; **(j)** the
21 Rehabilitation Act of 1973; **(k)** the Family and Medical Leave Act; **(l)** the Civil Rights Act of 1966;
22 **(m)** the California Fair Employment and Housing Act; **(n)** the California Constitution; **(o)** the
23 California Labor Code or other state wage and hour laws; **(p)** the California Government Code; **(q)** the
24 California Civil Code; **(r)** the United States Constitution; **(s)** the California Whistleblower Protection
25 Act; **(t)** any applicable California Industrial Welfare Commission Wage Orders; **(u)** the Unruh Civil
26 Rights Act; **(v)** the California Labor Code Private Attorneys General Act of 2004, California Labor
27 Code Sections 2699, *et seq.*; **(w)** the California Business and Professions Code, including but not
28 limited to §§ 17200 *et seq.*; **(x)** the California Family Rights Act; **(y)** the Uniformed Services

1 Employment and Reemployment Rights Act; and (z) any and all other federal, state, and local statutes,
2 ordinances, regulations, rules, and other laws, and all of their implementing regulations and interpretive
3 guidelines, and any and all claims based on constitutional, statutory, common law, or regulatory
4 grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of
5 contract or implied contract, fraud, misrepresentation, promissory estoppel, or intentional infliction of
6 emotional distress, negligent infliction of emotional distress, or damages under any other federal, state,
7 or local statutes, ordinances, regulations, rules, or laws to the fullest extent permitted by law. This
8 release includes, but is not limited to, Claims or Causes of Action for any and all relief, no matter how
9 denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory
10 damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering,
11 and attorneys' fees and costs, and Plaintiffs, on behalf of themselves and their dependents, heirs,
12 assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators,
13 guardians, personal representatives, and successors-in-interest, whether individual, class,
14 representative, legal, equitable, direct or indirect, or any other type or in any other capacity, shall and
15 do hereby separately waive, release, acquit and forever release, discharge and agree to hold harmless
16 Defendants and the Released Parties from any and all claims for attorneys' fees and costs arising out
17 of the matters released in this Settlement Agreement (collectively, "Plaintiffs' General Released
18 Claims"). Without limiting the scope of Released Parties as identified in Paragraph 1.37 above,
19 Plaintiffs separately acknowledge that Heritage Equipment Company, Inc. is one of the Released
20 Parties under this Paragraph.

21 **11.3. WAIVER OF CALIFORNIA CIVIL CODE § 1542 BY PLAINTIFFS**

22 Plaintiffs intend that this Agreement be, and is, a general release that shall be effective as a bar
23 to any and all claims against the Released Parties. Plaintiffs recognize that they may have some claim,
24 demand, and/or cause of action against the Released Parties of which Plaintiffs are completely unaware
25 and unsuspecting that Plaintiffs are giving up by the execution of this Agreement. Plaintiffs intend, in
26 executing this Agreement, that this Agreement will deprive them of each such claim, demand or cause
27 of action and will prevent Plaintiffs from asserting it against the Released Parties. In furtherance of
28 this intention, Plaintiffs knowingly, voluntarily, and expressly waive any rights or benefits conferred

1 by the provisions of the California Civil Code Section 1542, which Plaintiffs specifically acknowledge
2 that they are aware of and familiar with the provisions of California Civil Code section 1542, which
3 provides as follows:

4 “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
5 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT
6 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
7 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
8 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
9 DEBTOR OR RELEASED PARTY.”

10 Plaintiffs, being aware of California Civil Code section 1542, hereby expressly waive and
11 relinquish any and all rights and benefits they may have under the provisions of section 1542 of the
12 California Civil Code as well as any other statutes or common law principles of a similar effect.
13 Plaintiffs may hereafter discover claims or facts in addition to, or different from, those which they now
14 know or believe to exist or to be true, but Plaintiffs expressly agree to fully, finally, and forever settle
15 and release any and all claims against the Released Parties, known or unknown, suspected or
16 unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any
17 theory of law or equity without regard to the subsequent discovery of existence of such different or
18 additional facts. Plaintiffs acknowledge and agree that they each have had the opportunity to be advised
19 by their own legal counsel, and have done so, with respect to this general release and to this express
20 waiver of California Civil Code Section 1542 and other similar statutes or rules of law.

21 **11.4. CIRCULAR 230 DISCLAIMER**

22 Each party to this Settlement Agreement (for purposes of this section, the “Acknowledging
23 Party”; and each party to this Agreement other than the Acknowledging Party, an “Other Party”)
24 acknowledges and agrees that (1) no provision of this Settlement Agreement, and no written
25 communication or disclosure between or among the Parties or their attorneys and other advisers, is or
26 was intended to be, nor shall any such communication or disclosure constitute or be construed or be
27 relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31
28 C.F.R. Part 10); (2) the Acknowledging Party (a) has relied exclusively upon her or its own
independent legal and tax advisers for advice (including tax advice) in connection with this Settlement

1 Agreement, **(b)** has not entered into this Settlement Agreement based upon the recommendation of any
2 other party or any attorney or advisor to any other party, and **(c)** is not entitled to rely upon any
3 communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty that
4 may be imposed on the Acknowledging Party; and **(3)** no attorney or advisor to any other party has
5 imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies
6 (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party
7 of the tax treatment or tax structure of any transaction, including any transaction contemplated by this
8 Settlement Agreement.

9 **12. DUTIES OF THE PARTIES**

10 **12.1. MUTUAL FULL COOPERATION**

11 The Parties agree to cooperate fully with one another to accomplish and implement the terms
12 of this Settlement Agreement. Such cooperation shall include, but not be limited to, execution of such
13 other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms
14 of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated
15 by this Settlement Agreement and any other efforts that may become necessary by court order or
16 otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable
17 after execution of this Settlement Agreement, Class Counsel, with the cooperation of Defendants and
18 Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of
19 this Settlement Agreement.

20 **12.2. DUTY TO SUPPORT AND DEFEND THE CLASS SETTLEMENT**

21 The Parties agree to abide by all of the terms of this Settlement Agreement in good faith and to
22 support the Class Settlement fully and to use their best efforts to defend this Class Settlement from any
23 legal challenge, whether by appeal or collateral attack.

24 **12.3. DUTIES PRIOR TO COURT APPROVAL**

25 Class Counsel shall promptly submit this Settlement Agreement to the Court for preliminary
26 approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly
27 upon execution of this Settlement Agreement, Class Counsel shall apply to the Court for the entry of a
28 preliminary order scheduling a hearing on the question of whether the proposed Class Settlement

1 should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form
2 and content the proposed Class Notice and Share Form attached hereto as **Exhibit 1** and **Exhibit 2**,
3 respectively, and directing the mailing of the Class Notice to Class Members. While Defendants can
4 reserve their right to object to facts or assertions made in the moving papers, Defense Counsel shall
5 file a notice of non-opposition to the granting of the motion for preliminary approval or join in the
6 motion.

7 **13. MISCELLANEOUS PROVISIONS**

8 **13.1. VOIDING THIS SETTLEMENT AGREEMENT**

9 Pending Court approval and other than as provided herein, if any of the conditions set forth in
10 this Settlement Agreement are not met and satisfied, this Settlement Agreement shall, at the option of
11 either Plaintiffs or Defendants, be ineffective, void, and of no further force and effect, and shall not be
12 used or be admissible in this Action or in any subsequent proceeding, either in this Court or in any
13 other court or forum. If either Party decides to void the Settlement Agreement, then the Settlement
14 Agreement and conditional class certification shall be considered void, and neither the Settlement
15 Agreement, conditional class certification, nor any of the related negotiations or proceedings, shall be
16 of any force or effect, and the Parties shall stand in the same position, without prejudice, as if this
17 Settlement Agreement had been neither entered into nor filed with the Court. Should any Party choose
18 to void the Class Settlement under this subsection, such Party shall be responsible for all Settlement
19 Administrator fees and costs actually incurred.

20 **13.2. DIFFERENT FACTS**

21 The Parties acknowledge that, except for matters expressly represented herein, the facts in
22 relation to the Action and all claims released by the terms of this Settlement Agreement may turn out
23 to be different from the facts now known by each Party and/or its counsel, or believed by such Party or
24 counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or
25 presently unknown facts, and agrees that this Settlement Agreement shall be in all respects effective
26 and binding despite such difference.
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1 **13.3. NO PRIOR ASSIGNMENTS**

2 The Parties represent, covenant, and warrant that they have not directly or indirectly assigned,
3 transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any
4 portion of any liability, claim, demand, action, cause of action, or right herein released and discharged
5 except as set forth herein.

6 **13.4. NON-ADMISSION**

7 Nothing in this Settlement Agreement shall be construed as or deemed to be an admission by
8 any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other
9 person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing
10 toward each other or any other person. Each of the Parties has entered into this Settlement Agreement
11 with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses,
12 and contingencies. Nothing herein shall constitute any admission by Defendants of wrongdoing or
13 liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any
14 admission by Defendants regarding the merits of the Claims in this Action, including but not limited
15 to claims for unpaid wages or violations under California or federal law. Nothing herein shall constitute
16 an admission by Defendants that the Action was properly brought as a class or representative action
17 other than for settlement purposes. To the contrary, Defendants deny each and every material factual
18 allegation in the Action and all Claims. Defendants deny any and all liability and/or wrongdoing of any
19 kind associated with the claims alleged by the Class Representatives and deny all of the allegations,
20 claims, and contentions alleged by Plaintiffs in the Action, and have asserted numerous affirmative
21 defenses. Defendants expressly deny all charges of wrongdoing or liability against them arising out of
22 any of the conduct, statements, acts, or omissions alleged in the Action. Defendants further contend
23 that, for any purpose other than settling this Action, the Action and the claims asserted therein, are not
24 appropriate for class or representative action treatment. To this end, the Class Settlement of the Action,
25 the negotiation and execution of this Settlement Agreement, and all acts performed or documents
26 executed pursuant to or in furtherance of this Settlement Agreement or the Class Settlement are not,
27 shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or
28 liability on the part of Defendants or of the truth of any of the factual allegations in the Complaint in

1 the Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence
2 of any fault or omission on the part of Defendants in the Action or any civil, criminal, or administrative
3 proceeding in any court, administrative agency, or other tribunal.

4 **13.5. NON-EVIDENTIARY USE**

5 Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation
6 or drafting of it, shall be offered or used as evidence by Plaintiffs, any Class Member (including any
7 individual who requested to be excluded from the Settlement Class or Opt-Outs), Defendants, or its,
8 her, his, or their respective counsel, in the Action, except as is reasonably necessary to effectuate the
9 Settlement Agreement's purpose and terms. This Settlement Agreement may, however, be used by
10 Defendants and the Released Parties to prove or defend against any claim released herein by any Class
11 Member or any Class Representative in any judicial, quasi-judicial, administrative, or governmental
12 proceeding.

13 **13.6. MEDIA OR PRESS**

14 Plaintiffs and Defendants, and their respective counsel, recognize, accept, and agree that the
15 Parties to this Settlement Agreement desire that the terms of this Settlement Agreement, the fact of the
16 Class Settlement embodied in this Settlement Agreement, the disposition of the Action, the Action, and
17 all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence
18 obtained during the course of the Action, shall not be discussed with or presented to the media or press.

19 **13.7. NON-RETALIATION**

20 Defendants understand and acknowledge that they have a legal obligation to not retaliate against
21 any Class Member who elects to participate in the Class Settlement or elects to Opt Out of the Class
22 Settlement. Defendants will refer any inquiries regarding this Class Settlement to the Settlement
23 Administrator or Class Counsel and will not discourage Class Members who are employees, directly
24 or indirectly, from making claims, Opting Out, or objecting to the Class Settlement. None of the Parties,
25 or their respective attorneys or agents, shall solicit or encourage any Class Members, directly or
26 indirectly, to Opt Out of the Class Settlement.

1 **13.8. CONSTRUCTION**

2 The Parties agree that the terms and conditions of this Settlement Agreement are the result of
3 lengthy, intensive, arms-length, non-collusive negotiations between the Parties and that this Settlement
4 Agreement is not to be construed in favor of or against any Party by reason of the extent to which any
5 Party or its, his, or her counsel participated in the drafting of this Settlement Agreement. If any of the
6 dates in this Settlement Agreement fall on a weekend, bank or court holiday, the time to act shall be
7 extended to the next business day.

8 **13.9. GOVERNING LAW**

9 This Settlement Agreement is intended to and shall be governed by the laws of the State of
10 California, without regard to conflict of law principles, in all respects, including execution,
11 interpretation, performance, and enforcement.

12 **13.10. NOTICES**

13 Except for Class Member notices required to be made by the Settlement Administrator, all
14 notices or other communications required or permitted under this Settlement Agreement shall be in
15 writing and shall be sufficiently given if delivered in person to the Parties or their counsel or by U.S.
16 certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the
17 Parties' respective counsel appearing on pages 1 or 2 above of this Settlement Agreement.

18 **13.11. CAPTIONS AND INTERPRETATIONS**

19 Section titles or captions contained herein are inserted as a matter of convenience and for
20 reference only and in no way define, limit, extend, or describe the scope of this Settlement Agreement
21 or any provision thereof.

22 **13.12. MODIFICATION**

23 This Settlement Agreement may not be changed, altered, or modified, except in writing signed
24 by the Parties (or the Parties' on their behalf) and approved by the Court. This Settlement Agreement
25 may not be discharged except by performance in accordance with its terms or by a writing signed by
26 the Parties.

1 **13.13. INTEGRATION CLAUSE**

2 This Settlement Agreement contains the entire agreement between the Parties relating to the
3 Class Settlement of the Action and the transactions contemplated thereby, and all prior or
4 contemporaneous agreements, understandings, representations, and statements, whether oral or written,
5 and whether by a Party or such Party's legal counsel, are hereby superseded. No rights under this
6 Settlement Agreement may be waived except in writing as provided above.

7 **13.14. SUCCESSORS AND ASSIGNS**

8 This Settlement Agreement shall be binding on and inure to the benefit of the Parties and Class
9 Members (excluding only Opt-Outs) and their respective present and former heirs, trustees, executors,
10 administrators, representatives, officers, directors, shareholders, agents, employees, insurers, attorneys,
11 accountants, auditors, advisors, consultants, pension plans, welfare benefit plans, fiduciaries, parent
12 companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and
13 assigns.

14 **13.15. CORPORATE SIGNATORIES**

15 Any person executing this Settlement Agreement or any such related document on behalf of a
16 corporate signatory or on behalf of a partnership hereby warrants and promises, for the benefit of all
17 Parties hereto, that such person has been duly authorized by such corporation or partnership to execute
18 this Settlement Agreement or any such related document.

19 **13.16. EXECUTION IN COUNTERPARTS**

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

23 **13.17. ATTORNEY FEES, COSTS, AND EXPENSES**

24 Except as otherwise specifically provided for herein, the Parties shall bear her or its own
25 attorney fees, costs, and expenses, taxable or otherwise, incurred by her or it in or arising out of the
26 Action and shall not seek reimbursement thereof from any other Party to this Settlement Agreement.
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13.18. ACTION TO ENFORCE AGREEMENT

In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover her or its attorney fees and costs.

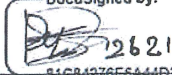
14. EXECUTION

The Parties and their counsel have executed this Settlement Agreement on the date below their signatures or the signature of their representatives. The date of this Settlement Agreement shall be the date of the latest signature.

APPROVAL AND EXECUTION BY PARTIES

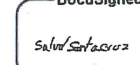
CLASS REPRESENTATIVES:

Dated: 12/6/2021

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Dulce Maria Santacruz Sanchez
Plaintiff and Class Representative

Dated: 12/6/2021

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Salud Santacruz
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Salud Santacruz
Plaintiff and Class Representative

DEFENDANTS:

Dated: 12/8/2021

Golden Labor Services, LLC



By: Ramiro Perez

Title: _____

Dated: _____

Pacific Ag Management, Inc.

Mitchell M. Millwee

By: Mitchell M. Millwee

Title: President

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: _____

MELMED LAW GROUP P.C.

Jonathan Melmed
Attorneys for Plaintiffs

DEFENDANTS' COUNSEL:

Dated: _____

COLEMAN & HOROWITT, LLP

Gregory J. Norys
Attorneys for Defendant Golden Labor Services,
LLC

Dated: 13 Dec 2021

BELDEN BLAINE RAYTIS, LLP

Thomas Scott Belden

T. SCOTT BELDEN
Attorneys for Defendant Pacific AG
Management, Inc.

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By: _____

Title: _____

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: 12/6/21

MELMED LAW GROUP P.C.



Jonathan Melmed
Attorneys for Plaintiffs

DEFENDANTS' COUNSEL:

Dated: 12/8/2021

COLEMAN & HOROWITT, LLP



Gregory J. Norys
Attorneys for Defendant Golden Labor Services,
LLC

Dated: _____

BELDEN BLAINE RAYTIS, LLP

T. SCOTT BELDEN
Attorneys for Defendant Pacific AG
Management, Inc.

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EXHIBIT 1

Notice of Proposed Class Action Settlement

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN**

DULCE MARIA SANTACRUZ SANCHEZ
and SALUD SANTACRUZ, individuals on
behalf of themselves, the State of California, as
private attorneys general, and on behalf of all
others similarly situated,

Plaintiffs,

v.

GOLDEN LABOR SERVICES, LLC, a
California Limited Liability Company;
PACIFIC AG MANAGEMENT, INC., a
California Corporation; and DOES 1 TO 50,

Defendants.

Case Number: BCV-20-102729

**NOTICE OF CLASS ACTION
SETTLEMENT**

A court authorized this notice. This is not a solicitation from a lawyer.

1 **NOTICE OF CLASS ACTION SETTLEMENT**

2 *You may be eligible to receive a settlement payment. Please read this notice carefully.*

3 A settlement has been reached in the case entitled *Santacruz Sanchez, et al. v. Golden Labor*
4 *Services, LLC, et al.*, Case No. BCV-20-102729, which is pending in the Superior Court for the State of
5 California, County of Kern, on behalf of a proposed “Class,” defined as: All individuals who are or were
6 employed as non-exempt employees by Defendants Golden Labor Services, LLC and Pacific Ag
7 Management, Inc. (collectively, “Defendants”) in California at any time between November 20, 2016
8 and the date of preliminary approval (“Class” or “Class Members”).

9 On December 7, 2021, the Honorable David R. Lampe of the Superior Court of the State of
10 California for the County of Kern granted preliminary approval of this Class Action Settlement and
11 ordered the litigants to notify all Class Members of the settlement. You are receiving this Notice of
12 Class Action Settlement because Defendants’ records indicate that you are a Class Member, and
13 therefore, you may be entitled to money under the Settlement and because the Settlement affects your
14 legal rights.

15 **NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE**
16 **SETTLEMENT:** If you are a Class Member (as defined above) and received this notice, you are
17 automatically included in the Settlement and do not need to take any further action to receive a
18 payment. If you accept your settlement amount, you will release the claims described below.

19 **1. DESCRIPTION OF THE LAWSUIT**

20 On November 20, 2020, Plaintiffs Dulce Maria Santacruz Sanchez and Salud Santacruz
21 (collectively “Plaintiffs”), individually and in their representative capacity on behalf of the Class
22 Members, and as private attorneys general on behalf of the State of California, filed a complaint against
23 Defendants in the Superior Court of California for the County of Kern in the matter of *Dulce Maria*
24 *Santacruz Sanchez, et al. v. Golden Labor Services, LLC, et al.*, case number **BCV-20-102729** (the
25 “Action”). The Action sought recovery for the alleged **(1)** failure to pay minimum wage for all hours
26 worked; **(2)** failure to pay proper overtime wages; **(3)** failure to provide compliant rest periods and pay
27 missed rest break premiums; **(4)** failure to provide compliant meal periods and pay missed meal period
28 premiums; **(5)** failure to maintain accurate employment records; **(6)** failure to pay timely wages during

1 employment; **(7)** failure to pay all wages due and owing at separation; **(8)** failure to reimburse business
2 expenses; **(9)** failure to provide complete and accurate wage statements; **(10)** failure to provide potable
3 water; **(11)** failure to provide suitable restrooms and/or toilet facilities; **(12)** deceptive, fraudulent, or
4 otherwise unlawful business practices based on the foregoing in violation of California’s Unfair
5 Competition Law; and **(13)** statutory penalties based on the foregoing pursuant to the California Labor
6 Code Private Attorneys General Act of 2004 (“PAGA”).

7 Defendants deny all liability, all allegations in the Action, and have raised various defenses to
8 the claims asserted in the Action. Defendants contend that they have complied at all times with
9 California law. The settlement is not an admission of any wrongdoing by Defendants nor an indication
10 that any laws were violated.

11 The Court has not decided in favor of Plaintiffs or Defendants. There was no trial, and by
12 approving the Settlement and issuing this notice, the Court is *not* suggesting which side would win or
13 lose the case if it went to trial or whether the claims are suitable for class certification. Instead, both sides
14 agreed to a no-fault settlement of the Lawsuit (the “Settlement”), so as to avoid the costs of a trial and allow the
15 Class Members to receive compensation from the Settlement. Plaintiffs and Class Counsel think that the
16 Settlement is best for the Class. The terms of the Settlement are summarized in this notice.

17 The Settlement was reached after Defendants provided extensive information and documents
18 to Plaintiffs’ counsel, and after lengthy arms-length non-collusive negotiations between the Parties,
19 including mediation with an experienced and well-respected mediator in California. In these
20 negotiations, both sides recognized the substantial risk of the Court deciding against them at trial and
21 determined that the Settlement was a fair, reasonable, and adequate way to resolve the disputed claims.

22 Plaintiffs and Plaintiffs’ counsel—Jonathan Melmed and Laura Supanich of Melmed Law
23 Group P.C. (“Class Counsel”)—support the Settlement. Among the reasons for support are the defenses
24 to liability potentially available to Defendants, the risk of denial of class certification, the inherent risk
25 of trial on the merits, and the delays and uncertainties associated with litigation. Plaintiffs and Class
26 Counsel believe that the settlement described in this notice is fair, adequate, reasonable, and in the best
27 interests of Plaintiffs and the Class Members.
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1 Defendants have denied and continue to deny the factual and legal allegations in Plaintiffs' case
2 and believe that Plaintiffs' claims have no merit. By agreeing to settle, Defendants are not admitting
3 liability on any of the factual allegations or claims in the Action or that the Action can or should proceed
4 as a class action or a representative action. Instead, Defendants have agreed to settle the Action solely
5 for economic efficiency.

6 On [date of preliminary approval], the Court preliminarily approved the Settlement and
7 conditionally certified the settlement class. This notice is being sent to you because Defendants' records
8 indicate that you worked for Defendants during the Class Period and that you meet the definition
9 required to be treated as a Class Member.

10 **2. IF YOU ARE STILL EMPLOYED BY DEFENDANTS, THIS SETTLEMENT WILL**
11 **NOT AFFECT YOUR EMPLOYMENT.**

12 California law strictly prohibits retaliation. Further, Defendants are prohibited by law from
13 taking any adverse action against or otherwise target, retaliate, or discriminate against any Class
14 Member because of the Class Member's participation or decision not to participate in the Settlement.

15 **3. TERMS OF THE SETTLEMENT**

16 Under the Settlement, the following settlement class will be certified under California law: all
17 individuals who are or were employed as non-exempt employees by Defendants Golden Labor
18 Services, LLC and Pacific Ag Management, Inc. in California during the Class Period. The "Class
19 Period" is defined as the period from November 20, 2016, through [the date of preliminary approval].

20 Defendants have agreed to pay \$875,000.00 (the "Gross Settlement Amount") to resolve the
21 claims in the Action, which is inclusive of the following:

22 The Parties agreed to the following payments from the Gross Settlement Amount:

- 23 1. **Settlement Administration Expenses.** The Court has approved ILYM Group, Inc. to
24 act as the "Settlement Administrator," who is sending this notice to you and will perform
25 many other duties relating to the Settlement. Under the Settlement, the Settlement
26 Administrator will be paid up to \$20,000.00 from the Gross Settlement Amount to pay
27 the Settlement Administration Costs.
28

1 2. **Class Attorney Fees and Expenses.** Class Counsel have been prosecuting the Action
2 on behalf of the Class Members on a contingency fee basis (that is, without being paid
3 any money to date) and have been paying all litigation costs and expenses. To date, the
4 Parties have aggressively litigated many aspects of the case including investigation,
5 settlement efforts, and a full-day mediation session. Under the Settlement, Class
6 Counsel will receive up to \$300,666.67, which will be paid from the Gross Settlement
7 Amount as reasonable compensation for the work Class Counsel performed and will
8 continue to perform in the Action. Class Members are not personally responsible for
9 any of Class Counsel’s attorneys’ fees or expenses.

10 3. **Service Payment to Class Representatives.** Class Counsel will ask the Court to
11 provide a service payment to Plaintiffs in the amount of \$7,500.00 to each Plaintiff,
12 which shall be paid from the Gross Settlement Amount, to compensate them for their
13 efforts on behalf of the Class Members in the Action, including assisting in the
14 investigation and consulting with Class Counsel and providing crucial documents to
15 Class Counsel.

16 4. **PAGA Payment.** The Parties have agreed on a reasonable sum to be paid in settlement
17 of the PAGA claims included in the Action, which is \$50,000.00. The PAGA Payment
18 is to be approved by the Court pursuant to Labor Code section 2699 and is to be
19 distributed as follows: seventy-five percent (75%) (i.e., \$37,500.00) to the LWDA and
20 twenty-five percent (25%) (i.e., \$12,500.00) to the individuals who come within the
21 definition of an “aggrieved employee” for the purposes of the Settlement (i.e., all
22 individuals who are or were employed as non-exempt employees by Defendants Golden
23 Labor Services, LLC and Pacific Ag Management, Inc. in California November 20,
24 2019 through the date of preliminary approval.).

25 After deducting the amounts above, the balance of the settlement amount, approximately
26 \$489,333.00 will be available for distribution to the Class Members (the “Net Settlement Amount”).

27 In exchange for their share of such settlement amount, all participating Class Members will be
28 deemed to have released Defendants from liability on the terms described in this notice.

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2 **4. DISTRIBUTION OF THE SETTLEMENT TO THE CLASS MEMBERS**

3 Each eligible Class Member who does not request exclusion from the Settlement will be deemed
4 a “Class Participant” and will receive a share from the Net Settlement Amount which will be distributed
5 pro rata based on the proportional number of weeks worked by each Class Member during the Class
6 Period (the “Individual Settlement Amount”). If any Class Member requests exclusion from the
7 Settlement, his or her share will be distributed to the remaining Class Participants.

8 Twenty percent (20%) of each Individual Settlement Amount will constitute payment in the
9 form of wages (and each Class Participant will be issued an IRS Form W-2 for such payment to him
10 or her), and Eighty percent (80%) of each Individual Settlement Amount will constitute penalties and
11 interest (and each Class Participant will be issued an IRS Form 1099 for such payment to him or her).

12 Defendants, or their proxies, shall take all usual and customary deductions from the Individual
13 Settlement Amount payments that are distributed as wages, including, but not limited to, state and
14 federal tax withholding, disability premiums, and unemployment insurance premiums. There will be
15 no deduction taken from the interest or penalty distribution—it will, however, be reported on IRS Form
16 1099 as income. Class Participants are responsible for the proper income tax treatment of their
17 Individual Settlement Amount. The Settlement Administrator, Defendants and their counsel, and Class
18 Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors
19 concerning the tax consequences and treatment of payments they receive under the Settlement.

20 The workweeks you worked for Defendants during the Class Period will be calculated based
21 on Defendants’ records. If you feel that you were not credited with the correct number of workweeks
22 worked during the Class Period, you may submit evidence to the Settlement Administrator on or before
23 **[Response Deadline]** with documentation to establish the number of workweeks you claim to have
24 actually worked during the Class Period. **Documentation sent to the Settlement Administrator will**
25 **not be returned or preserved, so do not send originals.** The Parties and the Settlement Administrator
26 will promptly evaluate the evidence submitted and discuss in good faith how many workweeks should
27 be credited. The Settlement Administrator will make the final decision as to how many weeks are
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1 credited and report the outcome to the Class Participant. If you are unsatisfied with the decision, you
2 may submit an objection, which is explained below.

3 Settlement checks will be mailed to all Class Participants after the Court grants final approval
4 of the Settlement and judgment is entered.

5 **5. THE RELEASE OF CLAIMS**

6 If the Court approves the Settlement, the Court will enter judgment and the Settlement will bind
7 all Class Participants. The Class Participants will then be barred from bringing any “Released Claims”
8 against the “Released Parties” as those terms are defined below.

9 The “Released Parties” are Defendants Golden Labor Services, LLC and Pacific Ag
10 Management, Inc. and all of Defendants’ former, present and/or future parent companies, subsidiaries,
11 affiliates, and their current, former and/or future, direct or indirect, shareholders, officers, directors,
12 employees, members, agents, partners, managers, representatives, insurers, administrators, and
13 attorneys, and the predecessors, successors, and assigns partners, managers, representatives, insurers,
14 administrators, and attorneys, and the predecessors, successors, and assigns and legal representatives
15 of all such entities and individuals, as well as any entities with whom Defendants shared a joint
16 employer relationship.

17 The “Released Claims” include any and all claims, debts, liabilities, demands, obligations,
18 actions, causes of action, guarantees, liens, promises, penalties, costs, expenses, interest, restitution,
19 attorneys’ fees and costs, losses, damages, liquidated damages, punitive damages, equitable relief, or
20 complaints of whatever kind or nature, whether known or unknown, contingent or accrued, against
21 Defendants or the Released Parties or any of them, under any state, municipal or federal law, statute,
22 ordinance, regulation, order or common law principle or theory, arising out of or related to the
23 allegations set forth in the Action, the Complaint and/or Plaintiffs’ PAGA notices to the LWDA,
24 including, but not limited to, for: **(1)** failure to pay minimum wage in accordance with applicable law
25 including, but not limited to, Labor Code sections 1194 and 1194.2, and the Applicable Wage Order;
26 **(2)** failure to pay overtime wages in accordance with applicable law including, but not limited to, Labor
27 Code sections 510, 1197, and 1198, and the Applicable Wage Order; **(3)** failure to provide rest breaks
28 and/or failure to pay rest break premiums in accordance with applicable law including, but not limited

1 to, Labor Code section 226.7 and the Applicable Wage Order; **(4)** failure to provide meal periods and/or
2 failure to pay meal period premiums in accordance with applicable law including, but not limited to,
3 Labor Code sections 226.7 and 512, and the Applicable Wage Order; **(5)** failure to maintain accurate
4 employment records in accordance with applicable law including, but not limited to, Labor Code
5 section 1174; **(6)** failure to pay wages during employment in accordance with applicable law including,
6 but not limited to, Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at
7 separation of employment in violation of applicable law including, without limitation, Labor Code
8 sections 201, 202, and 203; **(8)** waiting time penalties; **(9)** failure to reimburse business expenses in
9 accordance with applicable law including, but not limited to, Labor Code sections 2802 and 2804;
10 **(10)** failure to provide accurate wage statements in violation of applicable law including, without
11 limitation, Labor Code sections 226 and 226.3; **(11)** failure to provide potable water in accordance with
12 applicable law including, without limitation, Labor Code sections 142.3 and 226.7, and the California
13 Code of Regulations (Cal. Code Regs., tit. 8, § 3395); **(12)** failure to provide suitable restrooms and/or
14 toilet facilities in accordance with applicable law including, without limitation, Labor Code sections
15 142.3 and 226.7, and the California Code of Regulations (Cal. Code Regs., tit. 8, § 3364); **(13)** unfair
16 competition, and/or deceptive, fraudulent, or otherwise unlawful business practices in violation of
17 California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); **(14)** penalties pursuant
18 to the PAGA; **(15)** all other statutory penalties, including those recoverable under the California Unfair
19 Competition Act, and in particular, California Bus. & Prof. Code Sections 17200, *et seq.*, California
20 Code of Civil Procedure Section 1021.5; and any other provision of the California Labor Code,
21 including but not limited to Labor Code Sections 2698, *et seq.*, or any Applicable Wage Order, in all
22 their iterations; **(16)** all claims that were alleged in the Action or that could have been brought based
23 on the facts alleged in the Action; and **(17)** all claims for liquidated damages, penalties, interest, fees,
24 costs based on the foregoing (collectively, the “Released Claims”). The Released Claims include any
25 unknown claims that the Releasing Parties do not know or suspect to exist in his or her favor, which if
26 known by him or her, might have affected this Settlement Agreement with Defendants and the release
27 of the Released Parties. The Release Period is the Class Period. However, the Released Claims only
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1 include all claims alleged in the Action or that could have been set forth based on the facts alleged in
2 the Action to the fullest extent permitted by law.

3 Class Members who do not request exclusion from the Settlement will be deemed to have
4 acknowledged and agreed that their claims for wages and penalties in the Action are disputed, and that
5 the Settlement payments constitute payment of all sums allegedly due to them. Class Members will be
6 deemed to have acknowledged and agreed that California Labor Code section 206.5 is not applicable
7 to the Settlement payments. That section provides in pertinent part as follows:

8 “An employer shall not require the execution of a release of a claim or right on account
9 of wages due, or to become due, or made as an advance on wages to be earned, unless
10 payment of those wages has been made.”
11

12 **6. YOUR OPTIONS**

13 **6.1. DO NOTHING AND RECEIVE YOUR PORTION OF THE SETTLEMENT**

14 If you do nothing, you will be automatically included as a Class Participant in the Settlement
15 and will receive a settlement payment. You do *not* have to take any further action to receive your
16 settlement payment. It is, however, the responsibility of all Class Members to ensure that the Settlement
17 Administrator has your current address on file, or you may not receive important information or a
18 settlement payment. The estimated amount of your settlement payment if you do nothing is included
19 on the attached *Class Action Settlement Share Form*.

20 **6.2. REQUEST EXCLUSION FROM THE CLASS AND THE SETTLEMENT**

21 If you do *not* wish to take part in the class action portion of the Settlement (the “Class
22 Settlement”), you may exclude yourself (i.e., opt out of the Class Settlement) by sending the Settlement
23 Administrator a letter or card postmarked no later than [Response Deadline] that specifically requests
24 exclusion from the Class Settlement in this case. The request for exclusion must include your name,
25 address, telephone number, and signature, and it should state:

26 “I wish to be excluded from the settlement class in the case of *Dulce Maria Santacruz*
27 *Sanchez, et al. v. Golden Labor Services, LLC, et al.* I understand that if I ask to be
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1 excluded from the settlement class, I will not receive any money from the settlement of
2 this lawsuit and will not be releasing any claims I might have.”

3 Send the request for exclusion directly to the Settlement Administrator at the following address
4 **by no later than [Response Deadline]:**

5 ILYM Group, Inc.
6 14751 Plaza Drive, Suite J
7 Tustin, California 92780

8 Any person who submits a timely request for exclusion from the Class Settlement shall, upon
9 receipt, no longer be a Class Member, shall be barred from participating in the Class Settlement, and
10 shall receive no benefits from the class action portion of the Settlement. If you want confirmation of
11 receipt of your request for exclusion, please send it by United States certified mail, return receipt
12 requested, or contact the Settlement Administrator.

13 **Importantly**, Class Members who timely and validly request exclusion from the Class
14 Settlement will *not* be excluded from their share of the PAGA Payment. Requesting exclusion from
15 the Class Settlement applies solely to the Class Members' entitlement to the class action portion of the
16 Settlement and not their entitlement to the PAGA Payment. If you request exclusion from the Class
17 Settlement you will still be entitled to your share of the PAGA Payment.

18 **6.3. OBJECT TO THE SETTLEMENT**

19 You have the right to object to the terms of the Settlement if you do not request exclusion. If,
20 however, the Court rejects your objection, you will still be bound by the terms of the Settlement. If you
21 wish to object to the Settlement, or any portion of it, you may file with the Settlement Administrator
22 and the Court a written objection stating your name, address, telephone number, dates of employment
23 with Defendants, the case name and number, each specific reason in support of your objection, and any
24 legal support for each objection. Objections in writing must be mailed to the Settlement
25 Administrator—ILYM Group, Inc., 14751 Plaza Drive, Suite J, Tustin, California 92780—by no later
26 than [Response Deadline] to be considered. **Objections that do not include all required
27 information, or that are not timely submitted, might not be considered by the court.**
28

1 If you choose to object to the Settlement, you may also appear to speak at the final approval
2 and fairness hearing scheduled for [Final Approval Hearing Date], at [Final Approval Hearing Time]
3 in Department [Court Department] of the Superior Court of California for the County of Kern, located
4 at [Court Location]. You have the right to appear either in person or through your own attorney at this
5 hearing.

6 If you object to the Settlement, you will remain a Class Member, and if the Court approves the
7 Settlement, you will receive payment and be bound by the terms of the Settlement in the same way as
8 Class Members who do not object. Any Class Member who does not object in the manner provided
9 above shall have waived any objection to the Settlement, whether by appeal or otherwise.

10 The Court may, at the time of the final approval and fairness hearing, have certain social
11 distancing requirements or procedures for attendance at hearings. If you wish to object to the
12 Settlement, you may contact Class Counsel, whose information is provided below, for more
13 information about the Court's current social distancing procedures. You may also review the Court's
14 website for the most current information.

15 **7. HOW TO UPDATE OR CHANGE YOUR ADDRESS**

16 If you move after receiving this notice or if it was misaddressed, please contact the Settlement
17 Administrator, ILYM Group, Inc., at (888) 250-6810 or by email at
18 claims@ilymgroupclassaction.com, as soon as possible. **This is important to ensure that future**
19 **notices and/or the Settlement payment reach you.**

20 **8. NOTICE OF FINAL JUDGMENT IF THE SETTLEMENT IS APPROVED**

21 Within ten (10) days after the Court has held a final and fairness approval hearing and entered
22 a final order approving the Settlement, if it chooses to do so, the Settlement Administrator will post a
23 copy of that order and final judgment on its website at the following website address:

24 [Case-Specific Settlement URL (to be added by Settlement Administrator)]

25 **9. IF THE SETTLEMENT IS NOT APPROVED**

26 If the Settlement is not approved by the Court, or if any of its conditions are not satisfied, the
27 Settlement will be voided, no money will be paid, and the case will return to litigation. If that happens,
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1 there is no assurance: (1) that the class will be certified by the Court; (2) that any decision at trial would
2 be in favor of Class Members; (3) that a trial decision, if any, would be as favorable to the Class
3 Members as the Settlement; or (4) that any favorable trial decision would be upheld if an appeal was
4 filed.

5 **10. QUESTIONS OR COMMENTS**

6 **PLEASE DO NOT CALL OR CONTACT THE COURT.** If you have any questions about
7 the settlement, you may contact the Settlement Administrator at: (888) 250-6810 or by e-mail at
8 **claims@ilymgroupclassaction.com**. You may also contact the lawyers representing Plaintiffs and the
9 Class Members at the addresses or phone numbers listed below.

10
11
12 **Lawyers Representing Plaintiffs and the Class Members**

13 **MELMED LAW GROUP P.C.**

14 Jonathan Melmed
15 jm@melmedlaw.com
16 Laura Supanich
17 lms@melmedlaw.com
18 1801 Century Park East, Suite 850
19 Los Angeles, California 90067
20 Phone: (310) 824-3828
21 Fax: (310) 862-6851

22 **Lawyers Representing Defendant Golden Labor Services, LLC**

23 **COLEMAN & HOROWITT, LLP**

24 Gregory J. Norys
25 gnorys@ch-law.com
26 Judith M. Sasaki
27 jsasaki@ch-law.com
28 499 West Shaw Avenue, Suite 116
Fresno, California 93704
Telephone: (559) 248-4820
Facsimile: (800) 891-8362

Lawyers Representing Defendant Pacific Ag Management, Inc.

BELDEN BLAINE RAYTIS, LLP

T. Scott Belden

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scott@bbr.law
Jazmine Flores
jazmine@bbr.law
5016 California Avenue, Suite 3
Bakersfield, California 93309
Telephone: (661) 864-7826
Facsimile: (661) 878-9797

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EXHIBIT 2

Class Action Settlement Share Form

CLASS ACTION SETTLEMENT SHARE FORM

Dulce Maria Santacruz Sanchez, et al. v. Golden Labor Services, LLC, et al.
Case Number BCV-20-102729
Superior Court of California for the County of Kern

The proposed class action settlement agreement (the “Settlement”) described in the accompanying *Notice of Proposed Class Action Settlement* resolves disputed claims against Defendants Golden Labor Services, LLC and Pacific Ag Management, Inc. (collectively, “Defendants”) during the period from November 20, 2016, through the date of preliminary approval (the “Class Period”) as applied to all individuals who are or were employed as non-exempt employees by Defendants Golden Labor Services, LLC and Pacific Ag Management, Inc. in California during the Class Period (“Class Members”). The Class Period includes the period of time from November 20, 2016 through the date of preliminary approval.

You are receiving this form because you are believed to be a Class Member. **According to Defendants’ records, you worked [REDACTED] workweeks for Defendants during the Class Period. Accordingly, your share of the Settlement is currently estimated to be \$ [REDACTED]**, which is an estimate of your allocated portion the Net Settlement Amount, as that term is defined in the accompanying *Notice of Proposed Class Action Settlement*. Your estimated share of the Settlement may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement.

You do not need to do anything to receive money under the Settlement.

If you believe the information provided above as to the number of your workweeks is incorrect and wish to dispute it, please contact the Settlement Administrator no later than **[Response Deadline]** at:

ILYM Group, Inc.
claims@ilymgroupclassaction.com
(888) 250-6810
14751 Plaza Drive, Suite J
Tustin, California 92780

If you dispute the information stated above, the information Defendants provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation, must be postmarked no later than **[Response Deadline]**.

Do not send originals; documentation sent to the claims administrator will not be returned or preserved.