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#### **DEFINITIONS.** 1.

individually as "Party."

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendant LFS titled Juan Carlos Trejo aka Mauro Perez v. Lencioni Farm Services, initiated on May 19, 2021, and pending in Superior Court of the State of California, County of San Kern, case number BCV-21-101136.

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between

plaintiff Juan Carlos Trejo aka Mauro Perez ("Plaintiff") and defendant Lencioni Farm Services

("Defendant" or "LFS"). The Agreement refers to Plaintiff and LFS collectively as "Parties," or

- 1.2. "Administrator" means the APEX Class Action, LLC the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses to administer the settlement.
- 1.4. "Aggrieved Employee" means any person employed by Defendant Lencioni Farm Services in California and classified as a non-exempt employee who worked for Lencioni Farm Services during the PAGA Period.
- 1.5. "Class" means all persons employed by Defendant Lencioni Farm Services in California and classified as a non-exempt employee who worked for Lencioni Farm Services during the Class Period.
- 1.6. "Class Counsel" means Kane Moon and Brett Gunther of Moon & Yang, APC.
- 1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. "Class Data" means Class Member identifying information in LFS's possession including the Class Member's name, last-known mailing address, Social Security number, and

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Case No.: BCV-21-101136

Page 1

Trejo v. Lencioni Farm Services, Inc.

petition for writ of certiorari to the California Supreme Court, and (iv) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment. It is the inteion of the Parties that the Settlement shall not become effective until the Court's order approvaing the Class Settlement is completely final and there is no further recourse by an appellant or objector who seeks to contest the Class Settlement.

- 1.19. "Employer Payroll Taxes" means LFS's share of payroll taxes on the Wage Portion of Participating Class Members' Individual Class Payments.
- 1.20. "Final Approval Order and Judgment" means the Court's order granting final approval of the Settlement and entering Judgment thereon.
- 1.21. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.22. "Gross Settlement Amount" means Two Hundred Fifty Thousand Dollars and Zero Cents (\$250,000.00) which is the total amount LFS agrees to pay under this Settlement. In no event shall LFS be obligated to pay more than the Gross Settlement Amount except as provided in Paragraphs 3.2.5 and 8 below. The Gross Settlement Amount will be used to pay (i) Individual Class Payments, (ii) Individual PAGA Payments, (iii) the LWDA PAGA Payment, (iv) the Class Counsel Fees Payment, (v) the Class Counsel Litigation Expenses Payment, (vi) the Class Representative Service Payment, and (vii) the Administration Expense Payment.
- 1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks the Aggrieved Employee worked during the PAGA Period.
- 1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to PAGA Penalties under Labor Code § 2699(i).

Case No.: BCV-21-101136 Page 3 Trejo v. Lencioni Farm Services, Inc.

below.

- 1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.
- 1.41. "Released Parties" means: Defendant Lencioni Farm Services and each of its former and present subsidiaries, parents, affiliated and related companies, divisions, subsidiaries, successors, predecessors, and assigns, and their respective past and present directors, officers, shareholders, owners, partners, employees, agents, representatives, members, attorneys, advisors, accountants, insurers, trustees, heirs, executors, and administrators.
- 1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail a claim to be included in the Settlement (b) fax, email, or mail Requests for Exclusion from the Settlement, or (c) fax, email, or mail his or her objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 days beyond the Response Deadline has expired.
- 1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. "Total Settlement Payment" means Defendant's total monetary obligation under this Settlement, equal to the court approved Class Representative Service Payment; Administration Expenses Payment; Class Counsel Fees Payment; Class Counsel Litigation Expenses Payment; PAGA Penalties; and the portion of the Net Settlement Amount claimed by Settlement Class Members. Defendant retains a reversionary interest in the remainder of the Net Settlement Amount that is not claimed by the Settlement Class Members. Beyond the Total Settlement Payment, Defendant will not be called upon or required to contribute additional monies, except with respect to the employer's share of payroll taxes for the portion of Individual Settlement Payments allocated and paid as

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wages.

1.46. "Workweek" means any week during which a Class Member worked for LFS for at least one day, during the Class Period.

#### 2. <u>RECITALS.</u>

- 2.1. On May 19, 2021, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant LFS for 1) failure to pay minimum wages; 2) failure to pay overtime compensation; 3) failure to provide meal periods; 4) failure to authorize and permit rest breaks; 5) failure to indemnify necessary business expenses; 6) failure to timely pay final wages at termination; 7) failure to provide accurate itemized wage statements; and 8) unfair business practices. On August 30, 2021, Plaintiff filed a First Amended Complaint adding a Ninth Cause of Action against Defendants for PAGA civil penalties. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to LFS and the LWDA by sending the PAGA Notice.
- 2.3. On March 9, 2023, the Parties participated in an all-day mediation presided over by experienced employment mediator Kelly Knight, Esq. which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, information sufficient to meaningfully evaluate the claims at issue, including applicable policy documents and a sample of time and pay records for the Class. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008) ("*Dunk/Kullar*").
- 2.5. The Court has not granted class certification.

2.6. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

#### 3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, LFS promises to pay the total amount of Two Hundred Fifty Thousand Dollars and Zero Cents (\$250,000.00). LFS has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the Gross Settlement Amount to Participating Class Members or Aggrieved Employees based upon receipt of a claim submitted by a Participating Class Member as a condition of payment. Aggrieved Employees will not have to submit a claim to receive payment of any PAGA penalties owed based on the Aggrieved Employee working during the PAGA period. LFS retains a reversionary interest in the remainder of the Gross Settlement Amount after disbursement to Participating Class Members and the Aggrieved Employees, and the payments listed in Paragraph 3.2 are deducted from the Gross Settlement Amount.
- 3.2. <u>Payments from the Gross Settlement Amount</u>. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order and Judgment:
  - 3.2.1. To Plaintiff: Class Representative Service Payment of not more than Seven

    Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) (in addition to any
    Individual Class Payment and any Individual PAGA Payment Plaintiff is entitled
    to receive as a Participating Class Member and Aggrieved Employee). LFS will
    not oppose Plaintiff's request for a Class Representative Service Payment that does
    not exceed this amount. As part of the motion for Class Counsel Fees Payment and
    Class Litigation Expenses Payment, Plaintiff will seek Court approval for the Class
    Representative Service Payment no later than 16 court days prior to the Final
    Approval Hearing. If the Court approves a Class Representative Service Payment

Case No.: BCV-21-101136 Page 7

Trejo v. Lencioni Farm Services, Inc.

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less than the amount requested, the remainder will be added to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than thirty-three and one third percent (33 1/3%) of the Gross Settlement Amount (i.e., Eighty Three Thousand Three Hundred Dollars and Thirty Three Cents (\$83,333.33) and a Class Counsel Litigation Expenses Payment of not more than Twenty Thousand Dollars and Zero Cents (\$20,000.00). LFS will not oppose requests for these payments provided that Class Counsel's requests do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the remainder will be added to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds LFS harmless, and indemnifies LFS, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed Nine Thousand Dollars and Zero Cents (\$9,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$9,000.00, the remainder will be added to the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount (after deduction of Employer Payroll Taxes) by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

- 3.2.4.1. Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments.
- 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual

  Class Payments. Non-Participating Class Members will not receive any

  Individual Class Payments. Defendant will retain a reversionary interest in
  the amounts equal to Non-Participating Members' Individual Class

  Payments in the Net Settlement Amount.
- 3.2.5. Employer Payroll Taxes: The Administrator shall calculate Employer Payroll

  Taxes and provide a final accounting of the Total Settlement Payment and

  Employer Payroll Taxes to be paid by Defendant by the deadline for funding the settlement, pursuant to the terms of the Settlement.
- 3.2.6. <u>To the LWDA and Aggrieved Employees:</u> PAGA Penalties in the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) to be paid from the Gross Settlement Amount, with seventy-five percent (75%) (i.e., Seven Thousand Five

Case No.: BCV-21-101136 Page 9 Trejo v. Lencioni Farm Services, Inc.

Hundred Dollars and Zero Cents (\$7,500.00)) allocated to the LWDA PAGA Payment and twenty-five percent (25%) (i.e., Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00)) allocated to the Individual PAGA Payments.

- 3.2.6.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (i.e., \$2,500) by the total number of PAGA Period Workweeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Workweeks. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.
- 3.2.6.2. If the Court approves PAGA Penalties of less than the amount requested, the remainder will be added to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

#### 4. <u>SETTLEMENT FUNDING AND PAYMENTS.</u>

4.1. <u>Class Data</u>. Not later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, LFS will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. The Administrator shall not disclose any of the Class Data to Class Counsel. LFS has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which LFS must send the Class Data to the Administrator, the Parties and their counsel will

Case No.: BCV-21-101136

expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. Nothing in this section shall work to prohibit or prevent Class Counsel from fulfilling their fiduciary duties to the Class.

- 4.2. Funding of Settlement Amount. The Gross Settlement Amount shall be \$250,000.00.

  Within ten (10) calendar days after the Effective Date, the Administrator will provide the Parties with an accounting of the Total Settlement Payment and employer portion of payroll taxes to be paid by LFS pursuant to the terms of the Settlement. LFS shall deposit the Total Settlement Payment and employer-side payroll taxes, as determined by the Administrator, into a Qualified Settlement Fund account to be established by the Administrator no later than sixty (60) days after the Effective Date. In no event shall LFS be responsible for any payments in excess of the Gross Settlement Amount. LFS's monetary obligation under this Settlement is limited to the Total Settlement Payment amount. LFS retains a revisionary interest in the remainder of the Net Settlement Amount that is not claimed by Settlement Claims Members. Beyond the Total Settlement Payment, LFS will not be called upon or required to contribute additional monies, except with respect to the employer's share of payroll taxes.
- 4.3. Payments from the Gross Settlement Amount. Within fourteen (14) days after LFS funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.

  Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
  - 4.3.1. The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Participating Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will

be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.3.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are retuned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.3.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure § 384(b).
- 4.3.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate LFS to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those

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specified in this Agreement.

4.3.5. The Administrator shall remit payment for Employer Payroll Taxes to the appropriate taxing authorities within the deadlines established by law.

#### 5. <u>RELEASES OF CLAIMS.</u>

Effective on the date when LFS fully funds the entire Gross Settlement Amount, Plaintiff, Participating Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

#### 5.1. Plaintiff's Release.

5.1.1. Scope of Plaintiff's Release. Plaintiff and his former and present spouses, family members, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences from the beginning of time through the date Plaintiff signs this Agreement, including, but not limited to: all claims under the California Labor Code; the California Fair Employment and Housing Act; the California Family Rights Act; the California Constitution; the California Government Code; the California Civil Code; any Industrial Welfare Commission Wage Order; the Americans with Disabilities Act, as amended; Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; 42 U.S.C. § 1981, as amended; the Age Discrimination in Employment Act, as amended; the Fair Labor Standards Act, as amended; the Equal Pay Act; the Rehabilitation Act of 1973; the Family and Medical Leave Act; any and all other federal, state, and local statutes, ordinances, regulations, rules, and other laws, and all claims based on constitutional, statutory, common law, or regulatory grounds, as well as all other claims based on theories of wrongful or constructive discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel, intentional and/or negligent infliction of emotional distress, or damages under any other federal, state, or local statutes, ordinances, regulations, rules, or laws. This release

Case No.: BCV-21-101136 Page 13 Trejo v. Lencioni Farm Services, Inc.

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 attorneys' fees and costs ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions that cannot be released as a matter of law, including claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.2. <u>Plaintiff's Waiver of Rights Under California Civil Code § 1542</u>. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of Section 1542 of the California Civil Code, which reads:

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.

5.2. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present spouses, family members, representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, including, e.g., any and all claims arising under California Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 510, 512, 1174(d), 1174.5, 1194, 1194.2, 1197, 1198, 2802 and the applicable Industrial Welfare Commission Wage Orders based on any alleged failure to pay minimum wage; failure to pay overtime compensation; failure to provide meal periods; failure to authorize and permit rest periods; failure to indemnify necessary business

Case No.: BCV-21-101136 Page 14 Trejo v. Lencioni Farm Services, Inc.

expenses; failure to timely pay final wages; failure to timely pay wages during employment; failure to provide accurate wage statements; failure to keep adequate records; and unfair business practices arising under California Business and Professions Code section 17200 *et seq*. Excluded from this portion of the release are claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the Plaintiff's PAGA Notice. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. Release by Class Members Who Are Aggrieved Employees: All Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present spouses, family members, representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and/or the Plaintiff's PAGA Notice, including any claim for PAGA penalties based on alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174(d), 1174.5, 1194, 1194.2, 1197, 1198, 2802 and the applicable Industrial Welfare Commission Wage Orders based on any alleged failure to pay minimum wage; failure to pay overtime compensation; failure to provide meal periods; failure to authorize and permit rest periods; failure to indemnify necessary business expenses; failure to timely pay final wages; failure to timely pay wages during employment; failure to provide accurate wage statements; and/or failure to keep adequate records.

#### 6. MOTION FOR PRELIMINARY APPROVAL.

The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for

Preliminary Approval").

- 6.1. Responsibilities of Counsel. Class Counsel will be responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.
- 6.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

#### 7. <u>SETTLEMENT ADMINISTRATION.</u>

- 7.1. Selection of Administrator. The Parties have jointly selected APEX Class Action, LLC. to serve as the Administrator and verified that, as a condition of appointment, APEX Class Action, LLC agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets

the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation § 468B-1.

#### 7.4. Notice to Class Members.

- 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, and Workweeks in the Class Data.
- 7.4.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and Individual PAGA Payment (if applicable) payable to the Class Member, and the number of Workweeks and PAGA Period Workweeks (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3. Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks, and Requests for Exclusion will be extended an additional seven (7) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class

Case No.: BCV-21-101136 Page 17 Trejo v. Lencioni Farm Services, Inc.

Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

- 7.4.5. If the Administrator, LFS, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after mailing the Class Notice, or the deadline dates in the Class Notice, which ever are later.
- 7.5. Requests for Inclusion in Settlement (Opt-Ins).
  - 7.5.1. Class Members who wish to participate (opt-into) as Participating Class Members in the Class Settlement must send the Administrator, by fax or mail, a signed written Request for Inclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional seven (7) days for Class Members whose Class Notice is re-mailed). A Request for Inclusion is written notice from a Class Member or his/her representative that reasonably communicates the Class Member's election to be included in the Settlement. A valid Request for Inclusion must include sufficient identifying information to identify the Class Member, including their name, address, signature, and email address or telephone number. To be valid, a Request for Inclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
  - 7.5.2. If the Administrator has reason to question the authenticity of a Request for Inclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

Case No.: BCV-21-101136 Pag

Page 19 Trejo v. Lencioni Farm Services, Inc.

- 7.5.3. Every Class Member who submits a timely and valid Request for Inclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4. Every Class Member who fails to submit a valid and timely Request for Inclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment and shall not have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and will still receive an Individual PAGA Payment, notwithstanding their failure to submit a Request for Inclusion in the Class portion of the Settlement.
- 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional seven (7) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Period Workweeks (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator in writing via fax or mail. The Administrator must request that the challenging Class Member submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel (without disclosing identifying information about challenging Class

Members to Class Counsel) and the Administrator's determination as to the challenges.

- 7.7. Objections to Settlement.
  - 7.7.1. Only Participating Class Members (i.e., Class Members who submit valid and timely Requests for Inclusion) may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment. Aggrieved Employees have no right to object to the PAGA portion of the Settlement.
  - 7.7.2. For any Participating Class Member to object, the Class Member must send written objections to the Administrator, signed by the Class Member, by fax or mail, no later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional seven (7) days for Class Members whose Class Notice was remailed). The Settlement Administrator shall send all objections it receives to Defense Counsel and Class Counsel within three (3) business days of receipt. Participating Class Members may also appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. The Court retains final authority with respect to the consideration and admissibility of any Class Member objections.
  - 7.7.3. Non-Participating Class Members (i.e., Class Members who fail to submit valid and timely Requests for Inclusion) have no right to object to any of the class action components of the Settlement.
  - 7.7.4. Aggrieved Employees shall have no right to object to the PAGA portion of the Settlement and shall be bound by the Release of claims identified in Paragraph 5.3 of this Agreement.
- 7.8. <u>Administrator Duties</u>. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
  - 7.8.1. Requests for Inclusion (Opt-Ins). The Administrator will promptly review on a

rolling basis Requests for Inclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Inclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the employee identification number (not names or other identifying information) of Class Members who have timely submitted valid Requests for Inclusion ("Inclusion List"); and (b) the by employee identification number (not names or other identifying information) of Class Members who have submitted invalid Requests for Inclusion. The Administrator will not disclose any Class Data or identifying information for Participating Class Members to Class Counsel until after the Final Approval hearing and only after Defense Counsel and Class Counsel jointly confirm to the Administrator that the Court will enter the Final Approval Order and Judgment.

- 7.8.2. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Inclusion (whether valid or invalid) received, objections received, challenges to Workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of the validity of Requests for Inclusion and attach copies of all Requests for Inclusion and objections received.
- 7.8.3. Workweek Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.4. <u>Administrator's Declaration</u>. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed

declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Inclusion from Settlement it received (both valid or invalid), and the number of written objections, and attach the Inclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

#### 8. <u>CLASS SIZE ESTIMATES and ESCALATOR CLAUSE</u>

Based on its records at the time of mediation, LFS estimated that there were approximately 16,667 Total Workweeks from the start of the Class Period, or May 19, 2017 through March 9, 2023. The Parties agreed that the maximum number of Workweeks to be included in the Class Period shall not exceed 10% from the original estimate of 16,667 Workweeks i.e., 18,333 Workweeks. However, should the number of workweeks exceed 18,333, and Plaintiff elects to enforce the escalation clause Defendant will have the right, in the exercise of its sole discretion, to either limit the class period to the time at which the number of workweeks reaches 18,333 or increase the Net Settlement Amount proportionately for each additional Workweek in excess of 18,333 as of the hearing date on Plaintiff's Motion for Preliminary Approval.

### 9. <u>MOTION FOR FINAL APPROVAL.</u>

Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA Penalties under Labor Code § 2699(*l*), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 9.1. <u>Response to Objections</u>. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 9.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 9.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Final Approval Order and Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Final Approval Order and Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 9.4. <u>Waiver of Right to Appeal</u>. Provided the Final Approval Order and Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Final Approval Order and Judgment,

Case No.: BCV-21-101136 Page 23 Trejo v. Lencioni Farm Services, Inc.

including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Final Approval Order and Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Final Approval Order and Judgment becomes final.

9.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Final Approval Order and Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of the Final Approval Order and Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Final Approval Order and Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

#### 10. AMENDED JUDGMENT.

If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

#### 11. NOTICE OF FINAL JUDGMENT IF THE SETTLEMENT IS APPROVED.

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

Case No.: BCV-21-101136 Page 24 Trejo v. Lencioni Farm Services, Inc.

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#### 12. ADDITIONAL PROVISIONS.

- No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by LFS that any of the allegations in the Operative Complaint have merit or that LFS has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that LFS's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter the Final Approval Order and Judgment, LFS reserves the right to contest certification of any class for any reasons, and LFS reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest LFS's defenses. The Settlement, this Agreement, and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, LFS, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize, or cause or permit another person to disclose, disseminate, or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, LFS, and Defense

Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Final Approval Order and Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4. <u>Integrated Agreement</u>. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. <u>Attorney Authorization</u>. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and LFS, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. <u>Cooperation</u>. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not

- directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. <u>No Tax Advice</u>. Neither Plaintiff, Class Counsel, LFS, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. <u>Modification of Agreement</u>. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10. <u>Agreement Binding on Successors</u>. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. <u>Cooperation in Drafting</u>. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. <u>Confidentiality</u>. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. <u>Use and Return of Class Data</u>. Information provided to Class Counsel pursuant to

  Evidence Code § 1152, and all copies and summaries of the Class Data provided to Class

  Counsel by LFS in connection with the mediation, other settlement negotiations, or in

  connection with the Settlement, may be used only with respect to this Settlement, and no

  other purpose, and may not be used in any way that violates any existing contractual

  agreement, statute, or rule of court. Not later than ninety (90) days after the date when the

  Court discharges the Administrator's obligation to provide a Declaration confirming the

final pay out of all Settlement funds, Plaintiff and Class Counsel shall destroy all paper and

1	themselves signed counterparts. Any executed counterpart will be admissible in evidence
2	to prove the existence and contents of this Agreement.
3	12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the
4	litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties
5	further agree that upon the signing of this Agreement that pursuant to CCP section 583.330
6	to extend the date to bring a case to trial under CCP section 583.310 for the entire period of
7	this settlement process.
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9	Plaintiff & Class Representative:
10	Dated: 10/18/2023 By:
11	
12	Defendant:
13	Dated:, 2023
14	Uolanda Lencioni  5006F9CFB01C482  By:
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20	Case No.: BCV-21-101136 Page 29 Trejo v. Lencioni Farm Services, Inc.
	CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

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