

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT

Juvenal Gaona Vargas v. Joe Carmona dba J S J Labor Service and Klink Citrus Association

Tulare Superior Court

Case No.: VCU282081

To: All current and former non-exempt employees of Defendant Joe Carmona dba J S J Labor Service who were subject to the requirements of Wage Order 14 and performed work for Defendant Klink Citrus Association in California at any time during the period of February 13, 2016, through October 24, 2021.

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 *Juvenal Gaona Vargas v. Joe Carmona dba J S J Labor Service and Klink Citrus Association*, Tulare County Superior Court, Case No. VCU282081 (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. Joe Carmona dba J S J Labor Service and Klink Citrus Association’s (“Defendants”) records show that you were employed by Defendant Joe Carmona dba J S J Labor Service as a non-exempt employee and performed work for Defendant Klink Citrus Association in California at any time from February 13, 2016 through October 24, 2021 (the “Class Period”). Wage Order 14 is a California regulation that sets working conditions for agricultural workers, including workers that harvest agricultural goods on farms owned by Klink Citrus Association. 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 Juvenal Gaona Vargas (“Plaintiff”) brought this Lawsuit against Defendants seeking to assert claims on behalf of a class of all current and former non-exempt employees of Defendant Joe Carmona dba J S J Labor Service who were subject to the requirements of Wage Order 14 and performed work for Defendant Klink Citrus Association in California at any time during the period of February 13, 2016, through October 24, 2021 (“Class Members”). Plaintiff is known as the “Class Representative” and his attorneys, who also represent the interests of all Class Members, are known as “Class Counsel.”

The Lawsuit alleges that Defendants: (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 reimburse for necessary business expenses, (iv) failed to provide accurate and itemized wage statements, (v) failed to timely pay all wages due or final wages due, and as a result of the above-mentioned alleged violations, (vi) engaged in unlawful business practices and (vii) is liable for civil penalties under the Labor Code Private Attorneys General Act (“PAGA”).

Defendants deny that they have 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: STANSBURY BROWN LAW Daniel J. Brown dbrown@stansburybrownlaw.com 2610 ½ Abbot Kinney Blvd. Venice, California 90291 Tel: (323) 207-5925 www.stansburybrownlaw.com	Attorneys for Defendants: SAGASER, WATKINS & WIELAND, PC Ian Wieland ian@sw2law.com 5260 North Palm Avenue, Suite 400 Fresno, California 93704 Tel: (559) 421-7000 www.sagaserlaw.com
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What are the terms of the Settlement?

Defendants have agreed to pay \$237,500.00 (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 \$79,166.67, 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 \$20,000.00 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 \$7,750 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 him for his service and extra work provided on behalf of the Class Members.

Payment to State of California. The Parties have agreed to allocate \$10,000.00 towards the Settlement of the PAGA claims in the Lawsuit. \$7,500 will be paid to the State of California Labor and Workforce Development Agency, representing its 75% share of the civil penalties. The remaining \$2,500 will be allocated and distributed to PAGA 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 \$118,083.33, and will be divided as follows:

- (i) \$2,500.00 of the Maximum Settlement Amount has been designated as the “PAGA Amount.” Each Class Member who was employed by Joe Carmona dba J S J Labor Service who performed work for Defendant Klink Citrus Association in California at any time during the period of February 13, 2019 through October 24, 2021 (“PAGA Member”), 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 February 13, 2019 through October 24, 2021 (“PAGA Period”).
- (ii) The remainder of the Net Settlement Fund will be distributed to each Settlement Class Member based on the proportionate number of Workweeks (defined as any calendar week in which the Settlement Class Member worked at least one day based on Defendants’ records) that he or she worked during the Class Period (February 13, 2016 through October 24, 2021).

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.

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, their past and present officers, directors, shareholders, and employees (collectively the “Released Parties”) for all claims that were pled or could have been pled based on the factual allegations in the FAC, including: (a) minimum wage violations; (b) failure to pay all overtime wages; (c) meal period violations; (d) rest period violations; (e) failure to reimburse for necessary business expenses; (f) failure to provide accurate, itemized wage statements; (g) waiting time penalties; (h) all claims arising out of unfair business practices under Business & Professions Code § 17200, et seq. that could have been premised on the claims that were pled or could have been pled based on the factual allegations in the FAC; and (i) all claims for civil penalties under the PAGA, that could have been premised on the claims that were pled or could have been based on the factual allegations in the FAC (collectively, the “Released Claims”). For members of the Settlement Class who do not validly opt out, the release period shall run from February 13, 2016 through October 24, 2021 (“Class Period”). All PAGA Members will be deemed to fully release and discharge the Released Parties from any and all Released Claims arising under PAGA regardless of whether a Class Member submits a request for exclusion.

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 you worked 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 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 **May 20, 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 Defendants in California from _____ to _____;
- (b) you worked ____ Workweeks between from February 13, 2016 through October 24, 2021 for Defendants; and
- (c) you worked ____ pay periods between from February 13, 2019 through October 24, 2021 for Defendants.

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 **May 20, 2022**, with your name, address, telephone number, and your signature.

Send the Request for Exclusion Form directly to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. Any person who submits a timely Request for Exclusion Form, shall, upon receipt by the Settlement Administrator, not be a Settlement Class Member. If you exclude yourself, you will still receive your portion of the PAGA Amount if you are a PAGA 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 name, address, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection, together with any evidence in support of your objection. Objection Forms or written objections must be postmarked on or before **May 20, 2022**.

You may also object by appearing at the Final Approval Hearing scheduled for June 27, 2022 at 8:30 a.m. in Department 02 of the Tulare County Superior Court, located at 221 S. Mooney Blvd., Visalia, California 93291. You have the right to appear either in person or through your own attorney at this hearing, although you do not need to appear at the Final Approval Hearing for your objection to be considered. All objections or other correspondence must state the name and number of the case, which is *Juvenal Gaona Vargas v. Joe Carmona dba J S J Labor Service and Klink Citrus Association*, Tulare County Superior Court, Case No. VCU282081.

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 June 27, 2022 at 8:30 a.m., in Department 02 of the Tulare County Superior Court, located at 221 S. Mooney Blvd., Visalia, California 93291. 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 Tulare County Superior Court, located at 221 S. Mooney Blvd., Visalia, California 93291, during regular court hours. This case is assigned to Department 02 of the County Civic Center Courthouse, located at 221 S. Mooney Blvd., Visalia, California 93291. The Settlement Agreement is attached as Exhibit 1 to the Declaration of Daniel J. Brown in Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement, filed on February 28, 2022. You may also view the Settlement Agreement, complaint, and other relevant documents by going to the website: Phoenixclassaction.com. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANTS, 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 **May 20, 2022**. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON FEBRUARY 28, 2022.