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| 11                  | GABRIELA SOTO HURTADO, individually, and on behalf of other members of the general | Case No.: 5:21-cv-04894-BLF  |
| 12                  | public similarly situated,   | JOINT STIPULATION OF CLASS ACTION<br>AND PAGA SETTLEMENT AND RELEASE |
| 13                  | Plaintiff,   | THE TRUTH SETTEMENT IN CONTROL                                       |
| 14                  | VS.  |  |
| 15                  | SWEET EARTH, INC., a Delaware corporation; and DOES 1 through 10, inclusive,       |  |
| 16                  | Defendants.  |  |
| 17                  | Defendants.  |  |
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|                     | JOINT STIPULATION OF CLASS ACT   | ION AND PAGA SETTLEMENT AND RELEASE                                  |

This Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement" or "Settlement Agreement") is made and entered into by and between Plaintiff Gabriela Soto Hurtado ("Plaintiff" or "Class Representative"), as an individual and on behalf of all others similarly situated, and Defendant Sweet Earth, Inc. ("Defendant") (collectively with Plaintiff, the "Parties").

## **DEFINITIONS**

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

- 1. "Action" means *Hurtado v. Sweet Earth, Inc.*, No. 5:21-cv-04894-BLF (United States District Court, Northern District of California).
- 2. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for Class Counsel's litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court's approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys' fees not in excess of one-third (1/3) of the Gross Settlement Amount, or One Hundred Ninety One Thousand Six Hundred Sixty Seven Dollars (\$191,667). The Attorneys' Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel's litigation and settlement of the Action, up to Twenty Thousand Dollars (\$20,000), subject to the Court's approval. Defendant has agreed not to oppose Class Counsel's request for fees and reimbursement of costs as set forth above.
  - 3. "Class Counsel" means Capstone Law APC.
- 4. "Class List" means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within thirty (30) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel, or similarly readable format, and will include each Class Member's full name; last reported mailing address listed in Defendant's records, telephone number (to the extent available in Defendant's records); Social Security number; dates of employment; and the respective number of Workweeks that

| Seventy Five Thousand Dollars (\$575,000) to be paid by Defendant in full satisfaction of all Released   |
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| Class Claims and Released PAGA Claims. The Gross Settlement Amount includes all Individual               |
| Settlement Payments, Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the        |
| General Release Payment, the PAGA Settlement Amount, and the Settlement Administration Costs. In no      |
| event will Defendant be liable for more than the Gross Settlement Amount except as otherwise explicitly  |
| set forth herein. There will be no reversion of the Gross Settlement Amount to Defendant. Defendant will |
| be separately responsible for any employer payroll taxes required by law, including the employer FICA,   |
| FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.                   |

- 14. "Individual Settlement Payment" means each Participating Class Member's and PAGA Member's respective shares of the Net Settlement Fund and PAGA Fund.
- 15. "Net Settlement Fund" means the portion of the Gross Settlement Amount remaining after deducting the Attorneys' Fees and Costs, Class Representative Enhancement Payment, General Release Payment, the PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to Defendant.
- 16. "Notice of Objection" means a Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, and telephone number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other documents upon which the objection is based; and (d) a statement whether the objector intends to appear at the final fairness hearing.
- 17. "PAGA Members" means all persons employed in California by Defendant as hourly-paid employees at any time during the period from May 27, 2020 through May 21, 2022.
  - 18. "PAGA Period" means the period from May 27, 2020 through May 21, 2022.
- 19. "PAGA Settlement Amount" means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency ("LWDA") and PAGA Members to resolve Plaintiff's claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et seq., "PAGA") ("PAGA Settlement"). The Parties have agreed that Twenty Thousand Dollars (\$20,000) of the Gross

Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, Seventy-Five Percent (75%), or Fifteen Thousand Dollars (\$15,000), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency ("Labor and Workforce Development Agency Payment"), and Twenty-Five Percent (25%), or Five Thousand Dollars (\$5,000) ("PAGA Fund"), of the PAGA Settlement will be disbursed to PAGA Members, regardless whether they request to be excluded from the Settlement Class.

- 20. "Parties" means Plaintiff and Defendant collectively.
- 21. "Participating Class Members" means all Class Members who do not submit timely and valid Requests for Exclusion.
  - 22. "Plaintiff" means Plaintiff Gabriela Soto Hurtado.
- 23. "Preliminary Approval" means the date on which the Court enters an order granting preliminary approval of the Settlement Agreement.
- 24. "Qualified Settlement Account" means the account established by the Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1.
- crelated to the facts and claims alleged in the Action, or that reasonably could have been raised in the Action based on the facts and claims alleged in the civil complaint and all amendments thereto, or included in any letter Plaintiff's counsel sent to the LWDA on behalf of Plaintiff during the Class Period. The Released Class Claims include all claims for unpaid wages, including overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; missed meal period and rest-period premiums, including failure to pay premiums at the regular rate of compensation; reimbursement for all necessary business expenses; payment for all hours worked, including off-the-clock work; failure to pay vacation and paid time off upon termination; failure to provide accurate and timely wage statements; unfair business practices; penalties including, but not limited to, civil penalties, statutory penalties, recordkeeping penalties, and waiting-time penalties; attorneys' fees and costs; and all claims reasonably related to the Released Class Claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 202, 203, 204, 210, 218.5, 226, 226(a), 226.3, 226.7, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, and 2802), the applicable Wage Orders of the

California Industrial Welfare Commission, California Business and Professions Code section 17200, *et seq.*, and federal common law. The Released Class Claims excludes the release of claims not permitted by law.

- 26. "Released PAGA Claims" means all claims for civil penalties under California Labor Code §§ 2698, et seq., that were brought or could reasonably have been brought based on the facts alleged in Plaintiff's LWDA letter sent during the PAGA Period.
- 27. "Released Parties" means Defendant and Nestle U.S.A., Inc., and all of their past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, service providers, joint venturers, joint employers, co-employers, dual employers, alleged joint employers, alleged co-employers, alleged dual employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns.
- 28. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name, address, telephone number, and last four digits of the Social Security Number of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed or postmarked on or before the Response Deadline.
- 29. "Response Deadline" means the deadline by which Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, disputes concerning the calculation of Individual Settlement Payments, and/or Notices of Objection. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.
- 30. "Settlement Administration Costs" means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,

printing, distributing, and tracking documents for this Settlement; tax reporting; distributing the Gross Settlement Amount; and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of approximately Three Hundred and Thirty (330) Class Members, the Settlement Administration Costs are currently estimated to be Ten Thousand Dollars (\$10,000).

- 31. "Settlement Administrator" means CPT Group, Inc., or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.
- 32. "Workweeks" means the number of days of employment for each Class Member during the Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and rounding up to the nearest whole number. All Class Members will be credited with at least one Workweek during the Class Period, and all PAGA Members will be credited with at least one Workweek during the PAGA Period.

## TERMS OF AGREEMENT

The Plaintiff, on behalf of herself and the Settlement Class, and Defendant agree as follows:

33. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of the Gross Settlement Amount of Five Hundred Seventy Five Thousand Dollars (\$575,000) into a Qualified Settlement Account to be established by the Settlement Administrator. Defendant also will fund the employer's share of payroll taxes due upon the portion of the Settlement Payments that are characterized as wages and submit the payment to the Settlement Administrator. After the Effective Date, the Settlement Administrator will distribute the Gross Settlement Amount in the amounts specified herein in the following payments: (a) Individual Settlement Payments; (b) the Labor and Workforce Development Agency Payment; (c) the Class Representative Enhancement Payment; (d) Attorneys' Fees and Costs; and (e) Settlement Administration Costs. Defendant will deposit the Gross Settlement Amount and the employer's

share of payroll taxes within ten (10) calendar days of the Effective Date ("Funding Date").

- 34. <u>Attorneys' Fees and Costs.</u> Defendant agrees not to oppose or impede any application or motion by Class Counsel for Attorneys' Fees and Costs of not more than One Hundred Ninety One Thousand Six Hundred Sixty Seven Dollars (\$191,667), plus the reimbursement of out-of-pocket costs and expenses associated with Class Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Twenty Thousand Dollars (\$20,000), both of which will be paid from the Gross Settlement Amount.
- 25. <u>Class Representative Enhancement Payment</u>. In recognition of her effort and work in prosecuting the Action on behalf of Class Members, Defendant agrees not to oppose or impede any application or motion for a Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000) to Plaintiff. The Class Representative Enhancement Payment will be paid from the Gross Settlement Amount and will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payment. Plaintiff understands and agrees that this Settlement Agreement shall remain in full force and effect even if the full amount of Class Representative Enhancement Payment sought by Plaintiff is not ultimately awarded by the Court.
- 36. <u>Settlement Administration Costs</u>. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which is currently estimated to be Ten Thousand Dollars (\$10,000). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Class Notices, calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.
- 37. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount of Twenty Thousand Dollars (\$20,000) from the Gross Settlement Amount will be designated for satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Fifteen Thousand Dollars (\$15,000), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or Five Thousand Dollars (\$5,000), will be paid to PAGA Members in proportion to the number of

Workweeks worked during the PAGA Period.

41(a)

- 38. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that no PAGA Member has the right to object to the PAGA Settlement Amount.
- 39. <u>Net Settlement Fund</u>. The entire Net Settlement Fund will be distributed to Participating Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendant.
- 40. <u>PAGA Fund</u>. The entire PAGA Fund will be distributed to all PAGA Members. No portion of the PAGA Fund will revert to or be retained by Defendant.
- 41. <u>Individual Settlement Payment Calculations</u>. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of Workweeks a Class Member worked during the Class Period and PAGA Period, respectively. Specific calculations of Individual Settlement Payments will be made as follows:
  - Payments from the Net Settlement Fund. Defendant will provide the total number of Workweeks worked by each Class Member during the Class Period. To determine each Class Member's estimated Individual Settlement Payment from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's "Individual Settlement Payment" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings, garnishments, or other lawful deductions. The entire Net Settlement Fund will be disbursed to all Class Members who do not submit timely and valid Requests for

41(b)

Exclusion. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

- Payments from the PAGA Fund. Defendant will provide the total number of Workweeks worked by each PAGA Member during the PAGA Period. To determine each PAGA Member's estimated "Individual Settlement Payment," the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the "PAGA Workweek Value." Each PAGA Member's "Individual Settlement Payment" will be calculated by multiplying each individual PAGA Member's total number of Workweeks by the PAGA Workweek Value. The entire PAGA Fund will be disbursed to all PAGA Members.
- 42. <u>No Credit Toward Benefit Plans</u>. The Individual Settlement Payments made to Participating Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.
- 43. <u>Administration Process</u>. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.
- 44. <u>Delivery of the Class List</u>. Within thirty (30) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator and to Class Counsel.
  - 45. <u>Notice by First-Class U.S. Mail.</u> Within ten (10) calendar days after receiving the Class

List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

- Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Class Notices returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search using the name, address, and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or by request, will have either (a) an additional fifteen (15) calendar days, or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an objection to the Settlement.
- 47. <u>Class Notices</u>. All Class Members will be mailed a Class Notice. Each Class Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class Member and PAGA Member definitions; (d) the total number of Workweeks each respective Class Member and PAGA Member worked for Defendant during the Class Period and PAGA Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period and PAGA Period; (g) instructions on how to submit Requests for Exclusion or Notices of Objection; (h) the deadlines by which the Class Member must postmark or fax Request for Exclusions or postmark Notices of Objection to the Settlement; and (i) the claims to be released.
- 48. <u>Disputed Information on Class Notices</u>. Class Members will have an opportunity to dispute the information provided in their Class Notices. To the extent Class Members dispute their employment dates or the number of Workweeks on record, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Defendant's records will be presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline and

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will be decided within ten (10) business days after the Response Deadline.

- 49. <u>Defective Submissions.</u> If a Class Member's Request for Exclusion is defective as to the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.
- 50. Request for Exclusion Procedures. Any Class Member wishing to opt out of the Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement Administrator before the Response Deadline. In the case of Requests for Exclusion that are mailed to the Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.
- 51. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final Approval of the Settlement.
- 52. Releases by Participating Class Members. Upon the Funding Date, and except as to such rights or claims as may be created by this Settlement Agreement, each Participating Class Member, together and individually, on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the Released Class Claims arising during the Class Period.
- 53. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or claims as may be created by this Settlement Agreement, each PAGA Member, together and individually, on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the Released PAGA Claims during the PAGA Period.

- 54. <u>Defendant's Right to Rescind</u>. Defendant will have, in its sole discretion, the right to void and withdraw from the Settlement if, at any time prior to Final Approval, Five Percent (5%) or more of Class Members opt out of the Settlement. Defendant must exercise this right of rescission in writing to Class Counsel within fourteen (14) calendar days after the latter of the Response Deadline or the date the Settlement Administrator reports to Defendant in writing the total number of Class Members who have validly and timely opted out of the Settlement. If the option to rescind is exercised, then Defendant will be solely responsible for all Settlement Administration Costs incurred to the date of rescission.
- Objection Procedures. To object to the Settlement Agreement, a Class Member may either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline or appear in person at the Final Approval Hearing. Class Members who fail to object either by submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement Agreement or appeal from the Final Approval order and judgment. Class Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the Class Member shall not participate in or be bound by the Settlement.
- 56. <u>Certification Reports Regarding Individual Settlement Payment Calculations.</u> The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to the Settlement through the date of the report and notes whether any Class Member has submitted a challenge to any information contained in their Class Notice. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.
- 57. <u>Distribution Timing of Individual Settlement Payments</u>. Within ten (10) calendar days of the Funding Date, the Settlement Administrator will issue payments from the Gross Settlement Amount

- to: (a) Participating Class Members and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement.
- 58. <u>Un-cashed Settlement Checks</u>. Funds represented by Individual Settlement Payment checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more than one hundred and eighty (180) calendar days after issuance will be tendered to the California State Controller's Office's Unclaimed Property Division in the name of the Participating Class Member.
- 59. <u>Certification of Completion</u>. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.
- 60. Treatment of Individual Settlement Payments. All Individual Settlement Payments will be allocated as follows: (a) Fifteen Percent (15%) of each Individual Settlement Payment will be allocated as wages for which IRS Forms W-2 will be issued, and (b) Eighty-Five Percent (85%) will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.
- 61. <u>Administration of Taxes by the Settlement Administrator</u>. The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.
- 62. <u>Tax Liability</u>. Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.
- 63. <u>Circular 230 Disclaimer</u>. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT: (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL

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No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged.

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- 65. Nullification of Settlement Agreement. In the event that the Court does not finally approve the Settlement as provided herein or the Settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.
- 66. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request the Preliminary Approval of the Settlement Agreement and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary Approval

of the proposed Settlement Agreement, and (c) setting a date for a final fairness hearing. The Preliminary Approval Order will provide for the Class Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval.

- 67. <u>Final Settlement Approval Hearing and Entry of Judgment</u>. Upon expiration of the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b) the Class Representative Enhancement Payment; (c) Individual Settlement Payments; (d) the Labor and Workforce Development Agency Payment; and (e) all Settlement Administration Costs. The final fairness hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at the Final Approval hearing.
- 68. <u>Judgment and Continued Jurisdiction</u>. Upon Final Approval of the Settlement by the Court or after the final fairness hearing, the Parties will present the judgment to the Court for its approval. After entry of the judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement. A copy of the judgment will be posted to the Settlement Administrator's website.
- 69. Release by Plaintiff. Upon the Funding Date, in addition to the claims being released by all Participating Class Members, Plaintiff will release and forever discharge the Released Parties to the fullest extent permitted by law of and from any and all claims, known or unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to Plaintiff's employment with Defendant and Plaintiff's compensation while an employee of Defendant ("Plaintiff's Released Claims"). Plaintiff's Released

1 Claims include, but are not limited to, all claims arising from or related to the Action. Plaintiff's Released 2 Claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, 3 straight time compensation, overtime compensation, double-time compensation, and interest; the 4 calculation of the regular rate of pay for any and all reasons, including but not limited to overtime, meal or 5 rest premiums and paid sick leave; wages related to alleged illegal time rounding; missed meal period and 6 rest period premiums; reimbursement for all necessary business expenses; payment for all hours worked, 7 including travel time and off-the-clock work; pay stubs and wage statements; deductions; failure to 8 provide, create, and keep accurate records; unfair business practices; penalties including, but not limited 9 to, recordkeeping penalties, wage statement penalties, minimum wage penalties, and waiting-time 10 penalties; and attorneys' fees and costs. Plaintiff's Released Claims also include all claims arising under 11 the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 12 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 13 226.8, 227.3, 245.5, 246, 246.5, 247.5, 248.5, 249, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 14 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2698 et seq., 2699 et seq., 2802, and 2810.5); 15 the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004; California Business and Professions Code section 17200, et seq.; the California Civil 16 17 Code including, but not limited to, sections 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR § 11060; 18 California Code of Civil Procedure § 1021.5; the California common law of contract; the FLSA, 29 U.S.C. 19 § 201, et seg.; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, 20 et seq. ("ERISA"). Plaintiff's Released Claims also include all claims for lost wages and benefits, 21 emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, 22 or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of 23 example only, (as amended) 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the 24 Americans With Disabilities Act, the Age Discrimination in Employment Act, the California Fair 25 Employment and Housing Act, and the laws of contract and tort. This release excludes the release of claims not permitted by law. To the extent the foregoing release is a release to which Section 1542 of the 26 27 California Civil Code or similar provisions of other applicable law may apply, Plaintiff expressly waives

any and all rights and benefits conferred upon her by the provisions of Section 1542 of the California Civil

Code or similar provisions of applicable law which are 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.

- 70. <u>Exhibits Incorporated by Reference</u>. The terms of this Settlement Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.
- 71. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.
- 72. <u>Amendment or Modification</u>. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved by the Court.
- 73. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties

may seek the assistance of the Court to resolve such disagreement.

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Binding on Successors and Assigns. This Settlement Agreement will be binding upon, 74. and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

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75. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

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76. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

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Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this 77. Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the

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78. <u>Invalidity of Any Provision</u>. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible, consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and

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enforceable.

fairness and reasonableness of this Settlement.

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Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and

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either party may appeal any court order that materially alters the Settlement Agreement's terms.

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class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not

Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to

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approved, the stipulation to certification will be void. The Parties further agree that certification for

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purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this

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or any other proceeding as evidence that either a class action should be certified or Defendant is liable to Plaintiff or any Class Member.

- 81. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.
- 82. No Public Comment. Neither Plaintiff nor Class Counsel shall issue any press release or announcement of any kind related in any way to the Settlement. Class Counsel agree that, prior to Preliminary Approval of the Settlement, they will keep the terms of this settlement confidential except for purposes of communicating with Plaintiff. Class Counsel shall inform Plaintiff that the Settlement is confidential and advise Plaintiff to keep the Settlement confidential. From and after Preliminary Approval of the Settlement, Plaintiff and Class Counsel may comment regarding the specific terms of the Settlement: (a) as required by law; (b) as required under the terms of the Settlement; or (c) as required under counsel's duties and responsibilities as Class Counsel. In all other cases, Plaintiff and Class Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written, or electronic (including the world wide web), to say the putative class action has been resolved and that Plaintiff and Class Counsel are satisfied with the Settlement's terms. Nothing in this Paragraph is intended to interfere with Class Counsel's duties and obligations to faithfully discharge their duties as Class Counsel, including but not limited to, communicating with Class Members regarding the

settlement. Class Counsel may disclose the name of the Parties in this action, the venue/case number, and settlement details available in the public record, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions or for purposes of seeking approval of an unrelated settlement.

- 83. <u>Waiver</u>. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.
- 84. <u>Enforcement Actions</u>. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, under the standards set forth within the meaning of applicable law.
- Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.
- 86. <u>Representation By Counsel</u>. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.
- 87. <u>All Terms Subject to Final Court Approval</u>. All amounts and procedures described in this Settlement Agreement will be subject to final Court approval.
- 88. <u>Cooperation and Execution of Necessary Documents</u>. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.
- 89. <u>Binding Agreement</u>. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully

| 1  | enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any |
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| 2  | proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise      |
| 3  | might apply under federal or state law.   |
| 4  |   |
| 5  | READ CAREFULLY BEFORE SIGNING   |
| 6  | PLAINTIFF   |
| 7  | DocuSigned by:  |
| 8  | Dated:  |
| 9  | Gabriela Soto Hurtado Gabriela Soto Hurtado   |
| 10 | DEFENDANT   |
| 11 | Detail.   |
| 12 | Dated: [Please Print Name of Authorized Signatory]  |
| 13 | Sweet Earth, Inc.   |
| 14 | APPROVED AS TO FORM   |
| 15 |   |
| 16 | CAPSTONE LAW APC  |
| 17 | Dated:5/11/23 By:   |
| 18 | Raul Perez Attorneys for Plaintiff Gabriela Soto Hurtado  |
| 19 |   |
| 20 | SHEPPARD, MULLIN, RICHTER &   |
| 21 | HAMPTON LLC   |
| 22 | Dated: By:  |
| 23 | Dated: By: RICHARD J. SIMMONS MORGAN P. FORSEY  |
| 24 |   |
| 25 | Attorneys for Defendant SWEET EARTH, INC.   |
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 $\label{thm:constraint} Joint \, Stipulation \, of \, Class \, Action \, and \, PAGA \, Settlement \, and \, Release$ 

| 1  | enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in an |  |
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| 2  | proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise     |  |
| 3  | might apply under federal or state law.  |  |
| 4  |  |  |
| 5  | READ CAREFULLY BEFORE SIGNING  |  |
| 6  |  |  |
| 7  | PLAINTIFF  |  |
| 8  | Dated:   |  |
| 9  | Gabriela Soto Hurtado  |  |
| 10 | DEFENDANT  |  |
| 11 | Dated: 6-15-23   |  |
| 12 | [Please Print Name of Authorized Signatory]  |  |
| 13 | Sweet Earth, Inc.  |  |
| 14 | APPROVED AS TO FORM  |  |
| 15 |  |  |
| 16 | CAPSTONE LAW APC   |  |
| 17 | Dated: By:   |  |
| 18 | Raul Perez Attorneys for Plaintiff Gabriela Soto Hurtado   |  |
| 20 |  |  |
| 21 | SHEPPARD, MULLIN, RICHTER &  |  |
| 22 | HAMPTON LLC  |  |
| 23 | Dated: 7/15/23 By:   |  |
| 24 | RICHARD J. SIMMONS<br>MORGAN P. FORSEY   |  |
| 25 | Attorneys for Defendant  |  |
| 26 | SWEET EARTH, INC.  |  |
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|    | Page 21  |  |
|    | JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE  |  |