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13	Attorneys for Defendant			
14	RESER'S FINE FOODS, INC.			
15	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
16	FOR THE COUNTY	Y OF SAN DIEGO		
17	MAITE MOLINA, an individual and on behalf	CASE NO.: 37-2021-00013052-CU-		
18	of all others similarly situated,	OECTL		
19	Plaintiff,	[Assigned to the Hon. Eddie C. Sturgeon]		
20	v.	CLASS ACTION		
21	RESER'S FINE FOODS, INC., an Oregon corporation; and DOES 1 through 100,	JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE		
22	inclusive,	ACTION SETTLEMENT AND RELEASE		
23	Defendants,	Action Filed: March 24, 2021		
24		Trial Date: None Set		
25				
26	This Joint Stipulation re: Class Act	tion and Representative Action Settlement		
27	("Settlement" or "Agreement" or "Stipulation of Settlement") is made by, between and among			
28		, J,		

plaintiff Maite Molina ("Plaintiff"), individually and on behalf of others similarly situated, on the one hand; and defendant Reser's Fine Foods, Inc. ("Defendant"), on the other hand; in the lawsuit entitled *Molina v. Reser's Fine Foods, Inc., et al.*, filed in San Diego County Superior Court, Case No. 37-2021-00013052-CU-OECTL (the "Action"). Plaintiff and Defendant shall be, at times, collectively referred to as the "Parties." This Agreement is intended by the Parties to fully, finally, and forever resolve the claims as set forth herein, based upon and subject to the terms and conditions of this Agreement.

Subject to approval of the Court, this Agreement shall be binding on Plaintiff, the Settlement Class, Defendant, and its respective present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any related individual or entity which could be liable for any of the Released Claims (hereinafter "Released Parties"), subject to the terms and conditions hereof and the approval of the Court.

### 1. <u>DEFINITIONS</u>

- **A.** "Action" means *Molina v. Reser's Fine Foods, Inc.* filed in San Diego County Superior Court, Case No. 37-2021-00013052-CU-OECTL.
- **B.** "Aggrieved Employees" means Class Members working for Defendant during the time period March 29, 2020 through October 26, 2021 (i.e., the PAGA Period) as non-exempt, hourly-paid employees.
- C. "Attorneys' Fees and Costs" means attorneys' fees agreed upon by the Parties and approved by the Court for Class Counsel's litigation and resolution of this Action, and all litigation costs and expenses incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs and expenses associated with mediation, documenting the Settlement, securing the Court's approval of the Settlement, administering the Settlement, obtaining entry of a Judgment terminating this Action, and expenses for any experts. Class Counsel will collectively request attorneys' fees not to exceed Thirty-Five Percent (35%) of the Gross Settlement Amount, or up to One Hundred and Five Thousand Dollars (\$105,000.00). Class Counsel will also request reimbursement of Class Counsel's actual litigation costs and

expenses, not to exceed Twenty Thousand Dollars (\$20,000.00). Defendant has agreed not to				
oppose Class Counsel's request for fees and reimbursement of costs and expenses as set forth				
above. Any portion of the requested Attorneys' Fees and Costs not awarded to Class Counse				
will be a part of the Net Settlement Amount, for distribution in conformity with this Agreement				
Attorneys' Fees and Costs expressly excludes any additional efforts that may become necessary				
to enforce this Agreement upon its approval.				

- **D.** "Class Counsel" means: David D. Bibiyan, Jeffrey D. Klein, and Christopher G. Michail of Bibiyan Law Group, P.C. The term "Class Counsel" shall be used synonymously with the term "Plaintiff's Counsel."
- E. "Class List" means complete list of all Settlement Class Members that Defendant will diligently and in good faith compile from its records or other records and provide only to the Settlement Administrator within fourteen (14) calendar days of the Court's Preliminary Approval of this Stipulation of Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member's full name; most recent mailing address and telephone number; Social Security number; dates of employment; Workweeks; and any other relevant information needed to calculate the Individual Settlement Payments.
- **F.** "Class Members" means all employees who worked for Defendant as non-exempt, hourly-paid employees in California during the Class Period.
- **G.** "Class Notice" means the Notice of Class Action Settlement and Claim Form, substantially in the form attached as **Exhibit A**.
  - **H.** "Class Period" means the period from March 24, 2020 through October 26, 2021.
- I. "Court" means the Superior Court of the State of California for the County of San Diego.
  - **J.** "**Defendant**" shall refer to defendant Reser's Fine Foods, Inc.
  - **K.** "Defendant's Counsel" means Davis Wright Tremaine LLP.
- L. "Employer Taxes" means employer-funded taxes and contributions imposed on the wage portions of the Individual Settlement Payments under the Federal Insurance

Contributions Act, the Federal Unemployment Tax Act, and any similar state and federal taxes and contributions required of employers, such as for unemployment insurance.

- **M.** "Final Approval Date" means the later of: (1) the date the Court signs an Order granting final approval of this Settlement ("Final Approval") and Judgment; (2) if there is an objector, 60 days from the date the Final Approval and Judgment; or (3) to the extent any appeals have been filed, the date on which they have been resolved or exhausted.
- N. "General Release" means the general release of claims by Plaintiff, which is in addition to her limited release of claims as a Participating Class Member and Aggrieved Employee.
- O. "Gross Settlement Amount" means a non-reversionary fund in the sum of Three Hundred Thousand Dollars and Zero Cents (\$300,000.00),¹ from which all payments for the Individual Settlement Payments to Participating Class Members, Individual PAGA Payments to Aggrieved Employees, , Attorneys' Fees and Costs, Settlement Administration Costs, a Service Award to Plaintiff, and the LWDA Payment shall be paid. It expressly excludes Employer Taxes, which shall be paid by Defendant separate and apart from the Gross Settlement Amount.
- **P.** "Service Award" or "Incentive Award" means monetary amount to be paid to Plaintiff of up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) which, subject to Court approval, will be paid out of the Gross Settlement Amount.
- Q. "Individual PAGA Payment" means a payment made to an Aggrieved Employee of his or her share of the PAGA Payment, which may be in addition to his or her Individual Settlement Share.
- **R.** "Individual Settlement Payment" means a payment to a Participating Class Member of his or her net share of the Net Settlement Amount, excluding any Individual PAGA Payment to which he or she may be entitled if he or she is also an Aggrieved Employee.
- S. "Individual Settlement Share" means the gross amount of the Net Settlement Amount that a Settlement Class Member is eligible to receive based on the number of Workweeks

<sup>&</sup>lt;sup>1</sup> As the same may be increased in accordance with Paragraph 17, below.

that he or she worked as a Settlement Class Member during the Class Period if he or she does not submit a timely and valid Request for Exclusion, excluding any Individual PAGA Payment to which he or she may be entitled if he or she is also an Aggrieved Employee.

- T. "LWDA Payment" means the payment to the Labor and Workforce Development Agency ("LWDA") for its seventy-five percent (75%) share of the total amount allocated toward penalties under the PAGA, which is to be paid from the Gross Settlement Amount. The Parties have agreed that Twenty Thousand Dollars and Zero Cents (\$20,000.00) shall be allocated toward PAGA penalties, of which Fifteen Thousand Dollars and Zero Cents (\$15,000.00) will be paid to the LWDA (*i.e.*, the LWDA Payment) and Five Thousand Dollars and Zero Cents (\$5,000.00) will remain a part of the Net Settlement Amount for payment to Aggrieved Employees on a *pro rata* basis (*i.e.*, the PAGA Payment).
- U. "Net Settlement Amount" means the portion of the Gross Settlement Amount that is available for distribution to Participating Class Members after deductions for the Courtapproved allocations for Settlement Administration Costs, a Service Award to Plaintiff, Attorneys' Fees and Costs, the LWDA Payment, and the Individual PAGA Payments.
- V. "Operative Complaint" or "Complaint" means the First Amended Complaint that was filed with the Court on June 25, 2020.
- W. "Objection" means a document sent by a Settlement Class Member to the Settlement Administrator which contains the Settlement Class Member's name and their basis for their objection to the Settlement.
- **X.** "PAGA Payment" is the \$5,000.00 payment made to Aggrieved Employees *pro* rata in addition to any Individual Settlement Payment if he or she is also a Participating Class Member.
- Y. "PAGA Period" means the period from March 29, 2020 through October 26, 2021.
- **Z.** "Participating Class Members" means all Settlement Class Members who do not submit a timely and valid Request for Exclusion.

- AA. "Participating Individual Settlement Share" means the gross amount of the Net Settlement Amount that a Participating Class Member is eligible to receive based on the number of Workweeks that he or she worked as a Settlement Class Member during the Class Period once all opt-outs have been factored in, excluding any Individual PAGA Payment to which he or she may be entitled if he or she is also an Aggrieved Employee.
  - **BB.** "Parties" shall refer to Plaintiff and Defendant collectively.
  - **CC.** "**Plaintiff**" shall refer to Plaintiff Maite Molina.
- **DD.** "**Preliminary Approval Date**" means the date on which the Court enters an Order granting preliminary approval of the Settlement.
- **EE.** "Released Parties" shall mean Defendant and each of its past, present, and future respective affiliates, parents, subsidiaries, predecessors, successors, divisions, joint ventures and assigns, including but not limited to RMJV, LP, d/b/a Fresh Creative Foods, and each of these entities' past or present directors, officers, employees, partners, members, principals, agents, insurers, co-insurers, re-insurers, shareholders, attorneys, and personal or legal representatives.
- FF. "Response Deadline" means the deadline for Settlement Class Members to mail any Requests for Exclusion, Objections, or Workweek Disputes to the Settlement Administrator, which is forty-five (45) calendar days from the date that the Class Notice is first mailed in English and Spanish by the Settlement Administrator, or, if the Class Notice is re-mailed, fifteen (15) calendar days after remailing, whichever is later. The date of the postmark shall be the exclusive means for determining whether a Request for Exclusion, Objection, or Workweek Dispute was submitted by the Response Deadline.
- **GG.** "**Request for Exclusion**" means a written request to be excluded from the Settlement Class pursuant to Section 9.C below.
- HH. "Settlement Administration Costs" means all costs incurred by the Settlement Administrator in administration of the Settlement, including, but not limited to, translating the Class Notice to Spanish, the distribution of the Class Notice to the Settlement Class in English and Spanish, calculating Individual Settlement Shares, Participating Individual Settlement Shares, Individual Settlement Payments, Individual PAGA Payments, and associated taxes and

withholdings, providing declarations, generating Individual Settlement Payment and/or Individual PAGA Payment checks and related tax reporting forms, doing administrative work related to unclaimed checks, transmitting payment to Class Counsel for the Court-approved amounts for attorneys' fees and reimbursement of litigation costs and expenses, to Plaintiff for her Service Award, and to the LWDA from the LWDA Payment, providing weekly reports of opt-outs, objections and related information, and any other actions of the Settlement Administrator as set forth in this Agreement, all pursuant to the terms of this Agreement. The Settlement Administration Costs are estimated not to exceed \$10,990. If the actual amount of the Settlement Administration Costs is less than \$10,990, the difference between \$10,990 and the actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$10,990 then such excess will be paid solely from the Gross Settlement Amount and Defendant will not be responsible for paying any additional funds in order to pay these additional costs.

- II. "Settlement Administrator" means the Third-Party Administrator chosen by the Parties that will be responsible for the administration of the Settlement including, without limitation, translating the Class Notice in Spanish, the distribution of the Individual Settlement Payments to be made by Defendant from the Gross Settlement Amount and related matters under this Agreement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that would create a conflict of interest.
- JJ. "Settlement Class", "Settlement Class Members" or "Class Members" means all current and former non-exempt, hourly-paid employees who worked in California for Defendant at any time during the Class Period.
- **KK.** "Workweeks" means the number of weeks that a Settlement Class Member was employed by Defendant, using hire dates, re-hire dates, and termination dates, as applicable, in a non-exempt, hourly position during the Class Period. If a Settlement Class Member disputes his/her Individual Settlement Share or Individual PAGA Payment, it shall be termed a

"Workweek Dispute." Each Participating Class Member shall be entitled to payment for at least one workweek.

**LL.** "Workweek Value" means the value of each compensable Workweek, as determined by the formula set forth herein.

#### 2. BACKGROUND

- A. On March 24, 2021, Plaintiff filed a putative wage-and-hour class action complaint against Defendant. Plaintiff alleged that during the Class Period, with respect to herself and those similarly situated, Defendant, *inter alia*, (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to pay wages due at termination or resignation; (6) failed to provide accurate wage statements; and (7) unfairly competed under the Business and Professions Code in the Superior Court of California, County of San Diego, Case number 37-2021-00013052-CU-OECTL (the "Class Action").
- **B.** On March 29, 2021, Plaintiff filed with the LWDA and served on Defendant a notice under Labor Code section 2699.3 (the "PAGA Notice") stating Plaintiff intended to serve as a proxy of the LWDA to recover civil penalties for Aggrieved Employees.
- C. On June 25, 2021, when 65 days passed without any communication from the LWDA, Plaintiff filed a First Amended Complaint ("FAC") in the Class Action (hereinafter, the "Litigation", "Action", or "Lawsuit"). Plaintiff, as a proxy of the LWDA, sought PAGA civil penalties from Defendant under Labor Code sections 210, 226.3, 558, 1174.5, 1197.1 and 2699 for the Labor Code violations set out in the PAGA Notice for Plaintiff and other Aggrieved Employees.
- **D.** Shortly after the filing of the Action, the Parties agreed to exchange informal discovery and attend an early mediation. Prior to mediation, Class Counsel was provided with, among other things: (1) time and pay records for 99 of 492 Class Members; (2) data points for Workweeks worked by Class Members during the Class Period, number of separated Class Members during the Class Period, number of Workweeks worked in the Class Period, number of pay periods worked in the Class Period, and average rate of pay for Class Members; (3)

Employee Handbooks and other standalone policies in effect during the Class Period; (4) exemplars of purported arbitration agreements signed by Class Members and Plaintiff; and (5) all documents concerning Plaintiff available to Defendant.

- **E.** On October 26, 2021, the Parties participated in a mediation before Nikki Tolt, Esq. (the "Mediator"), a respected mediator of wage and hour class actions.
- **F.** With the aid of the Mediator's evaluation and of further negotiations, the Parties reached the Settlement to resolve the Action. The Parties therein negotiated the terms of a Memorandum of Understanding thereafter, which set forth the basic terms of the settlement reached subject to Court approval, with an understanding that those deal points would be expanded upon in this long form settlement agreement.
- **G.** The settlement discussions during and after mediation were conducted at arm's-length and this Stipulation of Settlement is the result of an informed and detailed analysis of Defendant's potential liability of total exposure in relation to the costs and risks associated with continued litigation.
- H. Class Counsel has conducted significant investigation of the law and facts relating to the claims asserted in the Action and has concluded that that the Settlement set forth herein is fair, reasonable, adequate, and in the best interests of the Settlement Class, taking into account the sharply contested issues involved, the expense and time necessary to litigate the Action through trial and any appeals, the risks and costs of further litigation of the Action, the risk of an adverse outcome, the uncertainties of complex litigation, the information learned through informal discovery regarding Plaintiff's allegations, and the substantial benefits to be received by Settlement Class Members.
- I. Defendant has concluded that, because of the substantial expense of defending against the Action, the length of time necessary to resolve the issues presented herein, the inconvenience involved, and the concomitant disruption to their business operations, it is in their best interest to accept the terms of this Agreement. Defendant denies each of the allegations and claims asserted against them in the Action and has asserted numerous affirmative defenses. However, Defendant nevertheless desires to settle the Action for the purpose of avoiding the

burden, expense and uncertainty of continuing litigation and for the purpose of putting to rest the controversies engendered by the Action.

1. This Agreement is intended to and does effectuate the full, final, and complete resolution of all claims for Plaintiff, Class Released Claims of Participating Class Members and of the PAGA Released Claims for Aggrieved Employees. The Parties expressly acknowledge that this Stipulation of Settlement is entered solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason this Stipulation of Settlement is not approved by the Court, this Stipulation of Settlement will be of no force or effect, and the Parties shall be returned to their original respective positions.

#### 3. <u>JURISDICTION</u>

The Court has jurisdiction over the Parties and the subject matter of the Action. The Action includes claims that, if proven, would authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted Final Approval of the Settlement and entered judgment, the Court shall retain jurisdiction over the Parties to enforce the terms of the judgment pursuant to California Rule of Court, rule 3.769, subdivision (h).

#### 4. STIPULATION OF CLASS CERTIFICATION

The Parties stipulate to the certification of the Settlement Class under this Agreement for purposes of settlement only. Should this Stipulation of Settlement not be fully and finally approved or be terminated, these stipulations shall be null and void and shall not be admissible for any purpose whatsoever.

## 5. MOTIONS FOR APPROVAL OF SETTLEMENT

After full execution of this Agreement, Plaintiff will move for an order granting preliminary approval of the Settlement. This motion will seek an order from the Court approving as to form and content and directing the mailing of the proposed Notice of Class Action Settlement ("Class Notice") attached hereto as **Exhibit "A"**; conditionally certifying the Settlement Class for settlement purposes only; approving the manner and method of submitting Requests for Exclusion, Workweek, Disputes, and Objections; preliminarily approving the

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A.

**RELEASE OF CLAIMS** 

Release by All Participating Class Members.

proposed by the Parties for the submission of Requests for Exclusion, Workweek Disputes, and Objections; and barring Plaintiff and any Class Members from filing or prosecuting any claims, suits, or administrative proceedings regarding the Released Claims until such Class Members have filed valid Requests for Exclusion with the Settlement Administrator.

Settlement subject only to Objections and final review by the Court; approving the deadlines

If and when the Court preliminarily approves the Settlement, and after administration of the Class Notice in a manner consistent with the Court's Preliminary Approval Order, Plaintiff will move for an order finally approving the Settlement and seek entry of a Judgment in line with this Settlement. The Parties may both respond to any Objections lodged to final approval of the Settlement up to five (5) court days before the Final Approval Hearing.

#### 6. STATEMENT OF NO ADMISSION

Defendant denies any wrongdoing of any sort and further denies any liability to Plaintiff and the Settlement Class with respect to any claims or allegations asserted in the Action. This Agreement shall not be deemed an admission by Defendant of any claims or allegations asserted in the Action. Defendant specifically denies it has 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. Except as set forth elsewhere herein, in the event that this Agreement is not approved by the Court, or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited or affected in any way any claims, rights or remedies, or defenses in the Action, and Defendant will not be deemed to have waived, limited, or affected in any way any of its objections or defenses in the Action. The Parties shall be restored to their respective positions in the Action prior to the entry of this Settlement.

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of Judgment, and payment by Defendant to the Settlement Administrator of the full Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 17) and Employer's Taxes necessary to effectuate the Settlement, Plaintiff and all Participating Class Members release the Released Parties of all claims against the Released Parties asserted in the Operative Complaint filed in the Action, or any and all claims under local, state, and federal law that could have been asserted against the Released Parties based on the factual allegations in the Operative Complaint filed in the Action, as follows: For the duration of the Class Period, the release includes: (a) all claims for failure to pay overtime wages; (b) all claims for failure to pay minimum wages; (c) all claims for failure to provide compliant meal periods or compensation in lieu thereof; (d) all claims for failure to provide compliant rest periods or compensation in lieu thereof; (e) all claims failure to timely pay all wages due upon termination or resignation; (f) all claims for non-compliant wage statements; and (g) all claims asserted through California Business & Professions Code § 17200 et seq. arising out of the Labor Code violations referenced in the Complaint. ("Class Released Claims"). For Aggrieved Employees, the release includes, for the duration of the PAGA Period, all claims for civil penalties under PAGA arising out of the Labor Code sections alleged to have been violated in the PAGA Notice and Operative Complaint, including civil penalties under Labor Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699 for alleged violations of Labor Code sections 96, 98.6, 201, 202, 203, 204, 226, 226.7, 227.3, 232, 232.5, 246, 404, 432, 510, 512, 1102.5, 1174, 1194, 1197, 1197.5, 1198.5, 2802 and 2810.5 ("PAGA Released Claims"). The Class Released Claims and PAGA Released Claims shall collectively be referred to as the "Released Claims".

#### B. General Release.

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Defendant to the Settlement Administrator of the full Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 17) and Employers' Taxes necessary to effectuate the Settlement, in addition to the Released Claims, Plaintiff makes the additional following General Release: Plaintiff releases the Released Parties from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever,

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27 28 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule, law or regulation arising out of, relating to, or in connection with any act or omission of the Released Parties through the date of full execution of this Agreement in connection with her employment or the termination thereof. With respect to the General Release, Plaintiff stipulates and agrees that, upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Defendant to the Settlement Administrator of the full Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 17) and Employer's Taxes necessary to effectuate the Settlement, Plaintiff shall be deemed to have, and by operation of the Final Judgment and payment to the Settlement Administrator shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

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

#### 8. SETTLEMENT ADMINISTRATOR

Plaintiff and Defendant, through their respective counsel, have selected ILYM Group, Inc. to administer the Settlement, which includes but is not limited to translating the Class Notice to Spanish, distributing and responding to inquiries about the Class Notice and calculating all amounts to be paid from the Gross Settlement Amount. Charges and expenses of the Settlement Administrator, currently estimated to be \$10,990 will be paid from the Gross Settlement Amount. If the actual Settlement Administrator fees are less than \$10,990 the difference will remain a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$10,990 then such excess will be paid solely from the Gross Settlement Amount and Defendant will not be responsible for paying any additional funds in order to pay these additional costs.

#### 9. NOTICE, WORKWEEK DISPUTE, OBJECTION, AND EXCLUSION PROCESS

#### Α. Notice to the Settlement Class Members.

Counsel with a weekly report which certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion; (b) the number of Class Members who have submitted Objections; (c) the number of re-mailed Class Notices; (d) the number of undeliverable Class Notices; and (e) 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 this Stipulation of Settlement as needed or requested.

(5) No later than seven (7) calendar days before the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a declaration attesting to the completion of the notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Class Notices, as well as the identities, number of, and copies of all valid Requests for Exclusion and objections/comments received by the Settlement Administrator.

## B. Objections.

Only Participating Class Members may object to the Settlement. In order for any Settlement Class Member to object to this Settlement in writing, or any term of it, he or she must do so by mailing a written objection to the Settlement Administrator at the address or phone number provided on the Class Notice no later than the Response Deadline. The Settlement Administrator shall email a copy of the Objection forthwith to Class Counsel and Defendant's Counsel, and attach the same to the declaration it provides to Class Counsel, which Class Counsel shall file with Plaintiff's Motion for Final Approval of the Settlement. The Objection should set forth in writing: (1) the Objector's name; (2) the Objector's address; (3) the last four digits of the Objector's Social Security Number; (4) the Objector's signature; (5) a statement of whether the Objector plans to appear at the Final Approval Hearing; and (6) the reason(s) for the Objection, along with whatever legal authority, if any, the Objector asserts in support of the Objection. At no time will any of the Parties or their counsel or anyone acting at their request seek to solicit or otherwise encourage Class Members to submit written objections to this Stipulation of Settlement or appeal from the Court's final Order. Class Counsel will not represent any Class Members

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with respect to any such objections to this Settlement. If a Settlement Class Member objects to the Settlement, the Settlement Class Member will remain a member of the Settlement Class and if the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Settlement Class Member who does not object. The date of mailing of the Class Notice to the objecting Settlement Class Member shall be conclusively determined according to the records of the Settlement Administrator. Settlement Class Members need not object in writing to be heard at the Final Approval Hearing; they may object or comment in person at the hearing at their own expense. Class Counsel and Defendant's Counsel may respond to any objection lodged with the Court up to five (5) court days before the Final Approval Hearing.

#### C. Requesting Exclusion.

Any Settlement Class Member may request exclusion from (i.e., "opt out" of) the Settlement by mailing a written request to be excluded from the Settlement ("Request for Exclusion") to the Settlement Administrator, postmarked on or before the Response Deadline. To be valid, a Request for Exclusion must include: (1) the Class Member's name; (2) the Class Member's Social Security Number; (3) the Class Member's signature; and (4) the following statement: "Please exclude me from the Settlement Class in the Molina v. Reser's Fine Food Inc., et al. matter" or a statement of similar meaning. The Settlement Administrator shall immediately provide copies of all Requests for Exclusion to Class Counsel and Defendant's Counsel and shall report the Requests for Exclusions that it receives, to the Court, in its declaration to be provided in advance of the Final Approval Hearing. Any Settlement Class Member who requests exclusion using this procedure will not be entitled to receive any payment from the Settlement and will not be bound by the Settlement Agreement or have any right to object to, appeal, or comment on the Settlement. Any Settlement Class Member who does not opt out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all terms of the Settlement, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if Final Approval of the Settlement is granted. A Settlement Class Member cannot submit both a Request for Exclusion and an objection. If a Settlement Class

Member submits an Objection and a Request for Exclusion, the Request for Exclusion will control, and the Objection will be void. Aggrieved Employees who submit a valid Request for Exclusion will still be deemed Aggrieved Employees, will still receive Individual PAGA Payments and will be deemed to have released the PAGA Released Claims.

#### D. Disputes Regarding Settlement Class Members' Workweek Data.

Each Settlement Class Member may dispute the number of Workweeks attributed to him or her on his or her Class Notice ("Workweek Dispute"). Any such disputes must be mailed to the Settlement Administrator by the Settlement Class Member, postmarked on or before the Response Deadline. To the extent Class Members dispute the number of Workweeks to which they have been credited or the amount of their Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records may be presumed determinative. However, if a Class Member produces evidence to the contrary, the Settlement Administrator will evaluate the evidence submitted by the Class Member and will make the final decision as to the merits of the dispute. All disputes will be decided within seven (7) business days of the Response Deadline.

# 10. <u>INDIVIDUAL SETTLEMENT PAYMENTS TO PARTICIPATING CLASS</u> <u>MEMBERS</u>

Individual Settlement Payments will be calculated and distributed to Participating Class Members from the Net Settlement Amount on a *pro rata* basis, based on the Participating Class Members' respective number of Workweeks during the Class Period. Individual PAGA Payments to Aggrieved Employees will be calculated and distributed to Aggrieved Employees from the PAGA Payment on a *pro rata* basis based on Aggrieved Employees' respective number of Workweeks during the PAGA Period. Specific calculations of the Individual Settlement Shares and Individual PAGA Payments to Aggrieved Employees will be made as follows:

**A.** The Settlement Administrator will determine the total number of Workweeks

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aggregates both the Individual Settlement Payment and the Individual PAGA Payment.

#### 11. **DISTRIBUTION OF PAYMENTS**

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#### Distribution of Individual Settlement Payments and Individual PAGA Α. Payments.

Participating Class Members will receive an Individual Settlement Payment. All PAGA Aggrieved Employees, regardless of whether they submit a valid Request for Exclusion or not, will receive their portion of the PAGA Payment. Individual Settlement Payment checks and checks to PAGA Aggrieved Employees for their portion of the PAGA Payment shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Within seven (7) calendar days after expiration of the 180-day period, checks for such payments shall be canceled and funds associated with such checks shall be considered unpaid, unclaimed or abandoned cash residue pursuant to Code of Civil Procedure section 384 ("Unpaid Residue"). The Unpaid Residue plus accrued interest, if any, as provided in Code of Civil Procedure section 384, shall be transmitted as follows: to Legal Aid at Work, Located at 180 Montgomery St., Suite 600, San Francisco, California 94104 for use in San Diego County. The Settlement Administrator shall prepare a report regarding the distribution plan pursuant to Code of Civil Procedure section 384 and the report shall be presented to the Court by Class Counsel along with a proposed amended judgment that is consistent with the provisions of Code of Civil Procedure section 384.

#### B. **Funding of Settlement.**

Within ten (10) business days after the Final Approval Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement. Defendant shall, within seven (7) calendar days after receiving the final accounting from the Settlement Administrator, make payment of the Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 17 of this Agreement) and Employer Taxes to the Settlement Administrator pursuant to Internal Revenue Code section 1.468B-1 for deposit in an interest-bearing qualified settlement account ("QSA") with an FDIC insured banking institution, for distribution in accordance with this Agreement and the Court's Orders and subject to the conditions described herein.

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#### C. Time for Distribution.

Within seven (7) calendar days after payment of the full Gross Settlement Amount and Employer Taxes by Defendant, or as soon thereafter as practicable, the Settlement Administrator shall distribute from the QSA all payments due under the Settlement as follows: (1) the Service Award to Plaintiff as specified in this Agreement and approved by the Court; (2) the Attorneys' Fees and Cost Award to be paid to Class Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement Administrator Costs, as specified in this Agreement and approved the Court; (4) the LWDA Payment, as specified in this Agreement and approved by the Court; and (5) Individual PAGA Payments as specified in this Agreement and approved by the Court. The balance remaining shall constitute the Net Settlement Amount from which Individual Settlement Payments shall be made to Participating Class Members, less applicable taxes and withholdings. All interest accrued shall be for the benefit of the Class Members and distributed on a pro rata basis to Participating Class Members based on the number of Workweeks worked by them in the Class Period.

#### 12. ATTORNEYS' FEES AND LITIGATION COSTS

Class Counsel shall apply for, and Defendant shall not oppose, an award of attorneys' fees of up to thirty five percent (35%) of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 17 of this Agreement, shall amount to One Hundred Five Thousand Dollars and Zero Cents (\$105,000.00). Class Counsel shall further apply for, and Defendant shall not oppose, an application or motion by Class Counsel for reimbursement of actual costs associated with Class Counsel's prosecution of this matter as set forth by declaration testimony in an amount up to Twenty Thousand Dollars and Zero Cents (\$20,000.00). Awards of attorneys' fees and costs shall be paid out of the Gross Settlement Amount, for all past and future attorneys' fees and costs necessary to prosecute, settle, and obtain Final Approval of the Settlement in the Action. The "future" aspect of the amounts stated herein includes, without limitation, all time and expenses expended by Class Counsel (including any appeals therein). There will be no additional charge of any kind to either the Settlement Class Members or request for additional consideration from Defendant for such work unless, Defendant materially breaches this Agreement, including

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any term regarding funding, and further efforts are necessary from Class Counsel to remedy said breach, including, without limitation, a motion to enforce this Agreement. Should the Court approve attorneys' fees and/or litigation costs and expenses in amounts that are less than the amounts provided for herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

## 13. <u>INCENTIVE AWARD TO PLAINTIFF</u>

Plaintiff shall seek, and Defendant shall not oppose, an Incentive Award in an amount not to exceed Seven Thousand, Five Hundred Dollars and Zero Cents (\$7,500.00) for participation in and assistance with the Action. Any Incentive Award awarded to Plaintiff shall be paid from the Gross Settlement Amount and shall be reported on an IRS Form 1099. Plaintiff shall be solely and legally responsible for correctly characterizing her Incentive Award for tax purposes and for paying taxes on the amount received. Plaintiff agrees to indemnify and hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of the Incentive Award. If the Court approves Incentive Award to Plaintiff in less than the amounts sought herein, then the unapproved portion shall be a part of the Net Settlement Amount.

#### 14. TAXATION AND ALLOCATION

- A. Each Individual Settlement Share shall be allocated as follows: 20% as wages (to be reported on an IRS Form W2); and 80% as interest and penalties (to be reported on an IRS Form 1099). Each Individual PAGA Payment shall be allocated entirely as penalties. The Parties agree that the employees' share of taxes and withholdings with respect to the wage-portion of the Individual Settlement Share will be withheld from the Individual Settlement Share in order to yield the Individual Settlement Payment. The amount of federal income tax withholding will be based upon a flat withholding rate for supplemental wage payments in accordance with Treasury Regulation § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholding will also be made pursuant to applicable state and/or local withholding codes or regulations.
- **B.** Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Internal Revenue Code of 1986 (the

"Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendant into compliance with any such changes.

- **C.** All Employer Taxes shall be paid by Defendant separate, apart, and above from the Gross Settlement Amount. Defendant shall remain liable to pay the employer's share of payroll taxes as described above.
- **D.** Neither Counsel for Plaintiff nor Defendant intend anything contained in this Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

#### 15. PRIVATE ATTORNEYS' GENERAL ACT ALLOCATION

The Parties agree to allocate Twenty Thousand Dollars and Zero Cents (\$20,000.00) of the Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA (\$15,000.00) will be paid to the LWDA (*i.e.*, the LWDA Payment), and twenty-five percent (25%) will remain a part of the Net Settlement Amount (\$5,000.00) (the "PAGA Payment"), to be distributed to Aggrieved Employees on a *pro rata* basis, based upon their respective Workweeks in the PAGA Period (*i.e.*, the Individual PAGA Payments).

#### 16. COURT APPROVAL

This Agreement is contingent upon an order by the Court granting Final Approval of the Settlement, and that the LWDA does not intervene and/or object to the Settlement. In the event it becomes impossible to secure approval of the Settlement by the Court and the LWDA, the Parties shall be restored to their respective positions in the Action prior to entry of this Settlement. If this Settlement Agreement is voided, not approved by the Court or approval is reversed on appeal, it shall have no force or effect and no Party shall be bound by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders when denying approval; and/or (b) there are any terms and conditions in this Settlement Agreement specifically

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stated to survive the Settlement Agreement being voided or not approved, and which control in such an event.

## 17. <u>INCREASE IN WORKWEEKS</u>

Defendant represents that there are no more than 26,920 Workweeks during the Class Period. In the event the number of Workweeks worked increases by more than 5%, or 1,346 workweeks worked, then the Gross Settlement Amount shall be increased proportionally by the Workweeks in excess of 26,920 multiplied by the Workweek Value. The Workweek Value shall be calculated by dividing the Gross Settlement Amount by 26,920. The Parties agree that the workweek value amounts to and the settlement amounts to \$11.14 per Workweek (\$300,000 / 26,920 Workweeks). Thus, for example, should there be 30,000 Workweeks in the Class Period, then the Gross Settlement Amount shall be increased by \$34,311.20. ((30,000 Workweeks – 26,920 Workweeks) x \$11.14/workweek.)

#### 18. NOTICE OF JUDGMENT

In addition to any duties set out herein, the Settlement Administrator shall provide notice of the Final Judgment entered in the Action by posting the same on its website for at least three (3) years after the Judgment becomes final.

### 19. <u>MISCELLANEOUS PROVISIONS</u>

#### A. Interpretation of the Agreement.

This Agreement constitutes the entire agreement between Plaintiff and Defendant with respect to its subject matter. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State of California, both in its procedural and substantive aspects, without regard to its conflict of law provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California for the County of San Diego, and Plaintiff and

Defendant hereby consent to the personal jurisdiction of the Court in the Action over it solely in connection therewith. Plaintiff, on Plaintiff's own behalf and on behalf of the Settlement Class, and Defendant participated in the negotiation and drafting of this Agreement and had available to them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendant may claim that any ambiguity in this Agreement should be construed against the other. The Agreement may be modified only by a writing signed by counsel for the Parties and approved by the Court.

## **B.** Either Party's Option to Terminate the Settlement.

Subject to the obligation(s) of mutual full cooperation, except as provided expressly herein, Plaintiff and Defendant will each have the right to unilaterally terminate this Settlement if the Court rejects, materially modifies, materially amends or changes, or declines to enter the Preliminary Approval Order, the Final Approval Order or final judgment without material change, or this Stipulation of Settlement as agreed does not become final because of appellate court action. The terminating Party shall give to the other Party (through its counsel) written notice of its decision to terminate no later than ten (10) business days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:

- a. The Stipulation of Settlement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms;
- b. In the event the Settlement is terminated, Defendant shall have no obligation to make any payments to any party, class member or attorney, except that the Terminating Party shall pay the Settlement Administrator for services rendered up to the date the Settlement Administrator is notified that the settlement has been terminated;
- c. The Preliminary Approval Order, Final Approval Order and Judgment, including any order of class certification, shall be vacated;
- d. The Stipulation of Settlement and all negotiations, privileged statements and proceedings relating thereto shall be without prejudice to the rights of any of

the Parties, all of whom shall be restored to their respective positions in the Action prior to this Stipulation of Settlement; and

e. Neither this Stipulation of Settlement, nor any ancillary documents, actions, statements or filings in furtherance of this Stipulation of Settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Action or any other action for any purpose whatsoever.

#### C. Confidentiality.

The Parties and their counsel agree that they will not issue any press releases, post any notices, publicize the settlement, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount, or terms of the Settlement, including but not limited to any postings on any websites maintained by Class Counsel. Nothing set forth herein, however, shall prohibit the Parties from providing this Agreement to the Court in connection with the Parties' efforts to seek the Court's approval of this Settlement or assisting Class Members with participation in the Settlement. Neither Plaintiff nor Class Counsel shall hold a press conference or otherwise seek to affirmatively contact the media about the Settlement. If contacted by the media regarding the settlement, Class Counsel will direct any media inquiries to the public records of the Action on file with the Court. Additionally, neither Plaintiff nor Class Counsel will disparage the Settlement.

#### D. Acknowledgement that the Settlement is Fair, Reasonable, and Adequate.

The Parties believe this Stipulation of Settlement 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 fairness and reasonableness of this Agreement. In addition, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

#### E. Plaintiff's Waiver of Right to Be Excluded or Object.

Plaintiff agrees that she will not request to be excluded from this Stipulation of Settlement. Any Exclusion Form submitted by Plaintiff will be void and of no force or effect.

#### F. Enforcement Actions.

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, including expert witness fees incurred in connection with any enforcement actions.

#### G. Notice.

Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

#### To Plaintiff and the Class:

DAVID D. BIBYAN JEFFREY D. KLEIN CHRISTOPHER G. MICHAIL **BIBIYAN LAW GROUP, P.C.** 8484 Wilshire Boulevard, Suite 500 Beverly Hills, California 90211

#### To Defendant Reser's Fine Foods, Inc.:

CAMILO ECHAVARRIA ALEXA GRAUMLICH **DAVIS WRIGHT TREMAINE LLP** 865 South Figueroa Street, Suite 2400 Los Angeles, California 90017

#### H. Further Cooperation.

Plaintiff, Defendant, and their respective attorneys shall proceed diligently to prepare and execute all documents, to seek the necessary approvals from the Court, and to do all things reasonably necessary to consummate the Settlement as expeditiously as possible.

#### I. Counterparts.

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1	The Agreement may be executed in one or more actual or non-original counterparts, all		
2	of which will be considered one and the same instrument and all of which will be considered		
3	duplicate originals.		
4	J. Authority.		
5	Each individual signing below warrants that he or she has the authority to execute this		
6	Agreement on behalf of the party for whom or which that individual signs.		
7	K. No Third-Party Beneficiaries.		
8	Plaintiff, Participating Class Members, Class Counsel, and Defendant are direct		
9	beneficiaries of this Agreement, but there are no third-party beneficiaries.		
10	L. Deadlines Falling on Weekends or Holidays.		
11	To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday,		
12	or legal holiday, that deadline shall be continued until the following business day.		
13	M. Severability.		
14	In the event that one or more of the provisions contained in this Agreement shall for any		
15	reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or		
16	unenforceability shall in no way effect any other provision if Defendant's Counsel and Class		
17	Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed		
18	as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.		
19	IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this		
20	Joint Stipulation of Settlement and Release Between Plaintiff and Defendant as of the date(s) set		
21	forth below.		
22	IT IS SO AGREED:		
23	II IS SO AGREED.		
24	Dated:, 2022		
25	MAITE MOLINA Plaintiff and Class Representative		
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1 2 3	Dated:	RESER'S FINE FOODS, INC. Defendant By:
4	AGREED AS TO FORM:	Its: C.FO/ Measurer
5		Vedans J. Ratu
б	Dated: March 29, 2022	Vedang J. Katul DAVID D. BIBIYAN
7	THE CHARACTER CONTROL OF THE CO	VEDANG J. PATEL Bibiyan Law Group, P.C.
8	ripella antariori marque	Counsel for Plaintiff Maite Molina
9	Dated: March 25, 2022	( ) ( ) Amount of the second o
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