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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SANTA BARBARA**

GERARDO MARTINEZ and DAYSI  
GONZALEZ, individuals on behalf of  
themselves, the State of California, as private  
attorneys general, and on behalf of all others  
similarly situated,

Plaintiffs,

v.

BOB CAMPBELL RANCHES, INC., a  
California Corporation; SURF PACKING, INC.,  
a California Corporation; and DOES 1 TO 50,

Defendants.

Case No.: 21CV02718

**Settlement Agreement and Release of Class  
and PAGA Action**

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Attorneys for Defendants Bob Campbell Ranches, Inc. and Surf Packing, Inc.

## **SETTLEMENT AGREEMENT AND RELEASE OF CLASS ACTION**

This Settlement Agreement and Release of Class Action (“Settlement Agreement”) is made and entered into by: **(1)** Plaintiffs Gerardo Martinez and Daysi Gonzalez (collectively “Plaintiffs”), individually and in their representative capacity on behalf of the Settlement Class, as defined below, and as private attorneys general on behalf of the State of California; and **(2)** Defendants Bob Campbell Ranches, Inc. and Surf Packing, Inc. (collectively, “Defendants”). Plaintiffs and Defendants are collectively referred to herein as the “Parties.” This Settlement Agreement is subject to the approval of the Court, pursuant to California Rules of Court, rule 3.769, subdivisions (c), (d), and (e), and is made for the sole purpose of attempting to consummate settlement of the action on a class-wide basis subject to the following terms and conditions. As detailed below, if the Court does not enter an order granting final approval of this Settlement Agreement or the conditions precedent are not met for any reason, this Settlement Agreement is void and of no force or effect whatsoever.

### **1. DEFINITIONS**

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

#### **1.1. ACTION**

“Action” shall mean the following civil action: *Gerardo Martinez, et al. v. Bob Campbell Ranches, Inc., et al.*, case number 21CV02718, as amended, currently pending before the Superior Court of the State of California for the County of Santa Barbara.

#### **1.2. ADMINISTRATIVE EXPENSES**

“Administrative Expenses” shall include all costs and expenses associated with and paid to the third-party settlement administrator, which are estimated not to exceed \$12,000.00.

#### **1.3. APPLICABLE WAGE ORDER**

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

1           **1.4. CLAIMS**

2           “Claims” shall mean the claims asserted in the Action.

3           **1.5. CLASS ATTORNEY FEES AND EXPENSES**

4           “Class Attorney Fees and Expenses” shall mean the portion of the Gross Settlement Amount  
5 attributable to attorney fees and litigation expenses. The Parties agree that the fee-portion of the Class  
6 Attorney Fees and Expenses shall be up to one-third of the Gross Settlement Amount (i.e., \$48,333.33),  
7 as approved by the Court, and the award of costs and expenses shall be up to an additional \$15,000.00.  
8 If the Escalator Provision described below is triggered so as to increase the Gross Settlement Amount,  
9 the Parties agree that the fee portion of the Class Attorney Fees and Expenses will increase  
10 proportionally such that the total amount of attorneys’ fees remains one-third of the Gross Settlement  
11 Amount *after* the upward adjustment required by the Escalator Provision is implemented.

12           **1.6. CLASS COUNSEL**

13           “Class Counsel” shall mean Jonathan Melmed, Laura Supanich, and Michiko Vartanian of  
14 Melmed Law Group P.C.

15           **1.7. CLASS MEMBER**

16           “Class Member” shall mean any person who is a prospective member of the Settlement Class  
17 under the class definition alleged in the operative complaint: “All individuals who are or were  
18 employed by Defendants as non-exempt employees in California during the Class Period”, or, if such  
19 person is incompetent or deceased, the person’s legal guardian, executor, heir, or successor-in-interest.

20           **1.8. CLASS NOTICE**

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

24           **1.9. CLASS PARTICIPANTS**

25           “Class Participants” shall mean all Class Members who do not timely request exclusion from  
26 the Class Settlement.

1           **1.10. CLASS PERIOD**

2           “Class Period” shall mean the period from June 30, 2017, through the date of preliminary  
3 approval of the settlement.

4           **1.11. CLASS REPRESENTATIVES**

5           “Class Representatives” shall mean Plaintiffs Gerardo Martinez and Daysi Gonzalez.

6           **1.12. CLASS SETTLEMENT**

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

9           **1.13. COMPLAINT**

10          “Complaint” shall mean the currently-operative complaint, as amended, in the Action.

11          **1.14. COURT**

12          “Court” shall mean the Superior Court of the State of California for the County of Santa  
13 Barbara.

14          **1.15. DEFENDANTS**

15          “Defendants” shall mean Defendants Bob Campbell Ranches, Inc. and Surf Packing, Inc..

16          **1.16. DEFENSE COUNSEL**

17          “Defense Counsel” shall mean the attorneys representing Defendants.

18          **1.17. EFFECTIVE DATE**

19          “Effective Date” shall be the date when all of the following events have occurred: **(a)** this  
20 Settlement Agreement has been executed by all Parties and by Class Counsel and Defense Counsel;  
21 **(b)** the Court has given preliminary approval to the Class Settlement; **(c)** notice has been given to the  
22 Settlement Class providing them with an opportunity to request exclusion from the Class Settlement;  
23 **(d)** the Court has held a Final Approval and Fairness Hearing and entered a final order and judgment  
24 certifying the Settlement Class and approving this Settlement Agreement; and **(e)** the later of the  
25 following events: **(i)** the expiration of the period for filing any appeal, writ, or other appellate  
26 proceeding opposing the Class Settlement has elapsed without any appeal, writ, or other appellate  
27 proceeding having been filed; **(ii)** the dismissal of any appeal, writ, or other appellate proceeding  
28 opposing the Class Settlement with no right to pursue further remedies or relief; or **(iii)** any appeal,

writ, or the issuance of such other final appellate order upholding the Court's final order with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Class Settlement shall not become effective until the Court's order approving the Class Settlement is completely final and there is no further recourse by an appellant or objector who seeks to contest the Class Settlement. If no objections are filed, the Effective Date shall be after steps (a) through (d) are completed (i.e., the date that the court has entered a final order and judgment certifying the Settlement Class and approving this Settlement Agreement).

#### **1.18. EMPLOYEE'S TAXES AND REQUIRED WITHHOLDING**

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

#### **1.19. EMPLOYER'S TAXES**

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

#### **1.20. FINAL APPROVAL AND FAIRNESS HEARING**

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

#### **1.21. GROSS SETTLEMENT AMOUNT**

"Gross Settlement Amount" is the agreed upon non-reversionary settlement amount totaling \$145,000.00 to be paid by Defendants in full settlement of the Released Class Claims and Released PAGA Claims asserted in this case, inclusive of the Individual Settlement Amounts, Administrative Expenses, the Employee's Taxes and Required Withholdings, the Class Attorney Fees and Expenses,

1 the Incentive Awards, and PAGA Payment. Defendants shall separately pay its share of the Employer's  
2 Taxes in addition to the Gross Settlement Amount on the portion of each Individual Settlement Amount  
3 allocated as wages.

#### 4 **1.22. HEARING ON PRELIMINARY APPROVAL**

5 "Hearing on Preliminary Approval" shall mean the hearing held on the motion for preliminary  
6 approval of the Class Settlement.

#### 7 **1.23. INCENTIVE AWARDS**

8 "Incentive Awards" shall mean any additional monetary payment provided to the Class  
9 Representatives for their efforts and risks on behalf of the Settlement Class in this Action.

#### 10 **1.24. INDIVIDUAL SETTLEMENT AMOUNT**

11 "Individual Settlement Amount" shall mean the amount which is ultimately distributed to each  
12 Class Participant, less any Employee's Taxes and Required Withholdings. The Individual Settlement  
13 Amount does not include any portion of the PAGA Payment.

#### 14 **1.25. NET SETTLEMENT AMOUNT**

15 "Net Settlement Amount" shall mean the Gross Settlement Amount minus: Administrative  
16 Expenses; Class Attorney Fees and Expenses; PAGA Payment; and Plaintiffs' Incentive Awards.

#### 17 **1.26. OPT OUT**

18 "Opt Out" shall refer to the process of submitting a timely and valid request for exclusion from  
19 the Class Settlement in accordance with the terms of the Class Notice and no later than the Response  
20 Deadline.

#### 21 **1.27. OPT-OUTS**

22 "Opt-Outs" shall mean all persons who timely and validly request exclusion from the Class  
23 Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

#### 24 **1.28. PAGA PAYMENT**

25 "PAGA Payment" means the penalties pursuant to PAGA that the Parties have agreed is a  
26 reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is  
27 \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699  
28 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and

1 twenty-five percent (25%) (i.e., \$5,000.00) to the PAGA Settlement Class. Class Counsel shall give  
2 timely notice of this Settlement Agreement to the LWDA pursuant to Labor Code section 2699,  
3 subdivision (l)(2).

4 **1.29. PAGA PERIOD**

5 “PAGA Period” shall mean the period from July 1, 2020, through the date of preliminary  
6 approval of the settlement.

7 **1.30. PAGA SETTLEMENT CLASS**

8 “PAGA Settlement Class” shall mean all individuals who are or were employed by Defendants  
9 as non-exempt employees in California during the PAGA Period, and who have not previously settled  
10 the Released PAGA Claims against Defendant, for claims that accrued during the PAGA Period.

11 **1.31. PARTIES**

12 “Parties” shall mean Plaintiffs and Defendants.

13 **1.32. PLAINTIFFS**

14 “Plaintiffs” shall mean Plaintiffs Gerardo Martinez and Daysi Gonzalez.

15 **1.33. PRELIMINARY APPROVAL DATE**

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

18 **1.34. RELEASED CLASS CLAIMS**

19 “Released Class Claims” shall mean those claims alleged, or that reasonably could have been  
20 alleged, arising out of or related to the allegations set forth in the Complaint and/or PAGA notice to  
21 the LWDA, which arose during the Class Period, including claims for: **(1)** failure to pay minimum  
22 wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable  
23 Wage Order; **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197,  
24 and 1198, and the Applicable Wage Order; **(3)** failure to provide compliant rest periods and pay missed  
25 rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Order;  
26 **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of  
27 Labor Code sections 226.7 and 512, and the Applicable Wage Order; **(5)** failure to pay timely wages  
28 during employment in violation of Labor Code sections 204, 210; **(6)** failure to pay all wages due and



owing at separation in violation of Labor Code sections 201, 202, and 203; **(7)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(8)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; **(9)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and **(10)** all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing.

No other claims are released other than those claims specifically plead in the Complaint or that reasonably could have been alleged based on the allegations asserted in the Complaint, except for the Released PAGA Class claims or as otherwise specifically identified herein. This Settlement Agreement will not release any person, party, or entity from claims, if any, by Class Members for workers compensation, unemployment, or disability benefits of any nature. Nor does it release any claims, actions, or causes of action which may be possessed by Class Members under state or federal discrimination statutes, including, without limitation, the California Fair Employment and Housing Act (Gov. Code, §§ 12900–12996); the Unruh Civil Rights Act (Civ. Code, § 51); the California Constitution; Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000, et seq.); the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.); the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1001 et seq.); and all of their implementing regulations and interpretive guidelines.

### **1.35. RELEASED PAGA CLAIMS**

“Released PAGA Claims” shall mean all claims for civil penalties under PAGA alleged, or that reasonably could have been alleged, arising out of or related to the allegations set forth in the Complaint and/or PAGA notice to the LWDA, which arose during the PAGA Period, including but not limited to claims for PAGA civil penalties arising out of alleged: **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Order; **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Order; **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Order; **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Order; **(5)** failure to pay timely wages during

1 employment in violation of Labor Code sections 204, 210; **(6)** failure to pay all wages due and owing  
 2 at separation in violation of Labor Code sections 201, 202, and 203; **(7)** failure to reimburse business  
 3 expenses in violation of Labor Code sections 2802 and 2804; and **(8)** failure to provide complete and  
 4 accurate wage statements in violation of Labor Code sections 226 and 226.3.

### 5 **1.36. RELEASED PARTIES**

6 “Released Parties” shall mean Defendants and all of Defendants’ subsidiaries, affiliates,  
 7 shareholders, owners, members, managers, employees, attorneys, insurers, agents, predecessors,  
 8 successors, and assigns.

### 9 **1.37. RELEASING PARTIES**

10 “Releasing Parties” shall mean every Class Participant and all persons purporting to act on their  
 11 behalf or purporting to assert a claim under or through them, including, but not limited to, their  
 12 dependents, heirs, assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees,  
 13 conservators, guardians, personal representatives, and successors-in-interest, whether individual, class,  
 14 representative, legal, equitable, direct or indirect, or any other type or in any other capacity.

### 15 **1.38. RESPONSE DEADLINE**

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

### 19 **1.39. SETTLEMENT ADMINISTRATOR**

20 “Settlement Administrator” shall mean ILYM Group, Inc. (or other administrator agreed on by  
 21 the parties) which the Parties have agreed will be responsible for administration of the Class Settlement  
 22 and related matters.

### 23 **1.40. SETTLEMENT CLASS**

24 “Settlement Class” shall mean all individuals who are or were employed by Defendant as non-  
 25 exempt employees in California, but excluding any individuals or periods of time for individuals who  
 26 have previously settled the Released Class Claims against Defendant, for claims that accrued during  
 27 the Class Period. As of the time of the Parties’ exchange of information prior to tentative settlement  
 28

being reached, Defendants represented that the Settlement Class consisted of approximately 500 Class Members that worked a total of approximately 16,000 Workweeks during the Class Period.

#### **1.41. SHARE FORM**

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

### **2. FACTUAL AND PROCEDURAL BACKGROUND**

#### **2.1. PLAINTIFFS’ CLAIMS**

Plaintiffs, individually and in their representative capacity on behalf of the Settlement Class, and as private attorneys general on behalf of the State of California, have alleged the following violations: **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Order; **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Order; **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Order; **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Order; **(5)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(6)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(7)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(8)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; **(9)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and **(10)** statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6).

#### **2.2. DISCOVERY, INVESTIGATION, RESEARCH, AND MEDIATION**

Class Counsel has conducted significant informal discovery during the prosecution of the Action. This discovery, investigation, and prosecution has included, among other things, **(a)** over a dozen telephonic conferences with Plaintiffs; **(b)** inspection and analysis of hundreds of pages of documents and other information produced by Plaintiffs and Defendants; **(c)** analysis of employment

1 data from a sample of Class Members; **(d)** an analysis of the legal positions taken by Defendants;  
2 **(d)** investigation into the viability of class treatment of the claims asserted in the Action; **(e)** analysis  
3 of potential class-wide damages, including information sufficient to understand Defendants' potential  
4 defenses to Plaintiffs' claims; **(f)** research of the applicable law with respect to the claims asserted in  
5 the Complaint and the potential defenses thereto; and **(g)** assembling and analyzing of data for  
6 calculating damages.

7 Class Counsel and the Class Representatives have vigorously prosecuted this case, and  
8 Defendants has vigorously contested it. The Parties have engaged in sufficient investigation and  
9 discovery to assess the relative merits of the claims of the Class Representatives and of the defenses to  
10 them. After such discovery, investigation, and prosecution, the Parties attended a full-day mediation  
11 with an experienced employment law mediator, which culminated in a settlement in principle, the terms  
12 of which are elaborated in this Settlement Agreement.

### 13 **2.3. ALLEGATIONS OF THE CLASS REPRESENTATIVES AND BENEFITS OF** 14 **CLASS SETTLEMENT**

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

21 The Class Representatives and Class Counsel believe that the claims, causes of action,  
22 allegations, and contentions asserted in the Action have merit. However, the Class Representatives and  
23 Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings  
24 necessary to prosecute the Action against Defendants through trial and through appeals. Class Counsel  
25 has taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex  
26 actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential  
27 difficulty of obtaining certification of the Settlement Class as well as trying the claims of the class.  
28

1 Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims  
2 alleged in the Action.

3 The Class Representatives and Class Counsel believe that the settlement set forth in this  
4 Settlement Agreement confers substantial benefits upon Plaintiffs and the Settlement Class and that an  
5 independent review of this Settlement Agreement by the Court in the approval process will confirm  
6 this conclusion. Based on their own independent investigation and evaluation, Class Counsel has  
7 determined that the settlement set forth in this Settlement Agreement is in the best interests of Plaintiffs  
8 and the Class Members.

#### 9 **2.4. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

10 Defendants have denied and continue to deny all allegations, claims, and contentions alleged  
11 by Plaintiffs in the Action. Defendants have expressly denied and continue to deny all charges of  
12 wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions  
13 alleged in the Action. Defendants contend that they complied with California and federal wage and  
14 hour laws and have dealt legally and fairly with Plaintiffs and the Class Members.

15 Defendants further deny that, for any purpose other than settling this Action, these claims are  
16 appropriate for class or representative treatment. Nonetheless, Defendants have concluded that further  
17 proceedings in the Action would be protracted and expensive and that it is desirable that the Action be  
18 fully and finally settled in the manner and upon the terms and conditions set forth in this Settlement  
19 Agreement to dispose of burdensome and protracted litigation, to permit the operation of Defendants'  
20 respective businesses without further expensive litigation and the distraction and diversion of their  
21 personnel with respect to matters at issue in the Action. Defendants have also taken into account the  
22 uncertainty and risks inherent in any litigation, especially in complex cases such as the Action.  
23 Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be  
24 settled in the manner and upon the terms and conditions set forth in this Settlement Agreement.

#### 25 **2.5. INTENT OF THE CLASS SETTLEMENT**

26 The Class Settlement set forth herein intends to achieve the following: **(1)** entry of an order  
27 approving the Class Settlement; **(2)** entry of judgment of the Action; **(3)** discharge of the Released  
28

Parties from liability for any and all of the Released Class Claims and Released PAGA Claims; and  
(4) discharge of Defendants from liability for any and all claims arising out of the Action.

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

For the purposes of this Settlement Agreement and the Class Settlement of this Action only, the Parties agree to conditional class certification of the Settlement Class. Defense Counsel believes this conditional certification is appropriate because the Released Class Claims and Released PAGA Claims are being compromised without need to establish the elements of those claims on which liability turns. The certification of the Settlement Class shall not constitute, in this or any other proceeding, an admission of any kind by Defendants, including without limitation, that certification of a class for trial purposes is or would be warranted, appropriate or proper; or that Plaintiffs could establish any of the requisite elements for class treatment of any of the claims in the Action.

If the Settlement Agreement is not finally approved by the Court, the Effective Date is not achieved, or the Class Settlement is rejected, terminated, or otherwise rendered null and void as set forth herein, then certification of the Settlement Class shall be automatically vacated, shall be void *ab initio*, of no force or effect, and shall not constitute evidence or a binding determination that the requirements for certification of a class for trial purposes in this Action or in any other action which have been, are or can be, satisfied. Further, if the Agreement does not reach the Effective Date, Plaintiffs agree that Plaintiffs will not argue, claim, reference, or otherwise raise any preliminary approval of the Settlement Class in connection with any later proceeding before the Court.

**4. APPOINTMENT OF CLASS COUNSEL**

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

**5. CONSIDERATION**

**5.1. SETTLEMENT AMOUNT**

The Parties agree to settle this Action for the Gross Settlement Amount of \$145,000.00. There shall be no reversion to Defendants. Defendants shall pay the Gross Settlement Amount in full after the occurrence of the Effective Date. The Gross Settlement Amount and other actions and forbearances

1 taken by Defendants shall constitute adequate consideration for the Class Settlement and will be made  
2 in full and final settlement of: the Released Class Claims, the Released PAGA Claims, the Class  
3 Attorney Fees and Expenses, Administrative Expenses, the Incentive Awards, the PAGA Payment (and  
4 any payments to individual PAGA Class Members resulting from the PAGA Payment), and any other  
5 obligation of Defendants under this Settlement Agreement (other than the Employer's Taxes on the  
6 portion of the Net Settlement Amount allocated to the payment of wages).

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

## 15 **5.2. INCENTIVE AWARDS FOR PLAINTIFFS**

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

**5.3. PAYMENT TO CLASS PARTICIPANTS**

Each Class Participant shall be eligible to receive payment of the Individual Settlement Amount, which is a share of the Net Settlement Amount based on the pro rata number of Workweeks by the Class Members during the Class Period as a proportion of all Workweeks by all Class Members. “Workweeks” shall be determined by adding all hours worked by each Class Participants during the Class Period and dividing them by 40 hours. Workweeks shall not include any periods of time for which Class Participants previously settled the Released Class Claims against Defendants. Each Class Participant, including Plaintiffs, shall be responsible for the payment of the Employee’s Taxes and Required Withholding from the Gross Settlement Amount with respect to his or her Individual Settlement Amount and shall hold Defendants harmless from any and all liability with regard thereto.

**5.4. PAYMENT TO PAGA SETTLEMENT CLASS**

Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA Payment. The PAGA Payment shall consist of the penalties pursuant to PAGA that the Parties have agreed is a reasonable sum to be paid in settlement of the disputed PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment must be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$5,000.00) to the PAGA Settlement Class. The portion of the PAGA Payment allocated to the PAGA Settlement Class shall be distributed to the PAGA Settlement Class based on the pro rata number of Workweeks (as defined above) by each particular PAGA Settlement Class member during the PAGA Period as a proportion of all Workweeks for all members of the PAGA Settlement Class.

**5.5. TAX TREATMENT AND PAYMENT**

For the purpose of calculating Employee’s Taxes and Required Withholding for the Individual Settlement Amounts for Class Participants (including any payments to the Class Representatives but exclusive of their Incentive Award), the Parties agree that 10% of each Individual Settlement Amount shall be treated as payment in the form of wages (and each Class Participant will be issued an IRS Form W-2 for such payment to him or her), and 90% of each Individual Settlement Amount shall be treated as non-wage payments, including disputed reimbursements, penalties and interest (and each Class



Participant will be issued an IRS Form 1099 for such payment to him or her). Prior to final distribution, the Settlement Administrator shall calculate the total Employee's Taxes and Required Withholding due as a result of the wage portion of Class Participants' anticipated Individual Settlement Amounts and such actual amount will be deducted from the Net Settlement Amount. Additionally, prior to the funding of the Gross Settlement Amount and final distribution, the Settlement Administrator shall calculate the total Employer's Taxes due on the wage portion of the Class Participants' Individual Settlement Amounts and issue instructions to Defendants to separately fund these tax obligations/withholdings. The Parties understand that Plaintiffs and the Class Participants who receive any payment pursuant to this Settlement Agreement shall be solely responsible for all other individual tax obligations.

With respect to the PAGA Payment and any payments made to individual members of the PAGA Settlement Class, all such payments shall be treated as payments for disputed penalties and interest thereon and shall not be considered wages. The Settlement Administrator shall issue to members of the PAGA Settlement Class an IRS Form 1099 reflecting such payment. Members of the PAGA Settlement Class shall be solely responsible for the payment of all taxes with respect to any PAGA payments made to them.

#### **5.6. NO EFFECT ON EMPLOYEE BENEFIT PLANS**

Neither the Class Settlement nor any amounts paid under the Class Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendants' sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement 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 any of Defendants' benefit plan, policy, or bonus program. Defendants retain the right to modify the language of their benefits plans, policies, and bonus programs to reflect this intent and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours of service," "weeks worked," "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs

1 for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional  
2 contributions or benefits are not required by this Settlement Agreement. Defendants do not consider  
3 the Class Settlement payments “compensation” for purposes of determining eligibility for, or benefit  
4 accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by  
5 Defendants.

#### 6 **5.7. CLASS ATTORNEY FEES AND EXPENSES**

7 As part of the motion for final approval of the Class Settlement, Class Counsel may apply for  
8 an award of Class Attorney Fees and Expenses with the fee portion not to exceed one-third of the Gross  
9 Settlement Amount (i.e., \$48,333.33) and the award of costs and expenses up to an additional  
10 \$15,000.00. Defendants agree to not object to any such fee, cost, or expense application in those  
11 amounts.

12 As a condition of this Class Settlement, Class Counsel has agreed to pursue fees only in the  
13 manner reflected by this subsection. Any Class Attorney Fees and Expenses awarded by the Court shall  
14 be paid from the Gross Settlement Amount prior to arriving at the Net Settlement Amount and shall  
15 not constitute payment to any Class Members. If Class Counsel voluntarily reduces the request for  
16 Class Attorney Fees and Expenses or the Court’s award of Class Attorney Fees and Expenses is less  
17 than set forth above, the Net Settlement Amount shall be recalculated to reflect the actual Class  
18 Attorney Fees and Expenses awarded.

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

2             **6.1. COSTS AND EXPENSES**

3             All costs and expenses due to the Settlement Administrator in connection with its administration  
4 of the Class Settlement, including, but not limited to, providing the Class Notice, locating Class  
5 Members, processing Opt Out requests and objections, distributing the portion of the PAGA Payment  
6 payable to the LWDA, distributing the portion of the PAGA Payment payable to the members of the  
7 PAGA Settlement Class, and calculating, administering and distributing Individual Settlement  
8 Amounts to the Class Participants and related tax forms, shall be paid from the Gross Settlement  
9 Amount, and is not expected to exceed \$12,000.00.

10            **6.2. PAYMENT BY DEFENDANTS**

11            Defendants shall deposit the Gross Settlement Amount in a lump sum payment plus the  
12 employer-side payroll taxes to the Settlement Administrator within fifteen (15) days of the Effective  
13 Date. In no event shall Defendants be obligated to pay or deposit with the Settlement Administrator  
14 more than \$145,000.00 plus the Employer's Taxes, except where the Escalator Provision is triggered.

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

16            **7.1. THE SETTLEMENT ADMINISTRATOR**

17            The Settlement Administrator will be responsible for: mailing the Class Notice and Share Form  
18 (**Exhibit 1** and **Exhibit 2**, respectively) to Class Members; posting notice of entry of final order and  
19 judgment certifying the Class Settlement and approving this Settlement Agreement; handling inquiries  
20 from Class Members concerning the Class Notice; determining Individual Settlement Amounts;  
21 determining individual payments to members of the PAGA Settlement Class; maintaining the  
22 settlement funds in an appropriate interest-bearing account; preparing, administering, and distributing  
23 Individual Settlement Amounts to Class Participants; preparing, administering, and distributing  
24 individual payments to members of the PAGA Settlement Class; distributing the portion of the PAGA  
25 Payment payable to the LWDA; issuing a final report and performing such other duties as the Parties  
26 may direct. Additionally, the Settlement Administrator will handle all tax document preparation and  
27 reporting, including state and federal tax forms, if any.

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

9 No later than thirty (30) days prior to the Final Approval and Fairness Hearing, the Settlement  
10 Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary  
11 information regarding: **(a)** the total amount of final Individual Settlement Amounts of each Class  
12 Participant, without any identifying personal information; **(b)** the number of Class Participants to  
13 receive such payments, and **(c)** the final number of Opt-Outs and objections.

14 Administrative Expenses are not anticipated to exceed \$12,000.00. Prior to the calculation and  
15 distribution of the Individual Settlement Amounts, the Settlement Administrator shall calculate the  
16 total Administrative Expenses through the conclusion of their services and such actual amount will be  
17 deducted from the Gross Settlement Amount prior to the final calculation of the Individual Settlement  
18 Amounts.

## 19 **7.2. NOTICE TO CLASS MEMBERS**

20 Notice shall be provided to Class Members in the following manner: Within fourteen (14) days  
21 after the Preliminary Approval Date, Defendants shall provide the Settlement Administrator with an  
22 updated list of Class Members and members of the PAGA Settlement Class containing names, social  
23 security numbers, dates of employment, last-known addresses, and phone numbers (the "Database").  
24 The Database shall be marked "Confidential – Settlement Administrator's Eyes Only." Class Counsel  
25 shall not receive a copy of this list.

26 Within twenty-eight (28) days following the Preliminary Approval Date, the Settlement  
27 Administrator shall determine from the information provided by Defendant the number of Workweeks  
28 for each Class Member, populate the data for each Class Member accordingly, and send each Class

1 Member the Class Notice via first-class, United States mail. The Class Notice shall also contain an  
2 easily-understood statement alerting the Class Members that, unless they elect to Opt Out of the Class  
3 Settlement, the Class Member is releasing and waiving all Released Class Claims against the Released  
4 Parties.

5 The Class Notice will inform Class Members of their estimated share of the settlement and the  
6 number of Workweeks they worked during the Class Period. Class Members may dispute their  
7 Workweeks if they believe they worked more Workweeks in the Class Period than Defendants' records  
8 show by submitting information to the Settlement Administrator no later than forty-five (45) days after  
9 being mailed the Class Notice and Share Form by the Settlement Administrator, which is the defined  
10 Response Deadline. The Settlement Administrator will jointly work with Plaintiffs and Defendants to  
11 resolve the dispute in good faith. If Plaintiffs and Defendants cannot agree over the Workweeks to be  
12 credited, the Settlement Administrator shall make the final decision based on the information presented  
13 by the Class Member and Defendants.

### 14 **7.3. OPT OUT PROCEDURE**

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

21 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE  
22 *GERARDO MARTINEZ, ET AL. V. BOB CAMPBELL RANCHES, INC., ET AL.*  
23 *LAWUIT.* I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE  
24 SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS  
25  
26  
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1 SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY  
2 CLAIMS I MIGHT HAVE.”

3 Any Opt Out request that is not postmarked by the Response Deadline will be invalid. If prior  
4 to the Response Deadline any Class Notice mailed to a Class Member is returned as having been  
5 undelivered by the United States Postal Service, the Settlement Administrator shall perform a skip trace  
6 search and seek an address correction for such Class Members, and a second Class Notice will be sent  
7 to any new or different address obtained. Such Class Members shall have an additional fourteen (14)  
8 days from the date of the mailing of the second Class Notice in which to Opt Out, object, or dispute  
9 the information provided in the Share Form if the Response Deadline would have otherwise passed  
10 prior to fourteen (14) days from the date of the mailing of the second Class Notice.

11 It will be presumed that, if an envelope containing the Class Notice has not been returned within  
12 thirty (30) days of the mailing, the Class Member received the Class Notice. At least twenty-one (21)  
13 days prior to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class  
14 Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard  
15 to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall  
16 specify the number of Class Members to whom the Class Notice was sent and the number of Class  
17 Members to whom the Class Notice was not delivered, as well as information relating to the number  
18 of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

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

25 Class Participants will be bound by the Release of Released Class Claims set forth in the  
26 definition of “Released Class Claims” provided in this Settlement Agreement.  
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1 A request to Opt Out of the Class Settlement shall ***not*** serve to exclude the Class Member from  
2 participation in the PAGA Settlement Class. Opt-Outs shall still be entitled to their share of the PAGA  
3 Payment and shall be bound by the release of the Released PAGA Claims. Class Members who are  
4 also members of the PAGA Settlement Class shall have no right or ability to opt out of the portion of  
5 this Settlement Agreement releasing PAGA claims.

#### 6 **7.4. OBJECTION PROCEDURE**

7 The Class Notice shall inform the Class Members of their right to object to the Class Settlement  
8 if they do not Opt Out. Any Class Participants who wish to object to the Class Settlement may submit  
9 a written objection to the Settlement Administrator no later than the Response Deadline. Only Class  
10 Participants may object to the Settlement. The objection should include the case name and number and  
11 must set forth, in clear and concise terms, a statement of the reasons why the objector believes that the  
12 Court should find that the proposed Class Settlement is not in the best interest of the Settlement Class  
13 and the reasons why the Class Settlement should not be approved, including the legal and factual  
14 arguments supporting the objection. If an objector also wishes to appear at the Final Approval and  
15 Fairness Hearing, in person or through an attorney, they may do so. The Settlement Administrator will  
16 promptly serve copies of any objection or notice of intention to appear on Class Counsel and Defense  
17 Counsel. Class Members wishing to make an objection may appear at the Final Approval and Fairness  
18 Hearing, either in person or through a lawyer retained at their own expense.

#### 19 **7.5. NOTICE OF FINAL JUDGMENT**

20 Within seven (7) days after the Court has held a Final and Fairness Approval Hearing and  
21 entered a final order certifying the Class for settlement purposes only and approving the Class  
22 Settlement, the Settlement Administrator will give notice of judgment to Class Members pursuant to  
23 rule 3.771(b) of the California Rules of Court, by posting a copy of said order and final judgment on  
24 its website at a web address to be included in the Class Notice. Class Counsel and Defendants' counsel  
25 shall meet and confer and agree on a proposed Final Order and Judgment to submit to the Court.  
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1     **8.     CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

2             **8.1.     ALLOCATION OF THE GROSS SETTLEMENT AMOUNT**

3             The claims of all Class Members are settled for the Gross Settlement Amount of \$145,000.00,  
4     which will be allocated as follows:

- 5             1.     The Administrative Expenses, estimated not to exceed \$12,000.00;
- 6             2.     Class Counsel's attorney fees not to exceed \$48,333.33;
- 7             3.     Class Counsel's litigation costs and expenses not to exceed \$15,000.00;
- 8             4.     The Incentive Awards, not to exceed \$15,000.00; and
- 9             5.     PAGA Payment of \$20,000.00.

10            For purposes of calculating the estimated Individual Settlement Amounts, the Settlement  
11    Administrator shall calculate the estimated Net Settlement Amount based on the estimated values  
12    provided above prior to sending Notice to the Class Members together with the Employee's Taxes and  
13    Required Withholding. Prior to final distribution, the Settlement Administrator shall recalculate the  
14    final Net Settlement Amount based on the actual values of the amounts in each category.

15            **8.2.     CALCULATION OF THE INDIVIDUAL SETTLEMENT AMOUNTS FOR**  
16            **CLASS PARTICIPANTS**

17            Individual Settlement Amounts to be paid to Class Participants shall be paid from the Net  
18    Settlement Amount. The portion of the Net Settlement Amount shall be distributed pro rata on a  
19    "checks cashed" basis based on the proportional number of Workweeks of each Class Participant  
20    during the Class Period as described above.

21            Defendants will provide the Settlement Administrator with any information reasonably  
22    necessary to perform the calculation of number of Workweeks for each Class Member, and any other  
23    reasonably required information the Settlement Administrator requests to perform the calculations  
24    required under this Settlement Agreement. Defendants shall have no responsibility for deciding the  
25    validity of the Individual Settlement Amounts or any other payments made pursuant to this Settlement  
26    Agreement, shall have no involvement in or responsibility for the determination or payment of  
27    Employee's Taxes and Required Withholding, and shall have no liability for any errors made with  
28    respect to such Employee's Taxes and Required Withholding. Although the Settlement Administrator



1 will calculate and pay the standard Employee's Taxes and Required Withholding on the portion of the  
2 Individual Settlement Amounts constituting wages on their behalf, Plaintiffs and Class Participants  
3 represent and understand that they shall be solely responsible for any and all tax obligation associated  
4 with their respective Individual Settlement Amounts and Incentive Awards.

5 **8.3. CALCULATION OF THE PAYMENTS FOR INDIVIDUAL MEMBERS OF**  
6 **THE PAGA SETTLEMENT CLASS**

7 Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA  
8 Payment. The PAGA Payment shall consist of the penalties pursuant to PAGA that the Parties have  
9 agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which  
10 is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section  
11 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA  
12 and twenty-five percent (25%) (i.e., \$5,000.00) to the PAGA Settlement Class.

13 The portion of the PAGA Payment allocated to the PAGA Settlement Class shall be distributed  
14 to the PAGA Settlement Class based on the pro rata number of Workweeks of each particular PAGA  
15 Settlement Class member during the PAGA Period as a proportion of all Workweeks for all PAGA  
16 Settlement Class members during the PAGA Period. Each member of the PAGA Settlement Class,  
17 including Plaintiffs, shall be responsible for the payment of the Employee's Taxes and Required  
18 Withholding with respect to their share of the PAGA Payment and shall hold Defendants harmless  
19 from any and all liability with regard thereto.

20 Defendants will provide the Settlement Administrator with any information reasonably  
21 necessary to perform the calculation of number of Workweeks for each PAGA Settlement Class  
22 member, and any other reasonably required information the Settlement Administrator requests to  
23 perform the calculations required under this Settlement Agreement. Defendants shall have no  
24 responsibility for deciding the validity of the individual payment amounts allocated to each member of  
25 the PAGA Settlement Class or any other payments made pursuant to this Settlement Agreement, shall  
26 have no involvement in or responsibility for the determination or payment of Employee's Taxes and  
27 Required Withholding, and shall have no liability for any errors made with respect to such Employee's  
28 Taxes and Required Withholding.

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

3 **8.4. TIME FOR PAYMENT OF ATTORNEY FEES AND EXPENSES**

4 The Settlement Administrator shall distribute to Class Counsel any attorney fees and expenses  
5 approved by the Court no later than twenty-one (21) days after the Effective Date.

6 **8.5. TIME FOR PAYMENT OF INCENTIVE AWARD**

7 The Settlement Administrator shall distribute to Plaintiffs the Incentive Award approved by the  
8 Court no later than twenty-one (21) days after the Effective Date.

9 **8.6. TIME FOR PAYMENT OF PAGA PAYMENT TO THE LWDA**

10 The Settlement Administrator shall distribute to the LWDA the portion of the PAGA Payment  
11 due to it and approved by the Court no later than twenty-one (21) days after the Effective Date.

12 **8.7. TIME FOR PAYMENT OF TAXES AND REQUIRED WITHHOLDING AND**  
13 **INDIVIDUAL SETTLEMENT AMOUNTS**

14 The Settlement Administrator shall make every effort to pay the Employee's Taxes and  
15 Required Withholding associated with each Class Participant's Individual Settlement Amount and mail  
16 the Individual Settlement Amount to each Class Participant, by first-class United States mail, to the  
17 last-known address no later than twenty-one (21) days after the Effective Date. If the Settlement  
18 Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel  
19 and Defense Counsel and provide an approximate date by which the Employee's Taxes and Required  
20 Withholding shall be paid and the Individual Settlement Amounts will be mailed. Under no  
21 circumstances shall the Settlement Administrator distribute checks to Class Participants until all  
22 Individual Settlement Amounts have been considered, calculated, and accounted for, and all of the  
23 remaining monetary obligations have been calculated and accounted for.

24 Within two hundred ten (210) days of mailing the Individual Settlement Amounts to Class  
25 Participants, the Settlement Administrator shall file with the Court and provide to Class Counsel a  
26 declaration of payment. If any Class Participant is deceased, payment shall be made payable to the  
27 estate of that Class Member and delivered to the executor or administrator of that estate, unless the  
28

1 Settlement Administrator has received an affidavit or declaration pursuant to California Probate Code  
2 section 13101, in which case payment shall be made to the affiant(s) or declarant(s).

3 **8.8. NON-CASHED SETTLEMENT CHECKS**

4 Any funds associated with checks that have not been cashed within one hundred eighty (180)  
5 days, will become void and the Individual Settlement Amount associated with the uncashed check will  
6 be remitted pursuant to Code of Civil Procedure section 384 to the California State Controller for  
7 deposit in the Unclaimed Property Fund in the name of the individual whose check was uncashed. The  
8 Parties agree that this disposition results in no “unpaid residue” within the meaning of California Civil  
9 Procedure Code section 384, as the entire Net Settlement Amount will be paid out to Class Participants,  
10 whether or not they all cash their Individual Settlement Amount checks. Therefore, Defendants shall  
11 not be required to pay any interest on said amount. For the purposes of determining whether Defendants  
12 have met their financial obligation to pay the Individual Settlement Payment, Defendants will be  
13 deemed to have fulfilled their obligation upon the mailing of the check to the Class Member, regardless  
14 of whether such Class Member subsequently negotiates the check. In the event that any check issued  
15 to any Class Participant or PAGA Settlement Class member is undeliverable, uncashed, or otherwise  
16 distributed to the State Controller’s Office as specified above, the terms of the Court’s Final Judgment  
17 and the release(s) of claims applicable to that Class Participant or PAGA Settlement Class member will  
18 nevertheless be binding upon that Class Participant or PAGA Settlement Class member (and, as it  
19 pertains to the Released PAGA Claims, the State of California) with respect to that Class Participant  
20 or PAGA Settlement Class member.

21 **8.9. DISPUTES REGARDING CLASS MEMBER WORKWEEKS DATA OR**  
22 **PAYMENT OF INDIVIDUAL SETTLEMENT SHARES**

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

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

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

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

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

### **9.2. PARTIES’ RIGHTS TO VOID CLASS SETTLEMENT; ESCALATOR PROVISION**

If 10% or more members of the Settlement Class timely submit Opt Out requests, Defendant(s) shall have the right (but not the obligation) to void this Settlement Agreement. If the number of

Workweeks is greater than 15% above that represented by Defendant(s), as described above, then Defendants shall have the option to either: (1) end the Class Period and PAGA Period as of the first date that the Workweek count exceeds 15% of the estimate, or (2) increase the Gross Settlement Amount in proportion to the increase in Workweeks in excess of 15% (e.g., if the number of Workweeks is 17% greater than the estimated Workweeks, Defendants shall have the option to increase the Gross Settlement Amount by 2%). Defendants shall have no obligation whatsoever to increase the Gross Settlement Amount unless they elect option (2) specified above.

### **9.3. INVALIDATION**

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

### **9.4. STAY ON APPEAL**

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

## **10. MOTIONS FOR COURT APPROVAL**

### **10.1. SECOND AMENDED COMPLAINT**

In an effort to preserve judicial resources, prevent unnecessary expense and cost, while avoiding conflicting judgments, the Parties agree that as a condition precedent to Settlement, the Parties will stipulate to amend the Complaint to add second plaintiff Daysi Gonzalez. To effectuate the amending of the Complaint, Defendants shall stipulate to the filing of the amended Complaint. The amended Complaint shall be subject to reasonable review and approval by Defendants prior to filing. Defendants shall not be required to file a new answer or other responsive pleading to the amended Complaint but may choose to do so if they desire (and if Defendants choose not to file an Answer to the amended Complaint, Defendants' Answer to the initial Complaint shall apply to the amended Complaint). Agreement to allow Plaintiff to amend does not waive any defenses applicable.

**10.2. PRELIMINARY APPROVAL**

As soon as practicable after execution of this Settlement Agreement, Class Counsel will submit this Settlement Agreement to the Court along with a Motion for Preliminary Approval of the Class Settlement. Each party shall cooperate to present the Class Settlement to the Court for preliminary approval in a timely fashion. Class Counsel will provide Defense Counsel with a reasonable opportunity to review preliminary approval papers prior to filing.

**10.3. FINAL APPROVAL**

The Final Approval and Fairness Hearing shall be held before the Court. At the Final Approval and Fairness Hearing, Plaintiffs shall move the Court for the entry of the final order certifying the Settlement Class for settlement purposes only and approving the Class Settlement as being fair, reasonable, and adequate to the Class Participants within the meaning of California Rules of Court, Rule 3.769, subdivisions (c), (d) and (e), and for the entry of a final judgment of the Action consistent with the terms of the Class Settlement and rule 3.769, subdivision (h), of the California Rules of Court. Class Counsel and Defense Counsel shall submit to the Court such pleadings and/or evidence as may be required for the Court's determination.

**11. RELEASES AND WAIVERS****11.1. RELEASE OF CLAIMS BY CLASS PARTICIPANTS**

Upon the Effective Date, the Releasing Parties shall be deemed to each release the Released Parties, and each of them, of and from any and all Released Class Claims arising during the Class Period. It is the desire of the Parties and the Releasing Parties to fully, finally, and forever settle, compromise, and discharge the Released Class Claims. Each of the Releasing Parties, including each Class Participant, will be bound by the release of Released Class Claims as a result of the Class Settlement and to the terms of the final judgment and the satisfaction of such judgment.

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

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

4 **11.2. RELEASE OF CLAIMS BY PAGA SETTLEMENT CLASS AND THE STATE**  
5 **OF CALIFORNIA**

6  
7 Upon the Effective Date, all members of the PAGA Settlement Class (including any Opt Outs)  
8 and the State of California shall be deemed to each release the Released Parties, and each of them, of  
9 and from any and all Released PAGA Claims arising during the PAGA Period. It is the desire of the  
10 Parties and the members of the PAGA Settlement Class and the State of California to fully, finally, and  
11 forever settle, compromise, and discharge the Released PAGA Claims. Each of the members of the  
12 PAGA Settlement Class, and the State of California, will be bound by the release of Released PAGA  
13 Claims as a result of the Class Settlement and to the terms of the final judgment and the satisfaction of  
14 such judgment.

15 **11.3. RELEASE OF CLAIMS BY PLAINTIFFS**

16 Plaintiffs, on behalf of themselves and their dependents, heirs and assigns, beneficiaries,  
17 devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal  
18 representatives, and successors-in-interest, whether individual, class, representative, legal, equitable,  
19 direct or indirect, or any other type or in any other capacity, shall and does hereby forever release,  
20 discharge and agree to hold harmless the Released Parties from any and all charges, complaints, claims,  
21 liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits,  
22 rights, demands, costs, losses, debts and expenses (including attorney fees and costs), known or  
23 unknown, at law or in equity, which they may now have or may have after the signing of this Settlement  
24 Agreement, including any claims arising out of or in any way connected with their employment with  
25 Defendants including, the Released Class Claims, the Released PAGA Claims, claims that were  
26 asserted or could have been asserted in the Complaint, and any and all transactions, occurrences, or  
27 matters between the Parties occurring prior to the date this Settlement Agreement is fully executed.  
28

Without limiting the generality of the foregoing, this release shall include, but not be limited to, any and all claims under: **(a)** the Americans with Disabilities Act; **(b)** Title VII of the Civil Rights Act of 1964; **(c)** the Civil Rights Act of 1991; **(d)** 42 U.S.C. § 1981; **(e)** the Age Discrimination in Employment Act; **(f)** the Fair Labor Standards Act; **(g)** the Equal Pay Act; **(h)** the Employee Retirement Income Security Act, as amended; **(i)** the Consolidated Omnibus Budget Reconciliation Act; **(j)** the Rehabilitation Act of 1973; **(k)** the Family and Medical Leave Act; **(l)** the Civil Rights Act of 1966; **(m)** the California Fair Employment and Housing Act; **(n)** the California Constitution; **(o)** the California Labor Code; **(p)** the California Government Code; **(q)** the California Civil Code; and **(r)** any and all other federal, state, and local statutes, ordinances, regulations, rules, and other laws, and any and all claims based on constitutional, statutory, common law, or regulatory grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel, or intentional infliction of emotional distress, negligent infliction of emotional distress, or damages under any other federal, state, or local statutes, ordinances, regulations, rules, or laws. This release is for any and all relief, no matter how denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering, and attorney fees and costs, and Plaintiffs hereby forever releases, discharges and agrees to hold harmless Defendants and the Released Parties from any and all claims for attorney fees and costs arising out of the matters released in this Settlement Agreement.

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

“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.”

Plaintiffs, being aware of California Civil Code section 1542, hereby expressly waives and relinquishes all rights and benefits they may have under section 1542 as well as any other statutes or



1 common law principles of a similar effect. Plaintiffs may hereafter discover facts in addition to or  
2 different from those which they now knows or believes to be true with respect to the subject matter of  
3 all the claims referenced herein, but agrees that, upon the Effective Date, Plaintiffs shall and hereby  
4 does fully, finally, and forever settle and release any and all claims against the Released Parties, known  
5 or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have  
6 been asserted upon any theory of law or equity without regard to the subsequent discovery of existence  
7 of such different or additional facts.

#### 8 **11.4. CIRCULAR 230 DISCLAIMER**

9 Each party to this Settlement Agreement (for purposes of this section, the “Acknowledging  
10 Party”; and each party to this Agreement other than the Acknowledging Party, an “Other Party”)  
11 acknowledges and agrees that **(1)** no provision of this Settlement Agreement, and no written  
12 communication or disclosure between or among the parties or their attorneys and other advisers, is or  
13 was intended to be, nor shall any such communication or disclosure constitute or be construed or be  
14 relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31  
15 C.F.R. Part 10); **(2)** the Acknowledging Party **(a)** has relied exclusively upon her or its own  
16 independent legal and tax advisers for advice (including tax advice) in connection with this Settlement  
17 Agreement, **(b)** has not entered into this Settlement Agreement based upon the recommendation of any  
18 other party or any attorney or advisor to any other party, and **(c)** is not entitled to rely upon any  
19 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that  
20 may be imposed on the Acknowledging Party; and **(3)** no attorney or adviser to any other party has  
21 imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax strategies  
22 (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party  
23 of the tax treatment or tax structure of any transaction, including any transaction contemplated by this  
24 Settlement Agreement.

### 25 **12. DUTIES OF THE PARTIES**

#### 26 **12.1. MUTUAL FULL COOPERATION**

27 The Parties agree to cooperate fully with one another to accomplish and implement the terms  
28 of this Settlement Agreement. Such cooperation shall include, but not be limited to, execution of such

1 other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms  
2 of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated  
3 by this Settlement Agreement and any other efforts that may become necessary by court order or  
4 otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable  
5 after execution of this Settlement Agreement, Class Counsel, with the cooperation of Defendants and  
6 Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of  
7 this Settlement Agreement.

## 8 **12.2. DUTY TO SUPPORT AND DEFEND THE CLASS SETTLEMENT**

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

## 12 **12.3. DUTIES PRIOR TO COURT APPROVAL**

13 Class Counsel shall promptly submit this Settlement Agreement to the Court for preliminary  
14 approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly  
15 upon execution of this Settlement Agreement, Class Counsel shall apply to the Court for the entry of a  
16 preliminary order scheduling a hearing on the question of whether the proposed Class Settlement  
17 should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form  
18 and content the proposed Class Notice and Share Form attached hereto as **Exhibit 1** and **Exhibit 2**,  
19 respectively, and directing the mailing of the Class Notice to Class Members. While Defendants can  
20 reserve their right to object to facts or assertions made in the moving papers, Defense Counsel shall  
21 file a notice of non-opposition to the granting of the motion for preliminary approval or join in the  
22 motion.

## 23 **13. MISCELLANEOUS PROVISIONS**

### 24 **13.1. VOIDING THIS SETTLEMENT AGREEMENT**

25 Pending Court approval and other than as provided herein, if any of the conditions set forth in  
26 this Settlement Agreement are not met and satisfied, this Settlement Agreement may, at the option of  
27 either Plaintiffs or Defendants, be ineffective, void, and of no further force and effect, and may not be  
28 used or be admissible in any subsequent proceeding, either in this Court or in any other court or forum.

1 If either Party decides to void the Settlement Agreement, then the Settlement Agreement and  
2 conditional class certification shall be considered void, and neither the Settlement Agreement,  
3 conditional class certification, nor any of the related negotiations or proceedings, shall be of any force  
4 or effect, and the Parties shall stand in the same position, without prejudice, as if this Settlement  
5 Agreement had been neither entered into nor filed with the Court. Should any Party choose to void the  
6 Class Settlement under this subsection, such Party shall be responsible for all Settlement Administrator  
7 fees and costs actually incurred.

### 8 **13.2. DIFFERENT FACTS**

9 The Parties acknowledge that, except for matters expressly represented herein, the facts in  
10 relation to the dispute and all claims released by the terms of this Settlement Agreement may turn out  
11 to be different from the facts now known by each party and/or its counsel, or believed by such Party or  
12 counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or  
13 presently unknown facts, and agrees that this Settlement Agreement shall be in all respects effective  
14 and binding despite such difference.

### 15 **13.3. NO PRIOR ASSIGNMENTS**

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

### 20 **13.4. NON-ADMISSION**

21 Nothing in this Settlement Agreement shall be construed as or deemed to be an admission by  
22 any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other  
23 person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing  
24 toward each other or any other person. Each of the Parties has entered into this Settlement Agreement  
25 with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses,  
26 and contingencies. Nothing herein shall constitute any admission by Defendants of wrongdoing or  
27 liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any  
28 admission by Defendants regarding the merits of the Claims in this Action, including but not limited

1 to claims for unpaid wages or violations under California or federal law. Nothing herein shall constitute  
2 an admission by Defendants that the Action was properly brought as a class or representative action  
3 other than for settlement purposes. To the contrary, Defendants have denied and continue to deny each  
4 and every material factual allegation and all Claims. To this end, the Class Settlement of the Action,  
5 the negotiation and execution of this Settlement Agreement, and all acts performed or documents  
6 executed pursuant to or in furtherance of this Settlement Agreement or the Class Settlement are not,  
7 shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or  
8 liability on the part of Defendants or of the truth of any of the factual allegations in the Complaint in  
9 the Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence  
10 of any fault or omission on the part of Defendants in any civil, criminal, or administrative proceeding  
11 in any court, administrative agency, or other tribunal.

#### 12 **13.5. NON-EVIDENTIARY USE**

13 Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation  
14 or drafting of it, shall be offered or used as evidence by Plaintiffs, any Class Member (including any  
15 individual who requested to be excluded from the Settlement Class), Defendants, or its, her, his, or  
16 their respective counsel, in the Action, except as is reasonably necessary to effectuate the Settlement  
17 Agreement's purpose and terms. This Settlement Agreement may, however, be used by Defendants  
18 and the Released Parties to prove or defend against any claim released herein by any Class Member in  
19 any judicial, quasi-judicial, administrative, or governmental proceeding.

#### 20 **13.6. MEDIA OR PRESS**

21 Plaintiffs and Defendants, and their respective counsel, recognize, accept, and agree that the  
22 Parties to this Settlement Agreement desire that the terms of this Settlement Agreement, the fact of the  
23 Class Settlement embodied in this Settlement Agreement, the disposition of the Action, the Action, and  
24 all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence  
25 obtained during the course of the Action, shall not be discussed with or presented to the media or press.  
26 Except as otherwise noted in this Settlement Agreement, Plaintiff and their counsel agree that they have  
27 not and will not publish the results of the Settlement in any forum. Plaintiff's Counsel shall not post  
28

1 or report anything regarding the claims of Plaintiff or the Aggrieved Employees or the Settlement on  
2 any website not related to the administration of this settlement.

### 3 **13.7. NON-RETALIATION**

4 Defendants understands and acknowledges that they have a legal obligation to not retaliate  
5 against any Class Member who elects to participate in the Class Settlement or elects to Opt Out of the  
6 Class Settlement. Defendants will refer any inquiries regarding this Class Settlement to the Settlement  
7 Administrator or Class Counsel and will not discourage Class Members who are employees, directly  
8 or indirectly, from making claims, opting out, or objecting to the Class Settlement. None of the Parties,  
9 or their respective attorneys or agents, shall solicit or encourage any Class Members, directly or  
10 indirectly, to Opt Out of the Class Settlement.

### 11 **13.8. CONSTRUCTION**

12 The Parties agree that the terms and conditions of this Settlement Agreement are the result of  
13 lengthy, intensive, arms-length, non-collusive negotiations between the Parties and that this Settlement  
14 Agreement is not to be construed in favor of or against any party by reason of the extent to which any  
15 party or its counsel participated in the drafting of this Settlement Agreement. If any of the dates in this  
16 Settlement Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the  
17 next business day.

### 18 **13.9. GOVERNING LAW**

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

### 22 **13.10. NOTICES**

23 Except for Class Member notices required to be made by the Settlement Administrator, all  
24 notices or other communications required or permitted under this Settlement Agreement shall be in  
25 writing and shall be sufficiently given if delivered in person to the party or their counsel by U.S.  
26 certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the  
27 party appearing in this Settlement Agreement.  
28

1                   **13.11. CAPTIONS AND INTERPRETATIONS**

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

5                   **13.12. MODIFICATION**

6                   This Settlement Agreement may not be changed, altered, or modified, except in writing signed  
7 by the Parties or the Parties' counsel on their behalf. If preliminary or final approval of this Settlement  
8 Agreement has been granted by the Court, then any such amendments or modifications to this  
9 Settlement Agreement shall be approved by the Court. This Settlement Agreement may not be  
10 discharged except by performance in accordance with its terms or by a writing signed by the Parties.

11                   **13.13. INTEGRATION CLAUSE**

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

17                   **13.14. SUCCESSORS AND ASSIGNS**

18                   This Settlement Agreement shall be binding on and inure to the benefit of the Parties and Class  
19 Members (excluding only persons who timely Opt Out) and their respective present and former heirs,  
20 trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees,  
21 insurers, attorneys, accountants, auditors, advisors, consultants, pension plans, welfare benefit plans,  
22 fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors,  
23 successors, and assigns.

24                   **13.15. CORPORATE SIGNATORIES**

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

1                   **13.16. EXECUTION IN COUNTERPARTS**

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

5                   **13.17. ATTORNEY FEES, COSTS, AND EXPENSES**

6                   Except as otherwise specifically provided for herein, each party shall bear her or its own  
7                   attorney fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action  
8                   and shall not seek reimbursement thereof from any other party to this Settlement Agreement.

9                   **13.18. ACTION TO ENFORCE AGREEMENT**

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

12                  **13.19. PRECLUSIVE EFFECT OF SETTLEMENT AGREEMENT AND APPROVAL**

13                  The terms of this Agreement, the Approval order, and the Judgment are binding on Plaintiffs,  
14                  the State of California, and all Participating Class Members, PAGA Settlement Class, as well as their  
15                  heirs, executors and administrators, successors and assigns, and any other persons or entities acting on  
16                  their behalf, and those terms shall have res judicata, collateral estoppel and other preclusive effect in  
17                  all pending and future claims, lawsuits or other proceedings maintained by or on behalf of any such  
18                  persons, to the extent those claims, lawsuits or other proceedings constitute Released Class Claims or  
19                  Released PAGA Claims as set forth in the Agreement. Notwithstanding any other provision in this  
20                  Agreement, this Agreement, the Approval order, and the Judgment may be filed in any action against  
21                  or by Defendants or the Released Parties to support a defense of res judicata, collateral estoppel, release,  
22                  waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any other theory of  
23                  claim preclusion, issue preclusion or similar defense or counterclaim.

24                  **14.     EXECUTION**

25                  The Parties and their counsel have executed this Settlement Agreement on the date below their  
26                  signatures or the signature of their representatives. The date of this Settlement Agreement shall be the  
27                  date of the latest signature.  
28

**APPROVAL AND EXECUTION BY PARTIES**

**CLASS REPRESENTATIVES:**

Dated: 6/18/2024

DocuSigned by:  
*Gerardo Martinez*  
9699BF6B74D14CD...  
Gerardo Martinez  
Plaintiff and Class Representative

Dated:

Daysi Gonzalez  
Plaintiff and Class Representative

**DEFENDANTS:**

Dated:

Bob Campbell Ranches, Inc.

By:

Title:

Dated:

Surf Packing, Inc.

By:

Title:

**APPROVED AS TO FORM BY COUNSEL**

**CLASS COUNSEL:**




**APPROVAL AND EXECUTION BY PARTIES**

**CLASS REPRESENTATIVES:**

Dated: \_\_\_\_\_

Gerardo Martinez  
Plaintiff and Class Representative

Dated: 6/19/2024 \_\_\_\_\_

DocuSigned by:  
  
CB907EA3C502439  
Daysi Gonzalez  
Plaintiff and Class Representative

**DEFENDANTS:**

Dated: \_\_\_\_\_

Bob Campbell Ranches, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

Surf Packing, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

**APPROVED AS TO FORM BY COUNSEL**

**CLASS COUNSEL:**

**APPROVAL AND EXECUTION BY PARTIES**

**CLASS REPRESENTATIVES:**

Dated: \_\_\_\_\_

Gerardo Martinez  
Plaintiff and Class Representative

Dated: \_\_\_\_\_

Daysi Gonzalez  
Plaintiff and Class Representative

**DEFENDANTS:**

Dated: 6/24/24

Bob Campbell Ranches, Inc.



By: Robert Campbell

Title: President

Dated: \_\_\_\_\_

Surf Packing, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

**APPROVED AS TO FORM BY COUNSEL**

**CLASS COUNSEL:**

**APPROVAL AND EXECUTION BY PARTIES**

**CLASS REPRESENTATIVES:**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Gerardo Martinez  
Plaintiff and Class Representative

Dated: \_\_\_\_\_

\_\_\_\_\_  
Daysi Gonzalez  
Plaintiff and Class Representative

**DEFENDANTS:**

Dated: \_\_\_\_\_

Bob Campbell Ranches, Inc.

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: 6-17-24

Surf Packing, Inc.

  
By: JEFF MARTIN

Title: PRESIDENT

**APPROVED AS TO FORM BY COUNSEL**

**CLASS COUNSEL:**

1 Dated: June 18, 2024

**Melmed Law Group P.C.**

2 

3 Jonathan Melmed  
4 Attorneys for Plaintiffs

5 **DEFENDANTS' COUNSEL:**

6  
7 Dated: 06/25/2024

**MULLEN & HENZELL L.L.P.**

8 

9 RAFAEL GONZALEZ  
10 Attorneys for Defendants

# EXHIBIT 1

## *Notice of Proposed Class Action Settlement*

1  
2  
3  
4  
5 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
6 **FOR THE COUNTY OF SANTA BARBARA**

7 GERARDO MARTINEZ and DAYSI  
8 GONZALEZ, individuals on behalf of  
9 themselves, the State of California, as private  
10 attorneys general, and on behalf of all others  
11 similarly situated,

11 Plaintiffs,

12 v.

13 BOB CAMPBELL RANCHES, INC., a  
14 California Corporation; SURF PACKING, INC.,  
15 a California Corporation; and DOES 1 TO 50,

16 Defendants.  
17

Case No.: 21CV02718

**Notice of Proposed Class Action Settlement**

18 *A court authorized this notice. This is not a solicitation from a lawyer.*  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1                                    **NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

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

3                    A proposed class action settlement agreement (the “Settlement”) has been reached between:  
4                    **(1)** Plaintiffs Gerardo Martinez and Daysi Gonzalez (collectively “Plaintiffs”), individually and in their  
5                    representative capacity on behalf of a group of prospective class members defined below, and as private  
6                    attorneys general on behalf of the State of California; and **(2)** Defendants Bob Campbell Ranches, Inc.  
7                    and Surf Packing, Inc. (collectively, “Defendants”). The Settlement resolves disputed claims against  
8                    Defendants arising out of their compensation practices during the period from June 30, 2017, through  
9                    the date of preliminary approval of the settlement (the “Class Period”) as applied to all individuals who  
10                   are or were employed by Defendant as non-exempt employees in California, and who have not  
11                   previously settled the Released Claims against Defendant, for claims that accrued during the Class  
12                   Period (“Class Members”).

13                   The Court has granted preliminary approval of the Settlement and ordered this notice to be sent  
14                   to you because you may be entitled to money under the Settlement and because the Settlement affects  
15                   your legal rights.

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

20                   **1.        DESCRIPTION OF THE LAWSUIT**

21                   Plaintiffs, individually and in their representative capacity on behalf of the Class Members, and  
22                   as private attorneys general on behalf of the State of California, are pursuing a lawsuit against  
23                   Defendants in the Superior Court of the State of California for the County of Santa Barbara in the  
24                   matter of *Gerardo Martinez, et al. v. Bob Campbell Ranches, Inc., et al.*, case number **21CV02718**  
25                   (the “Action”). The Action sought recovery for Defendants’ alleged: **(1)** failure to pay minimum wage  
26                   for all hours worked; **(2)** failure to pay proper overtime wages; **(3)** failure to provide compliant rest  
27                   periods and pay missed rest break premiums; **(4)** failure to provide compliant meal periods and pay  
28                   missed meal period premiums; **(5)** failure to pay timely wages during employment; **(6)** failure to pay

1 all wages due and owing at separation; (7) failure to reimburse business expenses; (8) failure to provide  
2 complete and accurate wage statements; and (9) deceptive, fraudulent, or otherwise unlawful business  
3 practices based on the foregoing in violation of California’s Unfair Competition Law.

4 **Defendants deny all liability, deny all allegations in the Action, and have raised various**  
5 **defenses to the claims.** Defendants assert that they fully complied with all applicable wage and hour  
6 laws, and contend that civil penalties under PAGA are not warranted. Defendants also deny that the  
7 Action is suitable for class certification. Defendants have entered into the Settlement solely for  
8 purposes of resolving this dispute to avoid costly, disruptive, and time-consuming litigation and do not  
9 admit to any wrongdoing or liability.

10 The Court has not ruled on the merits in the Action. By approving the Settlement and issuing  
11 this notice, the Court is *not* suggesting which side would win or lose the case if it went to trial or  
12 whether the claims are suitable for class certification. To avoid the additional expense, inconvenience,  
13 and risk of continued litigation, however, Plaintiffs and Defendants (the “Parties”) have concluded that  
14 it is in their respective best interests and the interests of the Class Members to settle the Action on the  
15 terms summarized in this notice. The Settlement was reached after Defendants provided extensive  
16 information and documents to Plaintiffs’ counsel, and after lengthy arms-length non-collusive  
17 negotiations between the Parties, including mediation with an experienced and well-respected mediator  
18 in California. In these negotiations, both sides recognized the substantial risk of the Court deciding  
19 against them at trial and determined that the Settlement was a fair, reasonable, and adequate way to  
20 resolve the disputed claims.

21 Plaintiffs and Plaintiffs’ counsel—Jonathan Melmed, Laura Supanich, and Michiko Vartanian  
22 of Melmed Law Group P.C. (“Class Counsel”)—support the Settlement. Among the reasons for support  
23 are the defenses to liability potentially available to Defendants, the risk of denial of class certification,  
24 the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.  
25 Plaintiffs and Class Counsel believe that the settlement described in this notice is fair, adequate,  
26 reasonable, and in the best interests of Plaintiffs and the Class Members.

27 Under the Settlement, the following settlement class will be certified under California law: all  
28 individuals who are or were employed by Defendant as non-exempt employees in California, but



1 excluding any individuals or periods of time for individuals who have previously settled the Released  
2 Class Claims against Defendant, for claims that accrued during the Class Period. The “Class Period”  
3 is defined as the period from June 30, 2017, through the date of preliminary approval of the settlement.  
4 The Settlement provides for a gross settlement amount of \$145,000.00, a share of which is to be  
5 distributed to the Class Members based on the pro rata number of weeks worked by the Class Members  
6 during the Class Period as a proportion of all weeks worked by all Class Members. In exchange for  
7 their share of the settlement amount, all participating Class Members will be deemed to have released  
8 Defendants from liability on the terms described in this notice.

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

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

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

18 **3. TERMS OF THE SETTLEMENT**

19 Defendants have agreed to pay \$145,000.00 (the “Gross Settlement Amount”) to resolve the  
20 claims in the Action. The Parties agreed to the following payments from the Gross Settlement Amount:

- 21 1. **Settlement Administration Costs.** The Court has approved ILYM Group, Inc. to act  
22 as the “Settlement Administrator,” who is sending this notice to you and will perform  
23 many other duties relating to the Settlement. Under the Settlement, up to \$12,000.00  
24 will be paid from the Gross Settlement Amount to pay the Settlement Administration  
25 Costs.
- 26 2. **Attorneys’ Fees and Expenses.** Class Counsel have been prosecuting the Action on  
27 behalf of the Class Members on a contingency fee basis (that is, without being paid any  
28 money to date) and have been paying all litigation costs and expenses. To date, the

Parties have aggressively litigated many aspects of the case including investigation, settlement efforts, and a full-day mediation session. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of one-third of the Gross Settlement Amount (i.e., \$48,333.33) as reasonable compensation for the work Class Counsel performed and will continue to perform in the Action. Class Counsel also will ask for reimbursement of up to \$15,000.00 for the costs Class Counsel incurred in connection with the Action.

3. **Service Payment to Class Representatives.** Class Counsel will ask the Court to provide a service payment to Plaintiffs in the amount of \$7,500.00 for Gerardo Martinez and \$7,500.00 for Daysi Gonzalez to compensate them for their efforts on behalf of the Class Members in the Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents to Class Counsel. Plaintiffs also may receive a share of the Settlement as a Class Member.

4. **PAGA Payment.** The Parties have agreed on a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$5,000.00) to the individuals who come within the definition of an "aggrieved employee" for the purposes of the Settlement (i.e., all individuals who are or were employed by Defendant as non-exempt employees in California, and who have not previously settled the Released Claims against Defendant, for claims that accrued during the PAGA Period). The "PAGA Period" is defined for these purposes to mean the period from July 1, 2020, through the date of preliminary approval of the settlement.

After deducting the amounts above, the balance of the settlement amount will form the "Net Settlement Amount" for distribution to the Class Members.

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

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

7             Ten percent (10%) of each Individual Settlement Amount will constitute payment in the form  
8     of wages (and each Class Participant will be issued an IRS Form W-2 for such payment to him or her),  
9     and Ninety percent (90%) of each Individual Settlement Amount will constitute penalties and interest  
10    (and each Class Participant will be issued an IRS Form 1099 for such payment to him or her).

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

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

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

3 **5. THE RELEASE OF CLAIMS**

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

7 The “Released Parties” are Defendants Bob Campbell Ranches, Inc. and Surf Packing, Inc. and  
8 all of Defendants’ subsidiaries, affiliates, shareholders, owners, members, managers, employees,  
9 attorneys, insurers, agents, predecessors, successors, and assigns.

10 The “Released Claims” are those claims alleged, or that reasonably could have been alleged,  
11 arising out of or related to the allegations set forth in the Complaint and/or PAGA notice to the LWDA,  
12 which arose during the Class Period, including claims for: **(1)** failure to pay minimum wage for all  
13 hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Order;  
14 **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and  
15 the Applicable Wage Order; **(3)** failure to provide compliant rest periods and pay missed rest break  
16 premiums in violation of Labor Code section 226.7 and the Applicable Wage Order; **(4)** failure to  
17 provide compliant meal periods and pay missed meal period premiums in violation of Labor Code  
18 sections 226.7 and 512, and the Applicable Wage Order; **(5)** failure to pay timely wages during  
19 employment in violation of Labor Code sections 204, 210; **(6)** failure to pay all wages due and owing  
20 at separation in violation of Labor Code sections 201, 202, and 203; **(7)** failure to reimburse business  
21 expenses in violation of Labor Code sections 2802 and 2804; **(8)** failure to provide complete and  
22 accurate wage statements in violation of Labor Code sections 226 and 226.3; **(9)** deceptive, fraudulent,  
23 or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair  
24 Competition Law (Bus. & Prof. Code, §§ 17200–17210); and **(10)** all claims for liquidated damages,  
25 penalties, interest, fees, costs based on the foregoing. No other claims are released other than those  
26 claims specifically plead in the operative complaint in the Action.

27 The Settlement does *not* release Defendants or any person, party, or entity from claims, if any,  
28 by Class Members for workers compensation, unemployment, or disability benefits of any nature. Nor

1 does it release any claims, actions, or causes of action which may be possessed by Class Members  
2 under state or federal discrimination statutes, including, without limitation, the California Fair  
3 Employment and Housing Act (Gov. Code, §§ 12900–12996); the Unruh Civil Rights Act (Civ. Code,  
4 § 51); the California Constitution; Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000, et seq.);  
5 the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.); the Employee Retirement Income  
6 Security Act of 1974 (29 U.S.C. § 1001 et seq.); and all of their implementing regulations and  
7 interpretive guidelines.

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

13 “An employer shall not require the execution of a release of a claim or right on account  
14 of wages due, or to become due, or made as an advance on wages to be earned, unless  
15 payment of those wages has been made.”  
16

17 The “PAGA Released Claims” are all claims for civil penalties under PAGA alleged, or that  
18 reasonably could have been alleged, arising out of or related to the allegations set forth in the Complaint  
19 and/or PAGA notice to the LWDA, which arose during the PAGA Period, including but not limited to  
20 claims for PAGA civil penalties arising out of alleged: **(1)** failure to pay minimum wage for all hours  
21 worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Order;  
22 **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and  
23 the Applicable Wage Order; **(3)** failure to provide compliant rest periods and pay missed rest break  
24 premiums in violation of Labor Code section 226.7 and the Applicable Wage Order; **(4)** failure to  
25 provide compliant meal periods and pay missed meal period premiums in violation of Labor Code  
26 sections 226.7 and 512, and the Applicable Wage Order; **(5)** failure to pay timely wages during  
27 employment in violation of Labor Code sections 204, 210; **(6)** failure to pay all wages due and owing  
28 at separation in violation of Labor Code sections 201, 202, and 203; **(7)** failure to reimburse business

1 expenses in violation of Labor Code sections 2802 and 2804; and (8) failure to provide complete and  
2 accurate wage statements in violation of Labor Code sections 226 and 226.3.

3 The PAGA Settlement Class members shall have no right or ability to opt out of the portion of  
4 this Settlement Agreement releasing PAGA Released Claims.

5 **6. YOUR OPTIONS**

6 **6.1. DO NOTHING AND RECEIVE YOUR PORTION OF THE SETTLEMENT**

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

13 **6.2. REQUEST EXCLUSION FROM THE CLASS AND THE SETTLEMENT**

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

19 “I wish to be excluded from the settlement class in the case of *Gerardo Martinez, et al.*  
20 *v. Bob Campbell Ranches, Inc., et al.*. I understand that if I ask to be excluded from the  
21 settlement class, I will not receive any money from the settlement of this lawsuit and  
22 will not be releasing any claims I might have.”

23  
24 Send the request for exclusion directly to the Settlement Administrator at the following address  
25 by no later than [Response Deadline]:

26 ILYM Group, Inc.  
27 14751 Plaza Drive, Suite J  
28 Tustin, California 92780

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

6 **Importantly**, Class Members who timely and validly request exclusion from the Class  
7 Settlement will *not* be excluded from their share of the PAGA Payment. Requesting exclusion from  
8 the Class Settlement applies solely to the Class Members' entitlement to the class action portion of the  
9 Settlement and not their entitlement to the PAGA Payment. If you request exclusion from the Class  
10 Settlement you will still be entitled to your share, if any, of the PAGA Payment.

### 11 **6.3. OBJECT TO THE SETTLEMENT**

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

21 If you choose to object to the Settlement, you may also appear to speak at the final approval  
22 and fairness hearing scheduled for **[Final Approval Hearing Date]**, at **[Final Approval Hearing Time]**  
23 in Department **[Court Department]** of the Superior Court of the State of California for the County of  
24 Santa Barbara, located at **[Court Location]**. You have the right to appear either in person or through  
25 your own attorney at this hearing.

26 If you object to the Settlement, you will remain a Class Member, and if the Court approves the  
27 Settlement, you will receive payment and be bound by the terms of the Settlement in the same way as  
28

Class Members who do not object. Any Class Member who does not object in the manner provided above shall have waived any objection to the Settlement, whether by appeal or otherwise.

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

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

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

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

Within seven (7) days after the Court has held a final and fairness approval hearing and entered a final order approving the Settlement, if it chooses to do so, the Settlement Administrator will post a copy of that order and final judgment on its website at the following website address:

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

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

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

**10. QUESTIONS OR COMMENTS**

**PLEASE DO NOT CALL OR CONTACT THE COURT.** If you have any questions about the settlement, you may contact the Settlement Administrator at: **(888) 250-6810** or by e-mail at



1 **claims@ilymgroupclassaction.com**. You may also contact Class Counsel at the addresses or phone  
2 numbers listed below.

3  
4 **Lawyers Representing Plaintiffs and the Class Members**

5 **MELMED LAW GROUP P.C.**

6 Jonathan Melmed

7 jm@melmedlaw.com

8 Laura Supanich

9 lms@melmedlaw.com

10 Michiko Vartanian

11 mv@melmedlaw.com

12 1801 Century Park East, Suite 850

13 Los Angeles, California 90067

14 Phone: (310) 824-3828

15 Fax: (310) 862-6851

# EXHIBIT 2

## *Class Action Settlement Share Form*

**CLASS ACTION SETTLEMENT SHARE FORM**

*Gerardo Martinez, et al. v. Bob Campbell Ranches, Inc., et al.*

Case Number 21CV02718

Superior Court of the State of California for the County of Santa Barbara

The proposed class action settlement agreement (the “Settlement”) described in the accompanying *Notice of Proposed Class Action Settlement* resolves disputed claims against Defendants Bob Campbell Ranches, Inc. and Surf Packing, Inc. (collectively, “Defendants”) arising out of their compensation practices during the period from June 30, 2017, through the date of preliminary approval of the settlement (the “Class Period”) as applied to all individuals who are or were employed by Defendant as non-exempt employees in California, but excluding any individuals or periods of time for individuals who have previously settled the Released Class Claims against Defendants, for claims that accrued during the Class Period (“Class Members”).

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

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

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

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

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

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