

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT**

***Domingo Munoz Morales v. Juan Carlos Arrellano Medina dba Cypress FLC, et al.***

**Kern Superior Court**

**Case No.: BCV-20-102941**

To: All persons employed by Juan Carlos Arrellano Medina dba Cypress FLC who worked at least one shift performing work for Castlerock Farming, LLC, Castlerock Farm Holdings, LLC, and/or Castlerock Farming Transport, LLC (collectively “Defendants”) in California as non-exempt employees subject to the requirements of Wage Order 14 from December 16, 2016 through May 16, 2022 (the “Class Period”). (“Settlement Class” or “Settlement Class Members”).

**PLEASE READ CAREFULLY  
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

***Why should you read this Notice?***

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in the matter of *Domingo Munoz Morales v. Juan Carlos Arrellano Medina dba Cypress FLC, et al.*, Kern County Superior Court, Case No. BCV-20-102941 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. Juan Carlos Arrellano Medina dba Cypress FLC’s (“Cypress”) records show that you were employed by Cypress as a non-exempt employee, subject to the requirements of Wage Order 14, and worked at least one shift performing work for Castlerock Farming, LLC, Castlerock Farm Holdings, LLC, and/or Castlerock Farming Transport, LLC (collectively, “Castlerock”) in California between December 16, 2016 and May 16, 2022 (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

***What is this case about?***

Plaintiff Domingo Munoz Morales (“Plaintiff”) brought this Lawsuit against Defendants seeking to assert claims on behalf of a class of all current and former non-exempt employees who worked for Cypress in California from December 16, 2016, to May 16, 2022. Plaintiff is known as the “Class Representative,” and his attorneys, who also represent the interests of all Settlement Class Members, are known as “Class Counsel.”

The Lawsuit alleges that Cypress: (i) failed to pay employees all earned minimum and overtime wages, (ii) failed to provide all legally required meal and rest periods, (iii) failed to provide accurate and itemized wage statements, (iv) failed to timely pay all wages due or final wages due, and as a result of the above-mentioned alleged violations, Defendants engaged in unlawful business practices and are liable for civil penalties under the Labor Code Private Attorneys General Act (“PAGA”).

Defendants deny that Cypress has done anything wrong. Defendants also deny that they owe Class Members any wages, restitution, penalties, damages, or other amounts. Accordingly, the Settlement is a compromise of disputed claims and should not be considered as an admission of liability on the part of Defendants, by whom all liability is expressly denied.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the risk of the Court not allowing the case to proceed as a class action, the risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

The Court has not ruled on Plaintiff's claims. In granting preliminary approval of the Settlement the Court has determined only that there is sufficient evidence to suggest that the Settlement might be fair, adequate, and reasonable. A final determination on whether the Settlement is fair, adequate, and reasonable will be made at the Final Approval hearing.

**Your decision about whether to participate in the Settlement will not affect your employment. California law and Defendants' policies strictly prohibit unlawful retaliation.** Defendants will not take any adverse action against or otherwise target, retaliate, or discriminate against any Class Member because of his/her decision to either participate or not participate in the Settlement.

***Who are the Attorneys?***

Attorneys for Plaintiff/Settlement Class: <b>STANSBURY BROWN LAW, PC</b> Daniel J. Brown dbrown@stansburybrownlaw.com 2610 ½ Abbot Kinney Blvd. Venice, California 90291 Tel: (323) 204-3124 www.stansburybrownlaw.com	Attorneys for Defendants: <b>LEBEAU THELEN, LLP</b> Thomas P. Feher, Esq. tfeher@lebeauthelen.com 5001 East Commercenter Drive, Suite 300 Post Office Box 12092 Bakersfield, California 93389 Tel: (661) 325-8962 www.lebeauthelen.com
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***What are the terms of the Settlement?***

Defendant has agreed to pay \$100,000.00 (the "Maximum Settlement Amount") to fully resolve all claims in the Lawsuit, including payments to Settlement Class Members, Class Counsel's attorneys' fees and expenses, Settlement administration costs, and the Class Representative's Enhancement Payment.

The following deductions from the Maximum Settlement Amount will be requested by the Parties:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Maximum Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Maximum Settlement Amount, which is currently estimated at \$33,330.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$10,000.00 in verified costs incurred in connection with the Lawsuit.

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$7,500.00 from the Maximum Settlement Amount to pay the settlement administration costs.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award the Class Representative an Enhancement Payment in the amount of \$5,000.00 to compensate her for her service and extra work provided on behalf of the Class Members.

Payment to State of California. The Parties have agreed to allocate \$5,000.00 towards the Settlement of the PAGA claims in the Lawsuit. \$3,750.00 will be paid to the State of California Labor and Workforce Development Agency, representing its 75% share of the civil penalties. The remaining \$1,250.00 will be allocated to Class Members as part of the Net Settlement Fund described below.

Calculation of Class Members' Settlement Awards. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Fund, which will be distributed to all Class Members who do not submit a valid and timely Request for Exclusion Form ("Settlement Class Members") (described below). The Net Settlement Fund is estimated at approximately \$40,420.00, and will be divided as follows:

- (i) \$1,250.00 of the Maximum Settlement Amount has been designated as the "PAGA Amount." Each Class Member who was employed by Defendant at any time from December 16, 2019 to May 16, 2022, shall receive a portion of the PAGA Amount based on the number of proportionate pay periods that he or she worked during the time period of December 16, 2019, to May 16, 2022 ("PAGA Period").
- (ii) The remainder of the Net Settlement Fund will be distributed to each Settlement Class Member based on the proportionate number of Eligible Workweeks (defined as any workweek in which the Settlement Class Member worked at least one day during the workweek based on Defendant's records) that he or she worked during the Class Period (December 16, 2016, to May 16, 2022).

Payment of the Settlement. If the Court grants final approval of the Settlement, Individual Settlement Awards will be mailed to all Class Members for their portion of the PAGA Amount regardless of whether they submit a Request for Exclusion Form. In addition, Settlement Class Members will receive additional compensation as part of their Individual Settlement Awards comprised of their portion of the Net Settlement Fund as described above. The Maximum Settlement Amount shall be deposited with the Settlement Administrator within 30 days after the Effective Date of the Settlement. "Effective Date" for performance and payment by Defendants shall be no sooner than the date when all of the following events have occurred: (a) the Settlement Agreement and related documents are approved and executed by all Parties and by Class Counsel and Defense Counsel; (b) the Court has given preliminary approval to the Settlement; (c) notice has been given to the Settlement Class Members providing them with an opportunity to Opt-Out of the Class Settlement; (d) the Court has held a Final Approval and Fairness Hearing and entered a final order and judgment certifying the Class and approving this Stipulation; (e) notice of final judgment has been given to the Settlement Class Members pursuant to California Rules of Court, rule 3.771(b); and (f) the later of the following events: (1) the expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Class Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; (2) or the dismissal of any appeal, writ, or other appellate proceeding opposing the Class Settlement with no right to pursue further remedies or relief; or (3) any appeal, writ, or the issuance of such other final appellate order upholding the Court's final order with no right to pursue further remedies or relief. In the event there is a timely filed motion to set aside judgment or to intervene, the expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Class Settlement will be based on the later of the court's ruling or order on any such motion or entry of final order and judgment certifying the Class and approving this Stipulation. The Settlement Administrator shall disburse its settlement administration fees, Plaintiff's Class Representative Enhancement Payment, payment to the Labor and Workforce Development Agency ("LWDA") for its share of PAGA penalties, Class Counsel's litigation costs and expenses, and Class Counsel's attorneys' fees within ten (10) business days of Final Approval.

Allocation and Taxes. For tax purposes, each Settlement Award shall be treated as follows: 20% as "wages," for which an IRS Form W-2 will be issued; and 80% as penalties and interest, for which an IRS Form 1099 will be issued. Class Members are responsible for the proper income tax treatment of the Individual Settlement Awards. The Settlement Administrator, Defendants and their counsel, and Class Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of awards they receive under the Settlement.

Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class Member will fully release and discharge Defendants Juan Carlos Arrellano Medina dba Cypress FLC (“Cypress”); Castlerock Farming, LLC; Castlerock Farm Holdings, LLC; Castlerock Farming and Transport, LLC and all the related persons and entities (“Released Affiliates”) and their past and present parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, members, successors and assigns, and heirs (collectively the “Released Parties”) for any and all claims, demands, rights, liabilities and causes of action whether under state or federal law, that were pled in any of the Complaints in the Lawsuit, including the First Amended Complaint pursuant to the terms of this Agreement, or which could have been pled in any of the Complaints in the Lawsuit based on the factual allegations therein, that arose during the Class Period for work performed by Defendant Juan Carlos Arrellano Medina dba Cypress FLC for Castlerock Farming, LLC and/or Castlerock Farm Holdings, LLC and/or Castlerock Farming and Transport, LLC; and/or Released Parties with respect to the following claims arising out of or related to allegations set forth in the operative Complaint or any PAGA Notice to the Labor and Workforce Development Agency (LWDA) related to this matter, including but not limited to: claims for minimum wage violations; failure to pay overtime wages; failure to pay wages timely; failure to pay all wages due, penalties; rest period violations; meal period violations; failure to keep proper records; itemized wage statement violations; waiting time penalties; unfair competition; declaratory relief; (including, but not limited to, claims under Labor Code sections 201 through 205.5, 210, 226, 226.2, 226.3, 226.7, 248.2, 510, 512, 516, 558, 1102.5, 1182.12, 1194, 1194.2, 1197 through 1198 the applicable IWC Wage Order(s) and the California Business and Professions Code § 17200 *et seq.* based on the foregoing Labor Code violations); and claims for civil penalties pursuant to the California Private Attorneys General Act; including, but not limited to, wages, injunctive relief; liquidated damages, penalties of any nature; interest; fees; costs; and all other claims and allegations made in the Lawsuit and/or in the form of a PAGA claim from December 16, 2016, through May 16, 2022. (“Class Period”).

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

### ***How can I claim money from the Settlement?***

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks in which you worked at least one day based on Defendants’ records (“Eligible Workweek”) during the Class Period, and the proportionate number of pay periods you worked during the PAGA Period, as stated in this Notice. You also will be bound by the Settlement, including the release of claims stated above.

### ***What other options do I have?***

Dispute Information in Notice of Settlement Award. Your award is based on the proportionate number of Eligible Workweeks you worked during the Class Period and the proportionate number of pay periods you worked during the PAGA Period. The information contained in Defendants’ records regarding each of these factors, along with your estimated Individual Settlement Award, is listed below. If you disagree with the information listed below, you may submit a dispute, along with any supporting documentation, to Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. Any disputes, along with supporting documentation, must be postmarked no later than **September 12, 2022**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Settlement Administrator will determine whether any adjustments are warranted, and if so, will consult with the Parties and make a determination as to whether an adjustment will be made.

According to Defendants’ records:

- (a) you worked for Cypress in California from \_\_\_\_\_ to \_\_\_\_\_;
- (b) you worked \_\_\_\_ Eligible Workweeks between December 16, 2016, and May 16, 2022; and
- (c) you worked \_\_\_\_ pay periods between December 16, 2019, and May 16, 2022.

Based on the above, your Individual Settlement Award is estimated at \$ \_\_\_\_\_. The lowest Individual Settlement Award to a Settlement Class Member is estimated at \_\_\_\_\_. The highest Individual Settlement Award to a Settlement Class Member is estimated at \_\_\_\_\_.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by completing the Request for Exclusion Form included with this Notice, and sending it to the Settlement Administrator postmarked no later than **September 12, 2022**, with your name, address, telephone number, and your signature. Any Settlement Class Member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) days of the date of the initial mailing of the Notice Packets (the "Response Deadline"). PAGA Employees are not permitted to request exclusion to the PAGA Settlement. By signing this Settlement Agreement.

The Request for Exclusion Form must: (1) contain your name, address, telephone number; (2) contain a statement that the Settlement Class Member wishes to be excluded from the Settlement and should state something to the effect of: "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE MORALES V. CASTLEROCK LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT."; (3) be signed by the Settlement Class Member; and (4) be postmarked by the Response Deadline and mailed directly to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. If the Request for Exclusion Form fails to comply with items (1)-(3), it will not be deemed a valid Request for Exclusion from this settlement, except a Request for Exclusion Form not containing a Class Member's telephone number will be deemed valid. The date of the postmark on the Request for Exclusion Form, shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement (although the PAGA settlement and release provisions will apply to each such individual, and such individual shall be entitled to his or her share of the PAGA Amount) or have any right to object, intervene, appeal or comment thereon. Any Settlement Class Member who does not submit a Request for Exclusion Form is automatically deemed a participating Settlement Class Member.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may complete the Objection Form or timely submit a written objection directly to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. Your written objection must include your full name, current address as well as contact information for any attorney representing you, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection including any and all supporting papers, briefs, written evidence, declarations, and/or other evidence, if any in support of your objection. Objection Forms or written objections must be postmarked on or before **September 12, 2022**. If an objector also wishes to appear at the Final Approval and Fairness Hearing, in person or through an attorney, he or she must also file a notice of intention to appear at the same time as the objection is filed. The Settlement Administrator will promptly serve copies of any objection or notice of intention to appear on Class Counsel and Defense Counsel. Unless otherwise ordered by the Court, Settlement Class Members shall not be entitled to appear and/or object at the Final Approval Hearing unless they have submitted a timely written objection and notice of intention to appear pursuant to this Section. Settlement Class Members who have properly and timely submitted objections may appear at the Final Approval Hearing, either remotely, in person or through a lawyer retained at their own expense. You do not need to appear at the Final Approval Hearing for your objection to be considered Members of the Settlement Class who do not submit an objection or appear at the Final Approval Hearing and voice an objection shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement. The Settlement Administrator shall provide Class Counsel and Defendants' counsel with weekly reports as to any written objections. PAGA Employees are not permitted to request exclusion to the PAGA Settlement.

The Final Approval Hearing is scheduled for October 31, 2022, at 8:30 a.m. in Department 11 of the Kern County Superior Court, located at 1415 Truxtun Avenue, Bakersfield, California 93301. All objections or other correspondence must state the name and number of the case, which is *Domingo Munoz Morales v. Juan Carlos Arrellano Medina dba Cypress FLC., et al.*, Kern County Superior Court, Case No. BCV-20-102941.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.

***What is the next step?***

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on October 31, 2022, at 8:30 a.m., in Division J of the Kern County Superior Court, located at 1215 Truxton Avenue, Bakersfield, California 93301. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Enhancement Payment to the Class Representative. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.**

***How can I get additional information?***

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Kern County Superior Court, located at 1215 Truxton Avenue, Bakersfield, California 93301, during regular court hours. You may also view the Settlement Agreement, complaint, and other relevant documents by going to the website: [Phoenixclassaction.com/Munoz-v-Cypress-FLC](http://Phoenixclassaction.com/Munoz-v-Cypress-FLC). You may also contact Class Counsel using the contact information listed above for more information. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANT, OR THEIR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS**

***REMINDER AS TO TIME LIMITS***

The deadline for submitting a Request for Exclusion Form, Objection Form, or any dispute is **September 12, 2022**. These deadlines will be strictly enforced.

**BY ORDER OF THE COURT ENTERED ON MAY 31, 2022.**