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6

F Superior Court of California F
County of Butte
02/22/2022
FILED
Sharif Elmalla, Clerk
By  Deputy
Electronically FILED

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF BUTTE**

10 ALLEN MORGAN, individually, and on behalf of
11 other members of the general public similarly
12 situated;

13 Plaintiff,

14 v.

15 WEHAH FARM, INC. d/b/a LUNDBERG
16 FAMILY FARMS, a California corporation; and
DOES 1 through 100, inclusive;

17 Defendants.
18

Case No.: 20CV02554

Honorable Stephen E. Benson
Department 6

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT, CONDITIONAL
CERTIFICATION, APPROVAL OF CLASS
NOTICE, SETTING OF FINAL APPROVAL
HEARING DATE**

Hearing Date: February 16, 2022
Hearing Time: 9:00 a.m.
Hearing Place: Department 6

Complaint Filed: December 30, 2020
Trial Date: None Set

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 The Motion for Preliminary Approval of Class Action Settlement came before this Court, the
3 Honorable Stephen E. Benson presiding, on February 16, 2022 at 9:00 a.m. The Court having considered
4 the papers submitted in support of the Motion, HEREBY ORDERS THE FOLLOWING:

5 1. The following Class is conditionally certified for purposes of settlement only: all non-
6 exempt California employees of Defendant Wehah Farm, Inc. d/b/a Lundberg Family Farms
7 (“Defendant”) during the period from July 5, 2016, to December 31, 2021, who did not previously sign
8 individual separation agreements (“Class,” “Class Members,” and Class Period”).

9 2. The Court grants preliminary approval of the settlement based upon the terms set forth in
10 the Joint Stipulation and Settlement Agreement (“Agreement,” “Settlement Agreement,” or
11 “Settlement”) attached hereto as **Exhibit 1**. Capitalized terms shall have the definitions set forth in the
12 Settlement Agreement.

13 3. The settlement embodied in the Settlement Agreement appears to be fair, adequate, and
14 reasonable to the Class. The Settlement falls within the range of reasonableness and appears to be
15 presumptively valid, subject only to any objections that may be raised at the Final Approval Hearing and
16 final approval by this Court.

17 4. Plaintiff Allen Morgan (“Plaintiff”) is conditionally approved to serve as the Class
18 Representative.

19 5. The proposed Class Representative Enhancement Payment in the sum of \$10,000 to
20 Plaintiff for his services as the Class Representative is conditionally approved.

21 6. The proposed payment of an Attorney Fee Award to Class Counsel in an amount not to
22 exceed thirty-eight percent (38%) of the Maximum Settlement Amount or \$760,000 and a Cost Award
23 for actual litigation costs to Class Counsel in the sum not to exceed \$25,000 are conditionally approved.

24 7. Douglas Han, Shunt Tatavos-Gharajeh, and Talia Lux of Justice Law Corporation are
25 conditionally approved as Class Counsel for the Class.

26 8. The Court confirms Phoenix Class Action Administration Solutions (“Phoenix”) as the
27 Settlement Administrator.

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1 9. The proposed payment of Administration Costs in an amount currently estimated at
2 \$10,000, but not to exceed \$12,000, to Phoenix for its services is conditionally approved.

3 10. The Court also hereby conditionally approves the Private Attorneys General Act of 2004
4 (“PAGA”) Payment from the Net Settlement Amount in the amount of \$50,000 that the Parties have
5 allocated for the settlement of the claims for PAGA penalties stemming from the alleged Labor Code
6 violations. Seventy-five percent (75%) of the PAGA Payment (\$37,500) will be paid to the California
7 Labor and Workforce Development Agency (“LWDA”), and the remaining twenty-five percent (25%)
8 of the PAGA Payment (\$12,500) shall be distributed to the aggrieved employees eligible to recover the
9 PAGA Payment that consist of all California non-exempt employees of Defendant at any time during
10 the period from June 9, 2019, to December 31, 2021 (“Eligible Aggrieved Employees,” “PAGA
11 Timeframe,” and “PAGA Payment”), on a pro rata basis.

12 11. A Final Approval Hearing on the question of whether the Settlement, the Attorney Fee
13 Award, the Cost Award, and the Class Representative Enhancement Payment should be finally approved
14 as fair, reasonable, and adequate as to all Class Members who do not submit a valid and timely request
15 to exclude themselves from the Settlement (“Participating Class Members”) is scheduled on the date and
16 time set forth in paragraph 15 below.

17 12. The Court approves, as to form and content, the Notice of Class Action Settlement (“Class
18 Notice”), as attached as **Exhibit A** to the Agreement. The Court also approves the procedure for Class
19 Members to participate in, to opt out of, and to object to the Settlement as set forth in the Class Notice.
20 The Court approves, as to form and content, the Election Not to Participate In (“Opt Out” From) Class
21 Action Settlement (“Exclusion Form”) that the Class Members must use to exclude themselves from the
22 Settlement, other than the release of claims under PAGA, as attached as **Exhibit B** to the Agreement.

23 13. The Court directs the mailing of the Class Notice and Exclusion Form (collectively,
24 known as the “Notice Packet”) to all identified Class Members via first-class regular U.S. Mail in
25 accordance with the implementation schedule set forth in paragraph 15 below. The Court finds that the
26 dates selected for the mailing and distribution of the Notice Packet, as set forth in the Implementation
27 Schedule, meet the requirements of due process, provide the best notice practicable under the
28 circumstances, and shall constitute due and sufficient notice to all persons entitled.

1 14. To facilitate administration of the Settlement pending final approval, the Court hereby
2 enjoins Plaintiff and all Class Members from filing or prosecuting any claims, suits, or administrative
3 proceedings (including, but not limited to, filing claims with the Division of Labor Standards
4 Enforcement of the California Department of Industrial Relations) based on claims released by the
5 Settlement (“Release Claims”) unless and until such Class Members have filed valid requests for
6 exclusion with the Settlement Administrator and the time for filing valid requests for exclusion with the
7 Settlement Administrator has not elapsed.

8 15. The Court orders the following **Implementation Schedule** for further proceedings:

9 a.	Deadline for Defendant to submit Class Data to Settlement Administrator	Within twenty-one (21) calendar days after entry of the Preliminary Approval Order
10 b.	Deadline for Settlement Administrator to mail the Notice Packet to Class Members	Within fourteen (14) calendar days after the receipt of the Class Data from Defendant
11 c.	Deadline for Class Members to postmark requests for exclusion to the Settlement Administrator or submit written objections	Within forty-five (45) calendar days from initial mailing of the Notice Packet
12 d.	Deadline for Class Counsel to file Motion for Final Approval of Settlement	Sixteen (16) Court days before Final Approval Hearing in conformity with Code of Civil Procedure § 1005
13 e.	Deadline for Class Counsel to file Motion for Attorney Fee Award, Cost Award, and Class Representative Enhancement Payment	Sixteen (16) Court days before Final Approval Hearing in conformity with Code of Civil Procedure § 1005
14 f.	Final Approval Hearing and Final Approval	July 6, 2022 at 10:30 a.m. in Department 6

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22 **IT IS SO ORDERED.**

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24 Dated: February 22, 2022

25 By 
26 Honorable Stephen E. Benson
27 Judge of the Superior Court
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EXHIBIT 1

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this Joint Stipulation and Settlement Agreement is between Plaintiff Allen Morgan (“Plaintiff”) on behalf of himself, others similarly situated, and other aggrieved employees and Defendant Wehah Farm, Inc. d/b/a Lundberg Family Farms (“Defendant”). Plaintiff and Defendant are collectively referred to herein as the “Parties.”

I. DEFINITIONS

In addition to the other terms defined in this Joint Stipulation and Settlement Agreement, the terms below have the following meaning:

- A. **Administration Costs**: All administrative costs incurred by the Settlement Administrator to administer this Settlement including the cost of notice to the Class Members, settlement administration, and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement, which is currently estimated at \$10,000.00 and shall not exceed \$12,000.00. All Administration Costs shall be paid from the Qualified Settlement Fund.
- B. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
- C. **Attorney Fee Award**: The amount, not to exceed thirty-eight percent (38%) of the Gross Settlement Amount or \$760,000.00, finally approved by the Court and awarded to Class Counsel. The Attorney Fee Award shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant.
- D. **Case or Class Action**: The lawsuit originally filed by Plaintiff Allen Morgan on December 30, 2020, entitled *Morgan v. Wehah Farm, Inc. d/b/a Lundberg Family Farms*, Case No. 20CV02554, in the Superior Court of California, County of Butte.
- E. **Class**: All non-exempt California employees of Defendant during the period from July 5, 2016, to December 31, 2021, who did not previously sign individual separation agreements.
- F. **Class Counsel**: Douglas Han, Shunt Tatavos-Gharajeh, and Talia Lux of Justice Law Corporation.
- G. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.

- H. Class Notice or Notice:** The “Notice of Class Action Settlement” or “Notice” shall mean the notice to be provided to all Class Members regarding the terms of this Settlement, substantially like the form attached hereto as **Exhibit A**, subject to Court approval. The Notice shall constitute class notice pursuant to California Rules of Court, rule 3.769 (f) and, once approved by the Court, shall be deemed compliant with California Rules of Court, rule 3.766.
- I. Class Period:** The time period from July 5, 2016 to December 31, 2021.
- J. Class Representative or Plaintiff:** Allen Morgan.
- K. Class Representative Enhancement Payment:** The amount the Court awards to Plaintiff for his service as Class Representative, which will not exceed \$10,000.00. This payment shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. The Class Representative Enhancement Payment is subject to the approval of the Court. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- L. Complaint:** The complaint filed by Plaintiff Allen Morgan in the Superior Court of California, County of Butte, on December 30, 2020, in the case entitled *Morgan v. Wehah Farm, Inc. d/b/a Lundberg Family Farms*, Case No. 20CV02554.
- M. Cost Award:** The amount that the Court orders Defendant to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$25,000.00. The Cost Award will be paid from the Qualified Settlement Fund and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- N. Counsel for Defendant:** Attorneys Meagan Bainbridge and Katie A. Collins of Weintraub Tobin Chediak Coleman Grodin Law Corporation.
- O. Court or Superior Court:** The Superior Court of California, County of Butte.
- P. Defendant:** Wehah Farm, Inc. d/b/a Lundberg Family Farms.
- Q. Effective Final Settlement Date:** The later of the following: (i) if no objections to the Settlement have been filed, or timely objections have been filed and then withdrawn, then the date the Court enters judgment granting Final Approval; (ii) if an objection to the Settlement has been filed, then the date on which time expires to file an appeal of the Court’s grant of Final Approval; or (iii) if an objection was filed and a Notice of Appeal of the Court’s grant of Final

Approval was timely filed, then the date the appeal is finally resolved, with the grant of Final Approval unaffected.

- R. **Eligible Aggrieved Employees**: The aggrieved employees eligible to recover the PAGA Payment that consist of all California non-exempt employees of Defendant at any time during the period from June 9, 2019, to December 31, 2021 (“PAGA Timeframe”).
- S. **Exclusion Form**: The Election Not to Participate In (“Opt Out” From) Class Action Settlement, substantially like the form attached hereto as **Exhibit B**, subject to Court approval.
- T. **Final Approval, Final Approval Order, Judgment or Final Judgment**: “Final Approval” or “Final Approval Order” means the final order entered by the Court following the Final Fairness and Approval Hearing. “Judgment” or “Final Judgment” means the final judgment entered by the Court following the Final Fairness and Approval Hearing.
- U. **Gross Settlement Amount**: The total value of the Settlement is a non-reversionary Two Million Dollars (\$2,000,000.00). This is the gross amount Defendant can be required to pay under this Settlement Agreement, which includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorney Fee Award and the Cost Award to Class Counsel for attorneys’ fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payment paid to the Class Representative, as approved by the Court; (4) Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Eligible Aggrieved Employees, as approved by the Court. Additionally, any and all employer taxes that Defendant normally would be responsible for paying will be included in the Gross Settlement. No portion of the Gross Settlement Amount will revert to Defendant for any reason.
- V. **Individual Settlement Share(s)**: The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Settlement Share automatically, without the return of a claim form.
- W. **LWDA**: California Labor and Workforce Development Agency.
- X. **Net Settlement Amount**: The total amount of money available for payout to Participating Class Members, which is the Gross Settlement Amount less the Attorney Fee Award, the Cost Award, the Class Representative Enhancement Payment, Administration Costs, and the PAGA Payment. In other words, the Net Settlement Amount is the portion of the Gross Settlement Amount that will

be distributed to Class Members who do not request exclusion from the Settlement.

- Y. **Notice Packet**: The Class Notice and Exclusion Form.
- Z. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (California Labor Code section 2698, *et seq.*).
- AA. **PAGA Payment**: The PAGA Payment consists of Fifty Thousand Dollars (\$50,000.00) of the Gross Settlement Amount allocated to satisfy the PAGA penalties claim as alleged in the Class Action. Seventy-five percent (75%) of the PAGA Payment (\$37,500.00) shall be paid to the LWDA, and twenty-five percent (25%) of the PAGA Payment (\$12,500.00) shall be distributed to Eligible Aggrieved Employees, on a pro rata basis, as set forth below. Pursuant to California Labor Code § 2699(1)(2), settlement of a PAGA action must be approved by the Court and a copy of the proposed Settlement will be provided to the LWDA at the same time that it is submitted to the Court. In the event the LWDA objects to the Settlement, the Parties will meet and confer with the Court and the LWDA to reach a penalty allocation acceptable to all Parties that does not materially alter the terms of this Settlement.
- BB. **Participating Class Members**: All Class Members who do not submit valid and timely requests to exclude themselves from this Settlement.
- CC. **Parties**: Plaintiff Allen Morgan, individually and as the Class Representative, and Defendant Wehah Farm, Inc. d/b/a Lundberg Family Farms.
- DD. **Preliminary Approval or Preliminary Approval Order**: The order entered by the Court following the Preliminary Approval Hearing approving the proposed Settlement.
- EE. **Qualified Settlement Fund**: A fund within the meaning of Treasury Regulation section 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.*, which is established by the Settlement Administrator for the benefit of Participating Class Members, Plaintiff and Class Counsel.
- FF. **Released Claims**: Upon Defendant's fulfillment of its payment obligations pursuant to Section III (J)(9)(a) below, the claims that Plaintiff and the other Participating Class Members are releasing in exchange for the consideration provided for by this Agreement are any and all facts and claims asserted in the Class Action and Plaintiff's PAGA notice to the LWDA or any other claims that could have been asserted in the Class Action and any PAGA notice to the LWDA during the Class Period based on the facts alleged, including, but not limited to, minimum, overtime and double time wages (including, but not limited to, any claims for additional wages owed due to "off-the-clock" work); meal and rest breaks; failure to keep time records; wage statement violations;

separation pay violations; unreimbursed business expenses; untimely payment of wages; failure to maintain records; unfair business practices; and related PAGA penalties.

- GG. Released Parties:** Defendant and its present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, and assigns.
- HH. Response Deadline:** Forty-five (45) calendar days from the initial mailing of the Notice Packet.
- II. Settlement Administration:** The Settlement Administrator will conduct a skip trace for the addresses of all former employee Class Members. The Settlement Administrator will mail the Notice Packet by first-class U.S. mail to all current employee Class Members at the addresses Defendant has on file for those Class Members and to all former employee Class Members at the addresses obtained via skip trace. The Notice Packet will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt out (exclude themselves) of the Settlement. Any Class Member who does not receive a Notice Packet after the Settlement Administrator has taken the steps outlined above will still be bound by the Settlement and/or Judgment.
- JJ. Settlement Administrator:** The third-party administrator agreed upon by Parties to administer this Settlement is Phoenix Class Action Administration Solutions (“Phoenix”).

II. RECITALS

- A. Procedural History.** On June 9, 2020, Plaintiff provided initial written notice to the LWDA and Defendant of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions. On December 30, 2020, Plaintiff filed a wage-and-hour class action complaint against Defendant in the Butte County Superior Court entitled *Morgan v. Wehah Farm, Inc. d/b/a Lundberg Family Farms*, Case Number 20CV02554, alleging the following causes of action: (1) violation of Labor Code sections 510 and 1198 (unpaid overtime); (2) violation of Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) violation of Labor Code section 226.7 (unpaid rest period premiums); (4) violation of Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) violation of Labor Code sections 201 and 202 (final wages not timely paid); (6) violation of Labor Code section 226(a) (noncompliant wage statements); (7) violation of Labor Code sections 2800 and 2802 (unreimbursed business expenses); (8) violation of Labor Code section 2698, *et seq.* (Private Attorneys General Act of 2004 (“PAGA”)); and (9) violation of Business & Professions Code section 17200, *et seq.*

- B. Investigation and Discovery.** Prior to mediation, the Parties conducted significant investigation and discovery of the relevant facts and law. Specifically, Defendant produced documents relating to its wage-and-hour policies, practices, and procedures, including those regarding meal and rest periods, overtime, bonus and incentive plans, and other payroll and operational policies. As part of Defendant's production, Plaintiff also reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Plaintiff to understand the number of workweeks in the Class Period. Plaintiff also interviewed Class Members who worked for Defendant throughout the Class Period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- C. Mediation.** Plaintiff and Class Counsel have engaged in good faith, arm's-length negotiations with Defendant concerning possible settlement of the claims asserted in the Class Action. Specifically, on November 12, 2021, the Parties participated in a mediation with David A. Rotman, a well-respected mediator with considerable experience mediating wage-and-hour class actions. This mediation took place only after the Parties informally exchanged extensive information and data, described in Section II(B) above. After a full day of negotiation, under the auspices of the mediator, the Parties reached a settlement of the Class Action.
- D. Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the expense and length of additional proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and Class Counsel also have considered the uncertainty and risks, the potential outcome, and the difficulties and delays inherent in further litigation. Plaintiff and Class Counsel conducted extensive settlement negotiations, including formal mediation on November 12, 2021. Based on the foregoing, Plaintiff and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.
- E. Defendant's Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of Defendant's time, energy, and resources have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
- F. Defendant's Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the

claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Class Action is not appropriate for class or PAGA treatment. Defendant also asserts several defenses to the claims and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Class Action. Neither this Agreement nor any document referred to or contemplated herein, nor any statements, discussions, or communications, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiff can serve as an adequate Class Representative. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only.

- G. Plaintiff's Claims.** Plaintiff asserts that Defendant's defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession, or indication by or against Plaintiff, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Class Action. However, in the event that this Settlement is finally approved by the Court, none of Plaintiff, Participating Class Members, or Class Counsel will oppose Defendant's efforts to use this Agreement to prove that Plaintiff and Participating Class Members have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

- A. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount that Defendant is obligated to pay under this Settlement Agreement is Two Million Dollars (\$2,000,000.00).
- B. Notice to the Labor and Workforce Development Agency ("LWDA").** On June 9, 2020, Plaintiff filed and served his Notice of Labor Code Violations Pursuant to Labor Code section 2699.3. Thus, Plaintiff has satisfied his notice obligations under PAGA.
- C. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that for this Settlement to occur, the Court must certify the Class as defined in this Agreement.
- D. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff and Class Members for purposes of this Settlement only. This Stipulation is contingent

upon Preliminary and Final Approval and certification of the Class for purposes of this Settlement only. If the Settlement does not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to certification as part of the Settlement shall have no bearing on and shall not be admissible or used in any way in connection with, the question of whether the Court should certify any claims in a non-settlement context in this Class Action or in any other lawsuit. Defendant expressly reserves the right to oppose class certification and/or to proactively move to deny class certification should this Settlement be materially modified, reversed on appeal, or otherwise not become final.

- E. Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiff shall be appointed as the representative for the Class.
- F. Appointment of Class Counsel.** Solely for the purposes of this Settlement, the Parties stipulate and agree that Class Counsel shall be appointed to represent the Class.
- G. Individual Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the Net Settlement Amount to each Participating Class Member.

1. Calculation.

- a. Individual Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to: (i) the number of weeks he or she worked as a non-exempt California employee of Defendant during the Class Period, based on the Class Data provided by Defendant, divided by (ii) the total number of weeks worked by any and all Participating Class Members collectively during the Class Period based on the same Class Data, (iii) which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Participating Class Member's Individual Settlement Share is tied directly to the number of weeks he or she worked during the Class Period.
- 2. Tax Withholdings.** Each Participating Class Member's Individual Settlement Share will be apportioned as follows: twenty percent (20%) wages and eighty percent (80%) penalties and interest. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the

tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. The employees' share of payroll tax withholdings shall be withheld from each person's Individual Settlement Share. Each Eligible Aggrieved Employee's portion of the PAGA Payment will be allocated as one hundred percent (100%) penalties and will be issued an IRS form 1099 if it exceeds \$600.00.

H. Settlement Disbursement. Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments out of the Gross Settlement Amount:

- 1. To the Plaintiff, Allen Morgan.** In addition to his respective Individual Settlement Share and portion of the PAGA Payment, and subject to the Court's approval, Plaintiff will receive up to Ten Thousand Dollars (\$10,000.00) as a Class Representative Enhancement Payment. The Settlement Administrator will pay the Class Representative Enhancement Payment out of the Qualified Settlement Fund. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payment. An IRS Form 1099 will be issued to Plaintiff with respect to his Class Representative Enhancement Payment. In the event the Court does not approve the entirety of the application for the Class Representative Enhancement Payment, the Settlement Administrator shall pay whatever amounts the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Plaintiff, the differences shall become part of the Net Settlement Amount and be available for distribution to Participating Class Members.

- 2. To Class Counsel.** Class Counsel will apply to the Court for, and Defendant agrees not to oppose, a total Attorney Fee Award not to exceed thirty-eight percent (38%) or \$760,000.00 of the Gross Settlement Amount and a Cost Award not to exceed \$25,000.00. The Settlement Administrator will pay the Court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Settlement Amount. The Settlement Administrator may purchase an annuity to utilize U.S. treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. In the event the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, the difference shall become

part of the Net Settlement Amount and be available for distribution to Participating Class Members. Except as provided herein, each side shall bear its own attorneys' fees and costs.

- 3. To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Settlement Share. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendant's portions of payroll withholding taxes. The Settlement Administrator will calculate Defendant's portion of payroll taxes and set aside that amount from the Gross Settlement Amount until such time that it will forward that amount along with each Participating Class Member's Individual Settlement Share withholdings to the appropriate taxing authorities.
- 4. To the Settlement Administrator.** The Settlement Administrator – Phoenix – will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court in an amount currently estimated at \$10,000.00 and not to exceed \$12,000.00. This will be paid out of the Qualified Settlement Fund. If the actual amount of Administration Costs is less than the amount estimated, the difference shall become part of the Net Settlement Amount and be available for distribution to Participating Class Members. In the event the Court does not approve the entirety of the application for the Administration Costs, the Settlement Administrator shall pay to itself whatever amount the Court awards, and neither Defendant nor the Plaintiff shall be responsible for paying the difference between the amount requested and the amount awarded.
- 5. To Participating Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Qualified Settlement Fund.
- 6. To Eligible Aggrieved Employees.** The Settlement Administrator shall pay each Eligible Aggrieved Employee according to his or her proportional share, which will be based upon the total number of pay periods the Eligible Aggrieved Employee worked as a California non-exempt employee of Defendant during the PAGA Timeframe. Each individual share will be calculated by (i) determining the total number of pay periods during the PAGA Timeframe during which the Eligible Aggrieved Employee was employed, (ii) dividing this number by the total number of pay periods during the PAGA Timeframe during which all Eligible Aggrieved Employees were employed (i.e., the sum of all pay periods of employment for all Eligible Aggrieved Employees), and (iii) multiplying this number by the \$12,500.00 allocated to the Eligible Aggrieved Employees. Settlement checks issued to the Eligible Aggrieved Employees pursuant to this

Agreement shall expire one hundred eighty (180) calendar days after the date they are initially mailed by the Settlement Administrator. After one hundred eighty (180) calendar days, any unclaimed funds shall be turned over by the Settlement Administrator to the California State Controller: Unpaid Wage Fund.

7. To the LWDA. Seventy-five percent (75%) of the PAGA Payment (\$37,500.00) shall be paid to the LWDA.

I. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that Phoenix Class Action Administration Solutions shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for: (a) preparing, printing, and mailing the Notice Packet to the Class Members; (b) keeping track of any objections or requests for exclusion from Class Members; (c) performing skip traces and remailing Notice Packets, Individual Settlement Shares, and portions of the PAGA Payment to Class Members; (d) calculating any and all payroll tax deductions as required by law; (e) calculating each Participating Class Member's Individual Settlement Share and each Eligible Aggrieved Employee's portion of the PAGA Payment; (f) providing weekly status reports to Counsel for Defendant and Class Counsel, which are to include updates on any objections or requests for exclusion that have been received; (g) mailing Individual Settlement Shares and portions of the PAGA Payment to Participating Class Members and Eligible Aggrieved Employees, respectively; (h) mailing the LWDA's portion of the PAGA Payment to the LWDA; (i) distributing the Attorney Fee Award and the Cost Award to Class Counsel; (j) printing and providing Class Members and Plaintiff with W-2 and 1099 forms as required under this Agreement and applicable law; (k) providing a due diligence declaration for submission to the Court upon completion of the Settlement and prior to the Final Approval Hearing; (l) turning over any funds remaining in the Qualified Settlement Fund at the close of the 180-day period as a result of uncashed checks to the California State Controller: Unpaid Wage Fund; and (m) performing other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Phoenix or otherwise have a relationship with Phoenix that could create a conflict of interest.

J. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a.** Plaintiff will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice and Exclusion Form.
- b.** At the Preliminary Approval Hearing, Plaintiff will appear, support the granting of the motion, and submit a proposed order

granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representative, Class Counsel, and Settlement Administrator; approving the Notice Packet; and setting the Final Approval Hearing.

- c. Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it. The amounts of the Attorney Fee Award, the Cost Award, the Administration Costs, and the Class Representative Enhancement Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to an application for the Attorney Fee Award, the Cost Award, the Administration Costs, and the Class Representative Enhancement Payment shall not operate to terminate or cancel this Agreement. Nothing in this Agreement shall limit Plaintiff's or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorney Fee Award, the Cost Award, the Administration Costs, and the Class Representative Enhancement Payment.

2. Notice to Class Members. After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Notice Packet in accordance with the following procedure:

- a. Within twenty-one (21) calendar days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator the following information about each Class Member: (1) first and last name; (2) last known mailing address; (3) Social Security number; (4) hire and termination dates; and (5) the total number of weeks during the Class Period during which the Class Member performed any actual work for Defendant as non-exempt California employee ("collectively "Class Data"). If any or all this information is unavailable to Defendant, Defendant will so inform Class Counsel, and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will conduct a skip trace for the addresses of all former employee Class Members of Defendant. The Settlement Administrator shall maintain the Class Data and all information contained within the Class Data as private and confidential. This provision will not impede Class Counsel's

ability to discharge their fiduciary duties, including effectuating the terms of this settlement.

- b.** The Settlement Administrator shall run all addresses contained in the Class Data through the United States Postal Service National Change of Address (“NCOA”) Database (which provides updated addresses for individuals who have moved in the previous four years and who have provided the U.S. Postal Service with a forwarding address) to obtain current address information. The Settlement Administrator shall mail the Notice Packet to the Class Members via first-class regular U.S. Mail using the most current mailing address information available within fourteen (14) calendar days after the receipt of the Class Data from Defendant.
- c.** If a Notice Packet is returned because of an incorrect address, within ten (10) calendar days after receipt of the returned Notice Packet, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Notice Packet to the Class Member. The Settlement Administrator will use the NCOA Database and skip tracing to attempt to find the Class Member’s current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Notice Packet is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing Notice Packets to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Notice Packet shall be re-mailed to the original address. If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip trace or forwarded mail, will have their Response Deadline to postmark a request for exclusion from or objection to the Settlement extended by ten (10) calendar days from the original Response Deadline. The Settlement Administrator shall mark on the envelope whether the Notice Packet is a re-mailed packet.
- d.** Class Members may dispute the information provided in their Notice Packets. All such disputes must be in writing, postmarked by the Response Deadline, and sent via first-class regular U.S. mail to the Settlement Administrator. To the extent a Class Member disputes the number of weeks or pay periods with which he or she has been credited or the amount of his or her Individual Settlement Share or portion of the PAGA Payment, the Class

Member must produce and submit evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member produces evidence rebutting Defendant's records, the Parties will evaluate the evidence submitted by the Class Member and will make the final decision as to the number of eligible weeks or pay periods with which the Class Member should be credited and/or the amount of the Individual Settlement Share or portion of the PAGA Payment to which the Class Member may be entitled.

- e. If the Settlement Administrator receives an incomplete or deficient request for exclusion, the Settlement Administrator shall send a letter informing the Class Member of the deficiency and shall provide the Class Member fourteen (14) calendar days with which to cure the deficiency. However, the provision of a cure period will not extend the Response Deadline. If the Settlement Administrator does not receive a cured request for exclusion, postmarked on or before the last day of the cure period, the Class Member will be determined not to have excluded himself or herself from the Settlement and will be bound by the Settlement.
- f. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Counsel for Defendant of the number of Notice Packets mailed, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed, and the number of requests for exclusion received.
- g. No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) calendar days before the Final Approval Hearing. If any material changes occur after the date of the filing of Settlement Administrator's declaration of due diligence but before the Final Approval Hearing, the Settlement Administrator will supplement its declaration.

3. Objections to Settlement. The Class Notice will provide that Class Members who wish to object to the Settlement must do so by submitting objections in writing, signed, and dated, to the Settlement Administrator, postmarked no later than the Response Deadline. Class Members who object to this Settlement or any of its terms may not also submit requests for

exclusion from this Settlement (i.e., may not opt out of this Settlement). In the event a Class Member submits both a request for exclusion and a written objection, the request for exclusion will be deemed invalid, and the objection will remain valid. The date the objection is postmarked shall be the exclusive means for determining whether an objection was timely served.

- a. Format.** For an objection to be valid, it must: (a) state the objecting Class Member’s full name, address, and telephone number, as well as the name and address of counsel, if any; (b) include the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list any witness(es) the objecting Class Member may call to testify at the Final Approval Hearing; (e) include true and correct copies of any exhibit(s) the objecting Class Member intends to offer at the Final Approval Hearing; (f) be signed by the objecting Class Member or his or her attorney; and (g) state whether the objecting Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing.
 - b. Appearance at Final Approval and Oral Objection.** Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objecting Class Member’s own counsel, at the Class Member’s own expense and orally object to the Settlement. Any attorney who will represent a Class Member objecting to this Settlement must file a notice of appearance with the Court and serve Class Counsel and Counsel for Defendant no later than fifteen (15) calendar days before the Final Approval Hearing.
 - c.** A Class Member who objects to the Settlement will remain a member of the Settlement, i.e., a Participating Class Member, and if the Court finally approves the Settlement, the objecting Class Member will be bound by the terms of the Settlement in the same way and to the same extent as those Participating Class Members who do not object.
 - d.** Plaintiff and Defendant will be permitted to respond in writing to such objections no later than seven (7) calendar days before the Final Approval Hearing. Plaintiff waives any right to object to the Settlement and hereby endorses the Settlement as fair, reasonable, adequate and in the best interests of the Class Members.
- 4. Request for Exclusion from the Settlement (“Opt-Out”).** The Notice Packet will provide that Class Members who wish to exclude themselves

from the Settlement must mail a request for exclusion to the Settlement Administrator. The request for exclusion must: (a) include the Class Member's name and address, and the last four digits of the Class Member's Social Security number; (b) be addressed to the Settlement Administrator; (c) be signed by the Class Member or his or her lawful representative; and (d) be postmarked no later than the Response Deadline.

- a. Confirmation of Authenticity.** The date of the initial mailing of the Notice Packet and the date the signed request for exclusion is postmarked shall be conclusively determined according to the records of the Settlement Administrator. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely and valid executed request for exclusion will not participate in or be bound by the Settlement and Judgment, will not receive an Individual Settlement Share, and will not have any right to object, appeal, or comment thereon. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Settlement Share, and will be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement.
- b. Report.** No later than seven (7) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notice Packets mailed to Class Members, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed to Class Members, the number of re-mailed Notice Packets returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.
- c. Defendant's Option to Terminate.** If five percent (5%) or more of the Class Members exercise their rights to exclude themselves and opt out of the Settlement, Defendant may, in its sole discretion, unilaterally withdraw from and terminate the Settlement Agreement no later than five (5) court days prior to the date of the Final Approval Hearing. In the event of Defendant's withdrawal, no Party may use the fact that the Parties agreed to the Settlement Agreement for any reason. Defendant will be responsible for paying any Administration Costs incurred if Defendant exercises

its right to withdraw from the Settlement Agreement under this provision.

d. Eligible Aggrieved Employees May Not Opt Out of PAGA Settlement. Notwithstanding the foregoing, the Parties agree that there is no statutory or other right for any Eligible Aggrieved Employee to opt out or otherwise exclude himself or herself from the PAGA portion of the Settlement, which releases the claims enumerated in Section III(L) below (“PAGA Released Claims”). An Eligible Aggrieved Employee who submits a timely and valid request for exclusion shall still receive his or her share of the PAGA Payment and shall release the PAGA Released Claims.

5. No Solicitation of Objection or Requests for Exclusion. Neither the Parties nor their respective counsel will solicit or otherwise encourage, directly or indirectly, any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Final Approval Order or Judgment.

6. Motion for Final Approval.

a. Upon expiration of the Response Deadline, Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorney Fee Award; (2) the Cost Award; (3) the Administration Costs; (4) the Class Representative Enhancement Payment; and (5) the PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment), pursuant to which all Participating Class Members shall release all Released Claims.

b. If the Court does not grant Final Approval of the Settlement, or if the Court’s Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. An award by the Court of a lesser amount than sought by Plaintiff and Class Counsel for the Class Representative Enhancement Payment, the Attorney Fee Award, and/or the Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.

- c. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Class Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters; and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.
7. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the Judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.
8. **Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount, other than as specifically provided in Section III(N)(19), an alteration in the calculation of the Net Settlement Amount, and any change to the calculation of the Individual Settlement Shares.
9. **Disbursement of Settlement Shares and Payments.** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Superior Court's Final Approval Order and Judgment. The maximum amount Defendant can be required to pay under this Settlement for any purpose is the Gross Settlement Amount. The Settlement Administrator shall keep Counsel for Defendant and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Counsel for Defendant and Class Counsel.
 - a. **Funding the Settlement:** Within fourteen (14) calendar days of the Effective Final Settlement Date, Defendant shall deposit the Gross Settlement Amount of Two Million Dollars (\$2,000,000.00) into the QSF (as defined below). Defendant shall also at this time provide any tax information that the Settlement Administrator

may need to calculate each Participating Class Member's Individual Settlement Share.

- b. **Disbursement**: Within fourteen (14) calendar days after the funding of the Settlement, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, the Attorney Fee Award, the Cost Award, the Class Representative Enhancement Payment, the PAGA Payment, and the Administration Costs. The Settlement Administrator will also forward a check for seventy-five percent (75%) of the PAGA Payment (\$37,500.00) to the LWDA for settlement of the PAGA claims.
- c. **Qualified Settlement Fund**: The Parties and Settlement Administrator shall treat the Qualified Settlement Fund as coming into existence on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

10. Uncashed Checks. Participating Class Members must cash or deposit their Individual Settlement Share checks within one hundred eighty (180) calendar days after the checks are mailed to them. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) calendar days, it will expire and become non-negotiable, and offering to replace the check if it was lost or misplaced. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are initially mailed, cancel the check(s), and pay the amount of the Individual Settlement Share(s) to the California State Controller: Unpaid Wage Fund.

11. Final Report by Settlement Administrator. Within ten (10) calendar days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

12. Defendant's Legal Fees. Defendant is responsible for paying for all Defendant's own legal fees, costs, and expenses incurred in this Class Action outside of the Gross Settlement Amount.

K. Release of Claims. Upon Defendant's fulfillment of its payment obligations under Section III (J)(9)(a) of this Agreement, Plaintiff and the other Participating Class

Members will fully and finally release and discharge the Released Parties from the Released Claims.

L. Effect of PAGA Settlement. Upon Defendant's fulfillment of its payment obligations under Section III (J)(9)(a) of this Agreement, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all Eligible Aggrieved Employees are barred from pursuing any action for civil penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code section 2698, *et seq.*, against the Released Parties, based on or arising out of the alleged violations of Labor Code sections alleged in Plaintiff's PAGA notice to the LWDA and the Complaint, and occurring during the PAGA Timeframe.

M. Plaintiff's Release of Claims and General Release. Upon Defendant's fulfillment of its payment obligations under Section III (J)(9)(a) of this Agreement, in exchange for the Class Representative Enhancement Payment in an amount not to exceed Ten Thousand Dollars (\$10,000.00), and in recognition of his work and efforts in obtaining the benefits for the Class and undertaking the risk of paying litigation costs in the event this matter had not successfully resolved, Plaintiff hereby provides a general release of claims for himself and any respective spouse, heirs, successors and assigns, and forever releases, remises, and discharges the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, whether in tort, contract, equity, or otherwise, arising out of Plaintiff's respective employment with Defendant, payment of wages during that employment and the cessation of that employment and/or violation of any federal, state or local statute, rule, ordinance or regulation. With respect to the General Release, Plaintiff stipulates and agrees that, as of the Effective Final Settlement Date, Plaintiff shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

N. Miscellaneous Terms.

- 1. No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendant

denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Case, or that but for the Settlement, a Class should be certified in the Case. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended as or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiff's and Defendant's willingness to settle the Case will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

- 2. No Effect on Employee Benefits.** The amounts paid under this Agreement do not represent a modification of any previously credited hours of service under any employee benefit plan, policy or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendant's policies or bonus programs. Any payments made under the terms of this Settlement shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages, or any other form of compensation for the purposes of Defendant's benefit plans, policies or bonus programs. Defendant retains the right to modify the language of its benefit plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or benefits are not required by this Settlement.
- 3. Publicity.** Plaintiff and Class Counsel agree that they have not and will not publish the Settlement Agreement. In response to any inquiries, Plaintiff will state that "the case was resolved, and it was resolved confidentially." Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding Plaintiff's or the Class Member's claims or the Settlement Agreement on its website, and shall not contact any reporters or media regarding the Settlement Agreement. Despite this provision, Class Counsel can discuss the Settlement Agreement with Plaintiff and the Class Members and in any filings with the Court. This provision shall not impede Class Counsel's ability to discharge their fiduciary duties, including effectuating the terms of the Settlement.
- 4. Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its

exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary, or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence.

- 5. Authorization to Enter Into Settlement Agreement.** Class Counsel and Counsel for Defendant warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
- 6. Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
- 7. Deadlines Falling on Weekends or Holidays.** To the extent that any deadline set forth in this Settlement Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.
- 8. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Class Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.
- 9. Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.

- 10. Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- 11. No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants that he has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- 12. Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of California, without giving effect to any conflict of law principles or choice of law principles.
- 13. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Class Action and have arrived at this Agreement through arm's-length negotiations, taking into account all relevant factors, current and potential.
- 14. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes.
- 15. Jurisdiction of the Superior Court.** Pursuant to Code of Civil Procedure section 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.
- 16. Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and

the validity and enforceability of the remaining provisions shall not be affected thereby.

17. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

18. Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

19. Escalation Clause. Defendant estimates that the Class consists of 83,341 workweeks, and this Settlement was reached based on approximately 83,341 workweeks. Should the number of workweeks increase by more than ten percent (10%) by December 31, 2021, this will increase the Gross Settlement Amount proportionally over the ten percent (10%) increase. For example, if the number of workweeks increases by eleven percent (11%), the Gross Settlement Amount will increase by one percent (1%). Likewise, if the number of workweeks increases by twelve percent (12%), the Gross Settlement Amount will increase by two percent (2%).

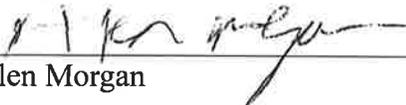
[SIGNATURES ON NEXT PAGE]

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 12-8-21, 2021

PLAINTIFF ALLEN MORGAN



Allen Morgan

Dated: 12-8-21, 2021

**DEFENDANT WEHAH FARM, INC. d/b/a
LUNDBERG FAMILY FARMS**

Representative for Wehah Farm, Inc.

Dated: 12-8-21, 2021

JUSTICE LAW CORPORATION

Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Talia Lux, Esq.
*Attorneys for Plaintiff Allen Morgan, on behalf of
himself and all others similarly situated*

Dated: 12-8-21, 2021

**WEINTRAUB TOBIN CHEDIAK COLEMAN
GRODIN LAW CORPORATION**

Meagan Bainbridge, Esq.
Katie A. Collins, Esq.
*Attorneys for Defendant Wehah Farm, Inc. d/b/a
Lundberg Family Farms*

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: _____, 2021

PLAINTIFF ALLEN MORGAN

Allen Morgan

Dated: _____, 2021

**DEFENDANT WEHAH FARM, INC. d/b/a
LUNDBERG FAMILY FARMS**

Representative for Wehah Farm, Inc.

Dated: _____, 2021

JUSTICE LAW CORPORATION



Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Talia Lux, Esq.
Attorneys for Plaintiff Allen Morgan, on behalf of
himself and all others similarly situated

Dated: _____, 2021

**WEINTRAUB TOBIN CHEDIAK COLEMAN
GRODIN LAW CORPORATION**

Meagan Bainbridge, Esq.
Katie A. Collins, Esq.
Attorneys for Defendant Wehah Farm, Inc. d/b/a
Lundberg Family Farms

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

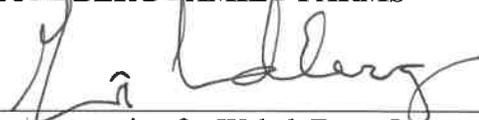
Dated: _____, 2021

PLAINTIFF ALLEN MORGAN

Allen Morgan

Dated: 12 / 8, 2021

**DEFENDANT WEHAH FARM, INC. d/b/a
LUNDBERG FAMILY FARMS**



Representative for Wehah Farm, Inc.

Dated: _____, 2021

JUSTICE LAW CORPORATION

Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Talia Lux, Esq.
*Attorneys for Plaintiff Allen Morgan, on behalf of
himself and all others similarly situated*

Dated: December 8, 2021

**WEINTRAUB TOBIN CHEDIAK COLEMAN
GRODIN LAW CORPORATION**



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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights are affected by whether you act or don't act.*

TO: All non-exempt California employees of Wehah Farm, Inc. d/b/a Lundberg Family Farms during the period from July 5, 2016, to December 31, 2021, who did not previously sign individual separation agreements.

The California Superior Court, County of Butte has granted preliminary approval to a proposed settlement (“Settlement”) of the above-captioned action (the “Class Action”). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement (“Notice”) carefully.

The Court has certified the following class for settlement purposes (“Class” or “Class Members”):

All non-exempt California employees of Wehah Farm, Inc. d/b/a Lundberg Family Farms during the period from July 5, 2016, to December 31, 2021, who did not previously sign individual separation agreements.

The purpose of this Notice is to provide a brief description of the claims alleged in the Class Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

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1. Why Have I Received this Notice?

The personnel records of Wehah Farm, Inc. d/b/a Lundberg Family Farms (“Defendant”) indicate that you may be a Class Member. The Settlement will resolve all Class Members’ Released Claims, as described in Section No. 9 below, from the time period from July 5, 2016, to December 31, 2021 (the “Class Period”).

A Preliminary Approval Hearing was held on [date of Preliminary Approval Hearing], in the Superior Court of California, County of Butte. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval Hearing.

The Court will hold a Final Approval Hearing concerning the proposed Settlement on [date of Final Approval Hearing], 2022 at [time of Final Approval Hearing], before Hon. Stephen E. Benson, in the Superior Court of California, County of Butte, located at 1775 Concord Avenue, Chico, California 95928, Department 6.

2. What Is this Case About?

On July 9, 2020, Plaintiff Allen Morgan (“Plaintiff”) provided initial written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendant of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions.

On December 30, 2020, Plaintiff filed a wage-and-hour class action lawsuit against Defendant in the Superior Court of California, County of Butte, Case Number 20CV02554, alleging the following causes of action: (1) violation of Labor Code sections 510 and 1198 (unpaid overtime); (2) violation of Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) violation of Labor Code section 226.7 (unpaid rest period premiums); (4) violation of Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) violation of Labor Code sections 201 and 202 (final wages not timely paid); (6) violation of Labor Code section 226(a) (noncompliant wage statements); (7) violation of Labor Code sections 2800 and 2802 (unreimbursed business expenses); (8) violation of Labor Code section 2698, *et seq.* (Private Attorneys General Act of 2004 (“PAGA”)); and (9) violation of Business & Professions Code section 17200, *et seq.* (the “Class Action”).

Plaintiff and Defendant (collectively, the “Parties”) attended mediation on the claims alleged in the Class Action on November 12, 2021. Under the auspices of mediator David A. Rotman, the Parties were able to reach a settlement of the Class Action.

The Court has not made any determination as to whether the claims advanced by Plaintiff have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiff or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all Parties avoid the risks and cost of a trial.

Defendant expressly denies that it did anything wrong or that it violated the law and further denies any liability whatsoever to Plaintiff or to the Class.

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3. Am I a Class Member?

You are a Class Member if you are currently or were formerly employed as a non-exempt California employee of Defendant during the period from July 5, 2016, to December 31, 2021, and you did not previously sign an individual separation agreement.

4. How Does this Class Action Settlement Work?

In this Class Action, Plaintiff sued on behalf of himself and all other similarly situated individuals who were employed as non-exempt California employees of Defendant during the Class Period. Plaintiff and these other current and former employees comprise a “Class” and are “Class Members.” The Settlement of this Class Action resolves the Released Claims (defined in Section No. 9 below) of all Class Members, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiff and Plaintiff’s counsel (also, “Class Counsel”) believe the Settlement is fair and reasonable. The Court must also review the terms of the Settlement and determine if it is fair and reasonable to the Class. The Court file has the Settlement documents, which explain the Settlement in greater detail. If you would like copies of the Settlement documents, you can contact Class Counsel, whose contact information is below, and they will provide you with copies free of charge.

5. Who Are the Attorneys Representing the Parties?

Attorneys for Plaintiff and the Class	Attorneys for Defendant
<p>JUSTICE LAW CORPORATION Douglas Han Shunt Tatavos-Gharajeh Talia Lux 751 N. Fair Oaks Avenue, Suite 101 Pasadena, California 91103 Telephone: (818) 230-7502 Facsimile: (818) 230-7259</p>	<p>WEINTRAUB TOBIN CHEDIAK COLEMAN GRODIN LAW CORPORATION Meagan Bainbridge Katie A. Collins 400 Capitol Mall, 11th Floor Sacramento, California 95814 Telephone: (916) 558-6000 Facsimile: (916) 446-1611</p>

The Court has decided that Justice Law Corporation is qualified to represent you and all other Class Members simultaneously.

Class Counsel are working on your behalf. If you want your own attorney, you may hire one at your own cost.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed Settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: Defendant will not retaliate against you in any way for either participating or not participating in this Settlement.

- **DO NOTHING:** If you do nothing and the Court grants Final Approval of the Settlement, you will become part of this lawsuit and will receive an Individual Settlement Share based on the total number of workweeks you were employed as a non-exempt California employee of Defendant during the Class Period. You will release all the Released Claims, as defined in Section No. 9 below, and you will give up your right to pursue the Released Claims, as defined in Section No. 9 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may “opt out,” which will remove you from the Class and this Class Action. If the Court grants Final Approval of the Settlement, you will not receive an Individual Settlement Share, and you will not give up the right to sue the Released Parties, including Defendant, for any the Released Claims as defined in Section No. 9 below.
- **OBJECT:** You may mail a legal objection to the proposed Settlement. If you would like to object, you may not opt out of this Settlement.

The procedures for opting out and objecting are set forth below in the sections entitled “How Do I Opt Out or Exclude Myself from this Settlement?” and “How Do I Object to the Settlement?”

Regardless of which option you choose, you must keep the Settlement Administrator advised of any change of address.

7. *How Do I Opt Out or Exclude Myself from this Settlement?*

If you do not wish to participate in the Settlement, you may be excluded from the Settlement (i.e., “opt out”) by sending a timely request for exclusion. A form (“ELECTION NOT TO PARTICIPATE IN (‘OPT OUT’ FROM) CLASS ACTION SETTLEMENT”) (“Exclusion Form”) has been provided to you along with this Notice, which can be used for this purpose; alternatively, you can submit your own written document that includes this same information. If you opt out of the Settlement, you will not be releasing the claims set forth in Section No. 9. If you opt out of the Settlement, the amount to be paid by Defendant will not decrease and will remain the same. The request for exclusion must be signed, dated, and mailed by first-class U.S. Mail, **postmarked no later than [REDACTED], 2022** (“Response Deadline”) to: **WEHAH FARM, INC. d/b/a LUNDBERG FAMILY FARMS SETTLEMENT ADMINISTRATOR C/O PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS, PO Box 7208, Orange, California 92863**. You cannot exclude yourself by phone.

Eligible Aggrieved Employees May Not Opt Out of PAGA Settlement. Notwithstanding the foregoing, you do not have the right to opt out or otherwise exclude yourself from the PAGA portion of the Settlement, which releases the PAGA Released Claims, described in Section III(L) of the Settlement Agreement. If you submit a valid and timely request for exclusion, you will still receive your share of the PAGA Payment and will release the PAGA Released Claims.

If you received a re-mailed Class Notice and Exclusion Form (collectively, “Notice Packet”), whether by skip-trace or forwarded mail, you will have an additional ten (10) calendar days from the original Response Deadline to postmark a request for exclusion or an objection to the Settlement. The envelope should indicate whether the Notice Packet has been forwarded or re-mailed. We encourage you to keep copies of all documents, including the envelope, in the event the deadline is challenged.

The Court will exclude any Class Member who submits a complete and timely request for exclusion as described in the paragraph above. The request for exclusion must: (a) include the Class Member's name and address, and the last four digits of the Class Member's Social Security number; (b) be addressed to the Settlement Administrator; (c) be signed by the Class Member or his or her lawful representative; and (d) be postmarked no later than [the Response Deadline]. Requests for exclusion that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. Any Class Member who fails to submit a valid and timely request for exclusion on or before the above-specified Response Deadline shall be bound by all terms of the Settlement, release, and any Judgment entered in the Class Action if the Settlement receives Final Approval from the Court.

You are responsible for ensuring that the Settlement Administrator receives any request for exclusion you submit.

8. *How Do I Object to the Settlement?*

If you are a Class Member who does not opt out of the Settlement, you may object to the Settlement, personally or through an attorney, by mailing an objection to the Settlement Administrator at PO Box 7208, Orange, California 92863 by [the Response Deadline]. The objection must: (a) state the objecting Class Member's full name, address, and telephone number, as well as the name and address of counsel, if any; (b) include the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list any identifying witness(es) the objecting Class Member may call to testify at the Final Approval Hearing; (e) include true and correct copies of any exhibit(s) the objecting Class Member intends to offer at the Final Approval Hearing; (f) be signed by the objecting Class Member or his or her attorney; and (g) state whether the objecting Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing.

Class Members may appear at the Final Approval Hearing, either in person or through the objecting Class Member's own counsel and orally object to the Settlement. Class Members' timely and valid objections to the Settlement will still be considered even if the objector does not appear at the Final Approval Hearing.

Class Members who fail to object in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement.

Again, to be valid and effective, any objections must be mailed to the Settlement Administrator postmarked on or before [the Response Deadline].

If the Court rejects the notice of objection, the Class Member will receive an Individual Settlement Share and will be bound by the terms of the Settlement.

9. *How Does this Settlement Affect My Rights? What Are the Released Claims?*

Released Parties.

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court's Final Judgment and will fully and finally release and discharge Defendant and its present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, and assigns ("Released Parties").

Released Claims.

Upon Defendant's fulfillment of its payment obligations pursuant to Section III (J)(9)(a) of the Settlement Agreement, the claims that Plaintiff and the other Participating Class Members are releasing in exchange for the consideration provided for by the Settlement Agreement are any and all facts and claims asserted in the Class Action and Plaintiff's PAGA notice to the LWDA or any other claims that could have been asserted in the Class Action and any PAGA notice to the LWDA based on the facts alleged, including, but not limited to, minimum, overtime and double time wages (including, but not limited to, any claims for additional wages owed due to "off-the-clock" work); meal and rest breaks; failure to keep time records; wage statement violations; separation pay violations; unreimbursed business expenses; untimely payment of wages; failure to maintain records; unfair business practices; and related PAGA penalties ("Released Claims").

10. *How Much Can I Expect to Receive from this Settlement?*

The total maximum amount that Defendant could be required to pay under the Settlement Agreement shall be up to but no more than Two Million Dollars (\$2,000,000.00) ("Gross Settlement Amount").

The "Net Settlement Amount" means the portion of the Gross Settlement Amount available for distribution to all Class Members who do not submit valid and timely requests to exclude themselves from the Settlement ("Participating Class Members") after the deduction of (1) the Class Representative Enhancement Payment to Plaintiff in an amount of up to \$10,000.00 for the prosecution of the Class Action, undertaking the risk of paying attorneys' fees and costs in the event the Class Action had not successfully resolved, and a general release of all claims; (2) Administration Costs to the Settlement Administrator, **Phoenix Class Action Administration Solutions**, in an amount currently estimated at **\$10,000.00** and not to exceed **\$12,000.00**; (3) the PAGA Payment of \$50,000.00, seventy-five percent (75%) of which (\$37,500.00) shall be paid to the LWDA, and twenty-five percent (25%) of which (\$12,500.00) shall be distributed to Eligible Aggrieved Employees, on a pro rata basis; (4) the Attorney Fee Award to Class Counsel in an amount not to exceed \$760,000.00 (38% of the Gross Settlement Amount); and (5) the Cost Award to Class Counsel in an amount not to exceed \$25,000.00 for litigation costs. All these payments are subject to Court approval.

After deducting the above-referenced items, the remaining Net Settlement Amount will be proportionately distributed among all Participating Class Members. The Settlement Administrator will pay an Individual Settlement Share to each Participating Class Member from the Net Settlement Amount. Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to: (i) the number of weeks he or she worked as a non-exempt California employee of Defendant during the Class Period, based on the Class Data provided by Defendant, divided by (ii) the total number of weeks worked by any and all Participating Class Members collectively during the Class Period based on the same Class Data, (iii) which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Participating Class Member's Individual Settlement Share is tied directly to the number of weeks he or she worked during the Class Period.

Although your exact share of the Net Settlement Amount cannot be precisely calculated until the time during which Class Members may object to or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount is as follows: \$, less taxes. This is based on Defendant's records, which show you worked workweeks during the Class Period.

If you believe the number of eligible workweeks with which you have been credited is incorrect, you must provide documentation and/or an explanation showing contrary information to the Settlement Administrator at **PO Box 7208, Orange, California 92863** on or before **[the Response Deadline]**. If you do not provide documents and/or

an explanation supporting your challenge, the number of workweeks reported in Defendant's records will be presumed correct, and your challenge will be rejected by the Settlement Administrator. Class Counsel and Counsel for Defendant will review any evidence submitted and will make a final determination as to the number of eligible workweeks with which you will be credited.

Twenty percent (20%) of your Individual Settlement Share will be treated as wages. Applicable taxes will be withheld from the wages portion of your Individual Settlement Share only and reported on an IRS Form W-2. The remaining eighty percent (80%) of your Individual Settlement Share will be treated as penalties and interest and will be paid pursuant to an IRS Form 1099.

Upon the Effective Final Settlement Date, Defendant is expected to fund the Gross Settlement Amount of Two Million Dollars (\$2,000,000.00). The Effective Final Settlement Date will be the later of the following: (i) if no objections to the Settlement have been filed, or timely objections have been filed and then withdrawn, then the date the Court enters judgment granting Final Approval; (ii) if an objection to the Settlement has been filed, then the date on which time expires to file an appeal of the Court's grant of Final Approval; or (iii) if an objection was filed and a Notice of Appeal of the Court's grant of Final Approval was timely filed, then the date the appeal is finally resolved, with the grant of Final Approval unaffected. Your Individual Settlement Share will be calculated and distributed within fourteen (14) calendar days after Defendant funds the entire Gross Settlement Amount.

It is strongly recommended that upon receipt of your Individual Settlement Share check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks, and pay the amount of the Individual Settlement Shares to the California State Controller: Unpaid Wage Fund.

11. *What Is the PAGA Payment and Am I Eligible for It?*

Under the terms of the Settlement, Fifty Thousand Dollars (\$50,000.00) has been set aside as the PAGA Payment. This portion is the total amount of civil penalties collected on behalf of the State of California. Of this \$50,000.00, \$37,500.00 will be sent to the State of California. Eligible Aggrieved Employees will share the remaining \$12,500.00, based on the number of pay periods they worked during the PAGA Period.

You are an "aggrieved employee" eligible to share in the PAGA Payment under the Settlement ("Eligible Aggrieved Employee"), if you are a current or former California non-exempt employee of Defendant at any time during the period from June 9, 2019, to December 31, 2021 ("PAGA Timeframe").

The Settlement Administrator shall pay each Eligible Aggrieved Employee according to his or her proportional share of the \$12,500.00 of the PAGA Payment allocated to the Eligible Aggrieved Employees, which will be based upon the total number of pay periods during which the Eligible Aggrieved Employee worked as a California non-exempt employee of Defendant during the PAGA Timeframe. Each individual share will be calculated by (i) determining the total number of pay periods during the PAGA Timeframe during which the Eligible Aggrieved Employee was employed, (ii) dividing this number by the total number of pay periods during the PAGA Timeframe during which all Eligible Aggrieved Employees were employed (i.e., the sum of all pay periods of employment for all Eligible Aggrieved Employees), and (iii) multiplying this number by the \$12,500.00 allocated to the Eligible Aggrieved Employees.

Based on the total number of pay periods during the PAGA Timeframe during which you were employed, your individual share of the PAGA Payment is \$ [redacted]. This is based on Defendant's records, which show you worked [redacted] pay periods during the PAGA Timeframe. One hundred percent (100%) of this payment will be considered

penalties, and you will be issued an IRS Form 1099 if this payment exceeds \$600.00. You are responsible for paying any federal, state, or local taxes owed as a result of this payment.

If you believe the number of eligible pay periods with which you have been credited is incorrect, you must provide documentation and/or an explanation showing contrary information to the Settlement Administrator at **PO Box 7208, Orange, California 92863** on or before **[the Response Deadline]**. If you do not provide documents and/or an explanation supporting your challenge, the number of pay periods reported in Defendant's records will be presumed correct, and your challenge will be rejected by the Settlement Administrator. Class Counsel and Counsel for Defendant will review any evidence submitted and will make a final determination as to the number of eligible pay periods with which you will be credited.

Because these penalties can only be sought by California, you cannot exclude yourself from the PAGA portion of the Settlement if the Court gives Final Approval.

It is strongly recommended that upon receipt of your Settlement check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks, and pay the amount of the individual shares to the California State Controller: Unpaid Wage Fund.

If you are not an Eligible Aggrieved Employee, this Section does not apply to you.

12. *How Will the Attorneys for the Class and the Class Representative Be Paid?*

The attorneys for Plaintiff and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed thirty-eight percent (38%) of the Gross Settlement Amount (or \$760,000.00) for attorneys' fees and up to \$25,000.00 for litigation costs.

Defendant has paid all its own attorneys' fees and costs.

As set forth in Section No. 10 above, the Plaintiff will also be paid a Class Representative Enhancement Payment, subject to Court approval.

13. *Final Approval Hearing*

The Court will hold a Final Fairness and Approval Hearing concerning the proposed Settlement on **[date of Final Approval Hearing]**, 2022 at **[time of Final Approval Hearing]**, before Hon. Stephen E. Benson, in the Superior Court of California, County of Butte, located at 1775 Concord Avenue, Chico, California 95928, Department 6. You are not required to appear at this hearing. Any changes to the hearing date will be available on the website **[INSERT WEBSITE ADDRESS]**.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel, listed above, or the Settlement Administrator at the telephone number listed below, toll free. Please refer to the "Wehah Farm, Inc. d/b/a Lundberg Family Farms class action settlement."

This Notice does not contain all the terms of the proposed Settlement or all the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Butte County Superior Court at 1775 Concord Avenue, Chico, California 95928 between 8:30 a.m. and 4:00 p.m.

You may also contact Class Counsel by visiting Justice Law Corporation at 751 North Fair Oaks Avenue, Suite 101, Pasadena, California 91103 during regular business hours, from 9:00 a.m. to 6:00 p.m., or by calling (818) 230-7502. Class Counsel will provide you with an electronic copy of the Settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

EXHIBIT B

ELECTION NOT TO PARTICIPATE IN (“OPT OUT” FROM) CLASS ACTION SETTLEMENT

Superior Court of the State of California, County of Butte
Morgan v. Wehah Farm, Inc. d/b/a Lundberg Family Farms
Case No. 20CV02554

DO NOT SIGN OR SEND THIS DOCUMENT UNLESS YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT. IF YOU EXCLUDE YOURSELF, YOU WILL NOT RECEIVE ANY PAYMENT FROM THE SETTLEMENT.

THIS DOCUMENT MUST BE POSTMARKED NO LATER THAN _____, 2022. IT MUST BE SENT VIA REGULAR U.S. MAIL.

PLEASE MAIL THIS EXCLUSION FORM VIA REGULAR U.S. MAIL TO:

**WEHAH FARM, INC. d/b/a LUNDBERG FAMILY FARMS SETTLEMENT ADMINISTRATOR,
C/O PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS
PO Box 7208, Orange, California 92863**

IT IS MY DECISION NOT TO PARTICIPATE IN THE CLASS ACTION REFERRED TO ABOVE, AND NOT TO BE INCLUDED IN THE CLASS OF PLAINTIFFS IN THAT ACTION. I UNDERSTAND THAT BY EXCLUDING MYSELF, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT, EXCEPT MY PORTION OF THE CIVIL PENALTIES THAT IS ALLOCATED TO THE CALIFORNIA LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004 (“PAGA”), LABOR CODE § 2698, *et seq.* SETTLEMENT.

I ALSO UNDERSTAND THAT IF I ELECT TO OPT OUT OF THIS CLASS ACTION SETTLEMENT, ANY CLAIMS I HAVE WILL NOT BE RELEASED; EXCEPT THAT, EVEN IF I ELECT TO OPT OUT, I CANNOT PURSUE ANY ACTION UNDER PAGA AGAINST THE RELEASED PARTIES FOR ANY CLAIMS THAT AROSE BETWEEN JUNE 9, 2019, TO DECEMBER 31, 2021.

I confirm that I am and/or was employed by Wehah Farm, Inc. d/b/a Lundberg Family Farms as a non-exempt California employee of Defendant during the period from July 5, 2016, to December 31, 2021, and I did not previously sign an individual separation agreement. I confirm that I have received and reviewed the Notice of Class Action Settlement in this action. I have decided to be excluded from the class, and I have decided **not** to participate in the proposed settlement.

Dated: _____

(Signature)

(Last four digits of Social Security number)

(Type or print name and former name(s))

(Telephone number)

(Address)