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13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF LOS ANGELES—CENTRAL CIVIL WEST**

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16 EDWARD PEREZ; GIOVANNY SAUCEDO;
individually, and on behalf of other aggrieved
17 employees pursuant to the California Private
Attorneys General Act,

18 Plaintiffs,

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vs.

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21 CENTINELA FEED, INC., a California
corporation; and DOES 1 through 100,
inclusive,

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Defendants.

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CASE NO. BC575341

CLASS ACTION

**JOINT STIPULATION OF
SETTLEMENT OF CLASS ACTION**

Assigned to the Honorable Ann I. Jones
(Dept. 308)

[Complaint Filed: March 12, 2015]

1 This Settlement Agreement is made by the following Parties: Plaintiffs Edward Perez and
2 Giovanni Saucedo, individually and on behalf of all others similarly situated, and Defendant,
3 Centinela Feed, Inc. This Settlement Agreement is subject to the approval of the Court.

4 **I. DEFINITIONS**

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

9 1. "Action" shall mean Los Angeles County Superior Court Case No. BC575341.

10 2. "Administrative Expenses" shall refer to any payment of all costs and expenses
11 relating to the administration of the settlement, dissemination of notice, processing of claims,
12 including any such fees paid to the Settlement Administrator.

13 3. "Agreement," "Stipulation," "Stipulation of Settlement," "Settlement Agreement,"
14 or "Stipulation and Agreement" shall mean this Joint Stipulation of Settlement of Class Action,
15 including any attached Exhibits.

16 4. "Centinela Feed, Inc." or "Defendant" shall mean Defendant Centinela Feed, Inc.

17 5. "Claim Summary Form" shall refer to the form attached hereto as **Exhibit 2**, which
18 shall be distributed to the Class Members by the Settlement Administrator pursuant to the terms of
19 this Settlement Agreement. The Claim Summary Form shall afford each Class Member the
20 opportunity to challenge the number of Hours Worked reflected in Defendant's payroll records,
21 and to provide evidence supporting any such challenge.

22 6. "Class Counsel" shall mean, Lawyers *for* Justice, PC located at 410 West Arden
23 Avenue, Suite 203, Glendale, California 91203.

24 7. "Class Counsel Attorneys' Fees" is the amount to be paid to Class Counsel for
25 attorneys' fees, pursuant to the terms of this Stipulation and subject to approval by the Court.

26 8. "Class Counsel Attorneys' Fees and Costs" is the amount to be paid to Class
27 Counsel for attorneys' fees and costs, pursuant to the terms of this Stipulation and subject to
28 approval by the Court.

1 9. “Class Member” or “Settlement Class Member” shall mean any person who is a
2 member of the Settlement Class.

3 10. “Class” or “Settlement Class” shall mean the persons who fall within the class
4 definition set forth in Section IV.1 herein. A list of persons who fall within the Class definition
5 shall be made separately available to Class Counsel and/or the Court upon request.

6 11. “Class Notice” shall mean the Notice of Class Action Settlement, as set forth in the
7 form of **Exhibit 1** attached hereto, or as otherwise approved by the Court, which is to be mailed to
8 Class Members.

9 12. “Participating Class Member(s)” or shall mean any and all Class Members who do
10 not timely request exclusion (i.e., who elect to “opt out”) as provided herein.

11 13. “Class Period” shall mean March 12, 2011 through the Preliminary Approval Date.

12 14. “Class Representatives” or “Plaintiffs” shall mean Plaintiffs Edward Perez and
13 Giovanni Saucedo.

14 15. “Class Settlement” or “Settlement” shall mean the settlement embodied in this
15 Stipulation, which is subject to Court approval.

16 16. “Complaint” shall mean the Complaint filed by Plaintiffs on March 12, 2015 in the
17 Los Angeles County Superior Court, Case No. BC380040, and any amendments thereto, including
18 and not limited the First Amended Complaint filed on June 24, 2015, and the Second Amended
19 Complaint filed on May 9, 2017.

20 17. “Court” shall mean the Superior Court of the County of Los Angeles, State of
21 California.

22 18. “Defense Counsel” or “Counsel for Defendant” shall mean Pearson, Simon &
23 Warshaw, LLP.

24 19. “Effective Date” shall mean when all the following have occurred: (a) entry of the
25 Preliminary Approval Order by the Court; (b) final approval by the Court of the Settlement,
26 following notice to the Settlement Class and a hearing; (c) entry of judgment; and (d) the
27 expiration of any time for appeal or review, or, if any appeal is filed and not dismissed, after the
28 final approval order is upheld on appeal in all material respects and is no longer subject to review

1 upon appeal or by writ of certiorari.

2 20. "End of Notice Period" shall mean the date that is forty-five (45) calendar days
3 after the date that the Class Notice is sent to the Settlement Class, which shall constitute the last
4 date by which Class Members may opt-out, object to the Settlement, or challenge their number of
5 hours worked.

6 21. "Enhancement Award" shall mean an additional monetary payment provided to the
7 Class Representatives for their efforts on behalf of the Class in this Action.

8 22. "Estimated Settlement Notice Costs" shall refer to the estimated costs of
9 disseminating notice to the Class Members by the Settlement Administrator, exclusive of any
10 costs of processing payments to Participating Class Members or administering the settlement.

11 23. "Final Approval Date" shall mean the date upon which the Court enters an Order
12 finally approving the Class Settlement, after having determined that the Class Settlement is fair,
13 adequate, and reasonable to the Class as a whole, following: (i) preliminary approval of the
14 settlement, (ii) notice to the Class; (iii) an opportunity to opt-out of the Settlement or submit
15 timely objections to the settlement; and (iv) the Final Approval Hearing.

16 24. "Final Approval Hearing" shall mean the final hearing held to ascertain the
17 fairness, reasonableness, and adequacy of the Class Settlement, at which time the Court will enter
18 its Order approving the Class Settlement. "

19 25. "Gross Settlement Amount" means Eight Hundred Fifty Thousand Dollars
20 (\$850,000.00).

21 26. "Hearing on Preliminary Approval" shall mean the hearing held on the motion for
22 preliminary approval of the Class Settlement.

23 27. "Hours Worked" shall mean all time during the Class Period that a Class Member
24 actually worked in California for Defendant during the Class Period.

25 28. "Individual Settlement Amount" shall mean the amount to be, and which is,
26 distributed to any and each Participating Class Member.

27 29. "Named Plaintiffs" shall mean Edward Perez and Giovanni Saucedo.

28 30. "Net Settlement Fund" means the Gross Settlement Amount less Administrative

1 Expenses, Class Counsel Attorneys' Fees and Costs, Class Representatives Enhancement Awards,
2 Payment of PAGA Penalties to State of California, and any other litigation costs and expenses
3 ordered by the Court; and shall be the maximum amount to be distributed to Participating Class
4 Members. All required employee's share of tax withholdings relating to the wage portion of
5 payments to Participating Class Members shall be paid from the Net Settlement Fund.
6 Defendant's share of the employer payroll taxes and contributions relating to the wage portion of
7 payments to Participating Class Members shall be paid separately and in addition to the Maximum
8 Settlement Amount.

9 31. "Opt-Out(s)" shall mean any and all persons who timely and validly request
10 exclusion from the Class in accordance with the terms of the Settlement and Class Notice.

11 32. "Opt-Out Request" or "Request for Exclusion" shall mean a timely and valid
12 request for exclusion from the Class, made by following the procedures set forth in the Settlement
13 or as otherwise approved by the Court.

14 33. "PAGA Penalties" shall mean the portion of the Maximum Settlement Amount
15 that is dedicated to the payment of California Labor Code penalties arising out of and relating to
16 Plaintiffs allegations under the California Private Attorney General Act (Cal. Labor. Code §§ 2698
17 *et seq.*) ("PAGA"), in the amount of \$85,000.00. Seventy-five percent (75%) of the PAGA
18 Penalties which shall be paid to the California Labor and Workforce Development Agency
19 ("LWDA") in accordance with the PAGA statute and the procedures set forth in this Settlement
20 Agreement. ("Payment of PAGA Penalties to State of California"). Twenty-five percent (25%) of
21 the PAGA Penalties shall remain a part of the Net Settlement Fund, for distribution to
22 Participating Class Member on a pro rata basis.

23 34. "Parties" shall collectively mean Defendant and Plaintiffs as defined herein.

24 35. "Preliminary Approval Date" means the date upon which the Court enters an order
25 preliminarily approving this Stipulation, distributing notice to the Class, an opportunity to opt-out
26 or submit objections, and setting the Final Approval hearing.

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1 36. “Rescission of Exclusion Request” shall mean a timely and valid request to rescind
2 a Request for Exclusion, made by following the procedures set forth in the Settlement or as
3 otherwise approved by the Court.

4 37. “Released Claims” means any and all claims, demands, rights, liabilities, and/or
5 causes of action of any nature and description whatsoever, known or unknown, in law or in equity,
6 under any state or federal law, asserted or that could have been asserted by the Named Plaintiffs or
7 by any Class Member against Released Parties (as defined herein), based on the factual allegations
8 that were alleged or could have been alleged in the Action, with respect to the Class Period,
9 including but not limited to allegations that Centinela Feed: (1) failed to provide meal or rest
10 periods; (2) failed to pay minimum wage or overtime; (3) failed to pay for all hours worked; (4)
11 failed to provide accurate itemized wage statements; (5) violated, or is liable under, the California
12 Labor Code, including, but not limited to, §§ 201-204, 210, 218, 218.5, 218.6, 226, 226.3, 226.7,
13 510-512, 551, 552, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802; (6) violated
14 California Business and Professions Code §17200 et seq.; (7) violated California Code of Civil
15 Procedure §§1021.5, 1032 and California Civil Code §§ 3287, 3289; (8) violated the California
16 Wage Orders or regulations of the California Industrial Welfare Commission; and/or (9) violated
17 the California Private Attorney General Act (Cal. Labor. Code §§ 2698 *et seq.*).

18 38. “Released Parties” shall mean Defendant and its present and former parent
19 companies, subsidiaries, successors, predecessors, and joint ventures, and each of their respective
20 present and former officers, directors, stockholders, employees, insurers, co-insurers, re-insurers,
21 auditors, consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees,
22 and general and limited partners, predecessors, successors and assigns.

23 39. “Settlement Administrator” shall mean Angeion Group, which the Parties have
24 agreed will be responsible for dissemination of notice to the Class, and administration of the
25 Settlement Fund pursuant to the terms this Settlement and the orders of the Court.

26 40. “Settlement Fund” shall mean the \$850,000 Gross Settlement Amount created by
27 the Settlement more fully described in Section IV.2 below, which is inclusive of all
28 Administrative Expenses, Class Counsel Attorneys’ Fees and Costs and Class Representative

1 Enhancement Awards, and any other fees, costs, or other obligations by Defendant to Plaintiffs
2 and the Class Members in this Action.

3 **II. NATURE OF THE CASE AND THE PARTIES SETTLEMENT**

4 1. **Background of Action**

5 On March 12, 2015 Plaintiff Edward Perez filed the above entitled litigation. Plaintiffs
6 subsequently filed a First Amended Complaint on June 24, 2015, for violations of the California
7 Private Attorneys General Act (Cal. Labor Code § 2698 *et seq.*). On May 9, 2017, Plaintiffs filed
8 a Second Amended Complaint. The allegations in the lawsuit include claims that Defendant
9 Centinela Feed, Inc. violated the law with respect to its non-exempt hourly employees in the State
10 of California, by failing to properly pay minimum and overtime wages, failing to provide meal and
11 rest periods and associated premiums, failing to maintain accurate payroll records, failing to issue
12 compliant wage statements, failing to reimburse business expenses, failing to pay all wages during
13 employment and at the time of termination, among other violations.

14 Plaintiffs and Defendant engaged in extensive discovery and investigation relating to
15 Plaintiffs' claims and Defendant's defenses, including written discovery, document productions,
16 analysis, and expert reports. Pursuant to the Court's orders and mutual agreement, the parties
17 agreed to mediate the case using the services of John Girardi, Esq. The parties held two mediation
18 sessions with Mr. Girardi on March 10, 2016 and July 11, 2016, and engaged in additional
19 settlement discussions with the assistance of Mr. Girardi before they were able to reach this class
20 action settlement agreement.

21 2. **Discovery, Investigation and Research**

22 Class Counsel has conducted investigation prior to commencing the action as well as
23 discovery and investigation during the prosecution of the Action. This discovery and investigation
24 has included, among other things, (a) inspection and analysis of documents produced by
25 Defendant and Plaintiffs and other obtained by other course; (b) interviews of percipient
26 witnesses, including and not limited to putative class members; (c) analysis of class-wide data for
27 valuation of claims; (d) Depositions of Defendant's designated person most qualified; and (e)
28 research and analysis of the applicable law and defenses thereto.

1 3. **Allegations of the Class Representatives and Benefits of Settlement**

2 The discussions between counsel, and the formal and informal exchange of information
3 conducted in this matter, have been adequate to give the Class Representatives and Class Counsel
4 a sound understanding of the merits of their position and to evaluate the worth of the claims of the
5 Class. This Settlement was reached after arm’s-length bargaining by the Parties, with the
6 assistance of a mediator through multiple mediation sessions and thereafter, and after Class
7 Counsel thoroughly reviewed all available evidence. The formal and informal discovery
8 conducted in this Action, and the information exchanged through the Parties’ negotiations, are
9 sufficient to assess reliably the merits of the respective Parties’ positions and to compromise the
10 issues on a fair and equitable basis.

11 The Class Representatives and Class Counsel believe that the causes, allegations and
12 contentions asserted in the Action have merit. However, the Class Representatives and Class
13 Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings
14 necessary to prosecute the Action against Defendant through trial and through appeals. Class
15 Counsel has taken into account the uncertain outcome and the risk of any litigation, especially in
16 the risk of continued litigation in complex actions such as this, the strength of Defendant’s
17 defenses, as well as the difficulties and delays inherent in such litigation, and the potential
18 challenges to class certification, representative adjudication, and/or manageability. Class Counsel
19 is also mindful of the inherent problems of proof, and possible defenses to, the claims alleged in
20 the Action. Class Counsel believes that the Settlement set forth in this Stipulation confers
21 substantial benefits upon the members of the Settlement Class, and that an independent review of
22 this Settlement by the Court in the approval process will confirm this conclusion. Based on their
23 own independent investigation and evaluation, Class Counsel have determined that the Settlement
24 set forth in the Stipulation is in the best interests of the Class Representatives and the members of
25 the Settlement Class.

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4. **Defendant’s Denials of Wrongdoing and Liability**

Defendant has denied and continues to deny generally each and all of the claims and contentions alleged by the Class Representatives in the Action. Defendant has expressly denied and continues to deny all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. Nonetheless, Defendant has concluded that the further conduct of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to limit further expense, inconvenience and distraction, to dispose of burdensome and protracted litigation, and to permit the operation of Defendant’s business without further expensive litigation and the distraction and diversion of its personnel with respect to matters in issue in the Action. Defendant has also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Action. Defendant has, therefore, determined that it is desirable and beneficial to it that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation.

5. **Intent of the Settlement**

The Class Settlement set forth herein intends to achieve the following: (1) entry of an Order approving the Class Settlement and granting the monetary relief set forth in this Stipulation of Settlement; (2) entry of judgment of the Action; and (3) discharge of Released Parties from liability for any and all of the Released Claims.

III. PROCEDURAL ISSUES

1. **Preliminary Approval**

Class Counsel will submit this Stipulation to the Court and move for its preliminary approval. Defense Counsel has agreed not to oppose the motion so long as it is consistent with the terms of this Settlement Agreement. Defense Counsel shall be afforded an opportunity to review and revise the preliminary approval order that is to be submitted for Court approval.

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1 2. **The Settlement Administrator**

2 The Settlement Administrator will mail the Class Notice to Class Members, administer the
3 Settlement Fund, calculate claims against the Settlement Fund, handle inquiries from Class
4 Members concerning the Class Notice and determination of Individual Settlement Amounts, or
5 any other issue, resolve any differences between Defendant’s payroll records and information
6 provided by a Class Member, and distribute payments to Participating Class Members.

7 On a weekly basis, the Settlement Administrator will provide reports to Class and Defense
8 Counsel updating them as to the number of, Requests for Exclusion as well as any disputes or
9 objections submitted by Settlement Class Members. The Settlement Administrator will serve on
10 Class and Defense Counsel via e-mail date-stamped copies of the original Requests for Exclusion,
11 challenges, objection statements, Recessions of Request for Exclusion, and withdrawal of
12 objection statements no later than three (3) calendar days after their receipt. The Settlement
13 Administrator will provide Class Counsel with a declaration of due diligence and proof of mailing
14 of the Notice of Class Action Settlement, which Class Counsel will file with the Court no later
15 than five (5) business days prior to the Court’s Final Approval Hearing. No later than ten (10)
16 calendar days the End of Notice Period, the Settlement Administrator will compile and deliver to
17 Defense and Class Counsel a final report with information regarding (a) the number of
18 Participating Class Members; (b) the final pro rata portion of each payment payable to each
19 Participating Class Member; (c) the final number of Opt-Outs, and (d) the final number of
20 Objections.

21 All fees and costs of the Settlement Administrator for administration of the Settlement
22 shall be paid from the Gross Settlement Amount as part of the Administrative Expenses, and these
23 fees and costs are currently estimated not to exceed \$32,000.

24 3. **Notice to Class Members**

25 Notice shall be provided to Class Members in the following manner:

26 Within fourteen (14) calendar days of the Preliminary Approval Date, Defendant shall
27 provide the Settlement Administrator with a list containing the last known names, social security
28 numbers, and addresses for each member of the Class, as well as each Class Members hours

1 worked during the Class Period (“Class List”). Within twenty-eight (28) calendar days of the
2 Preliminary Approval Date, the Settlement Administrator shall first update the addresses in the
3 Class List by way of search of the National Change of Address Database, and then proceed to send
4 each Class Member the Notice Packet via first-class United States mail. The Notice Packet shall
5 consist of the Class Notice and Claim Summary Form.

6 In the event that, prior to the End of Notice Period, any Notice Packets that are returned as
7 having been undelivered by the U.S. Postal Service, without forwarding addresses will be re-
8 mailed, after the Settlement Administrator undertakes a skip-trace to locate a new or different
9 address for the Class Members. In the event that, prior to the End of Notice Period, any Notice
10 Packet mailed to a Class Member is returned as having been undelivered by the U.S. Postal
11 Service, with a forwarding address, the Settlement Administrator shall re-mail the Notice Packet
12 to the forwarding address. However, nothing in this paragraph shall be deemed to extend or
13 modify the End of Notice Period.

14 It will be conclusively presumed that if a Notice Packet has not been returned within thirty
15 (30) calendar days of the mailing that the Class Member received the Notice Packet. At least ten
16 (10) calendar days prior to the Final Approval Hearing, the Settlement Administrator shall provide
17 Defense Counsel and Class Counsel with a declaration of Due Diligence and Proof of Mailing
18 with regard to the mailing of the Notice Packet and its attempts to locate Class Members. The
19 declaration shall specify the number of Class Members to whom Notice Packets were sent and the
20 number of Class Members to whom Notice Packets were not delivered due to their being returned
21 to the Settlement Administrator as undeliverable. The Parties’ Counsel shall file this declaration
22 with the Court.

23 **4. Rescission of Requests for Exclusion**

24 Settlement Class Members shall be permitted to rescind their Opt-Out Requests in writing
25 by submitting a Rescission of Exclusion to Settlement Administrator and postmarked no later than
26 the End of the Notice Period. If the Settlement Administrator receives an Opt-Out Request as well
27 as a Rescission of Exclusion Request from a Class Member, the Rescission of Exclusion Request
28 shall be honored and the Opt-Out Request shall be void.

1 5. **Procedure for Distribution of Settlement Fund to Participating Class**
2 **Members**

3 The Net Settlement Fund shall be distributed to Participating Class Members by the
4 Settlement Administrator pursuant to the procedures set forth in this Agreement. In the event
5 there is any dispute between a Participating Class Member and/or Class Counsel, on the one hand,
6 and Defendant and/or Defense Counsel on the other, with regard to the number of Hours Worked
7 claimed by a Class Member, then the Settlement Administrator shall make a final and binding
8 determination with regard to such dispute after first giving not less than three (3) business days
9 written notice to both Class Counsel and Defense Counsel, and an opportunity, within said three
10 (3) business days, each to submit additional information bearing on such dispute. The Settlement
11 Administrator shall give written notice to the Parties' counsel of its determination within three (3)
12 business days of the expiration of the three (3) business day notice period.

13 **IV. SETTLEMENT TERMS**

14 1. **The Settlement Class**

15 For the purposes of this Stipulation, the Settlement Class to be conditionally certified
16 pursuant to C.C.P. § 382 shall consist of: "Any person employed by Defendant Centinela Feed,
17 Inc. in a non-exempt position in the State of California at any time from March 12, 2011 through
18 the Preliminary Approval Date."

19 2. **Distribution of the Gross Settlement Amount**

20 The claims of all Class Members are settled for the Gross Settlement Amount of Eight
21 Hundred Fifty Thousand Dollars (\$850,000), which is inclusive of all Administrative Expenses,
22 Class Counsel Attorneys' Fees and Costs, Class Representative Enhancement Awards, and PAGA
23 Penalties. An amount not exceeding the Net Settlement Fund shall be distributed to the
24 Participating Class Members in accordance with the terms of this Settlement Agreement. The
25 parties agree that the Settlement Fund shall be distributed on the following schedule:

26 a. **Initial Deposit for Settlement Administration Expenses:** Within ten (10)
27 calendar days of the Court's Preliminary Approval of the Class Settlement, Defendant shall
28 transmit to the Settlement Administrator the Estimated Settlement Notice Costs. To the extent that

1 any portion of the Estimated Settlement Notice Costs are not actually incurred by the Settlement
2 Administrator or not approved by the Court, they shall become part of the Net Settlement Fund
3 and distributed to Participating Class Members;

4 b. **First Installment Payment:** Within thirty (30) calendar days following the
5 Effective Date or January 10, 2018 (whichever comes later), Defendant shall make a payment in
6 the amount of \$425,000 less any Estimated Settlement Notice Costs into the settlement account (to
7 be established and maintained as a qualified settlement fund, in accordance with applicable tax
8 regulations) (“First Installment Payment”) to be distributed as payment of the following in the
9 following order of priority: (1) payment to the State of California of the PAGA Penalty; (2)
10 payment of Class Representative Enhancement Awards; (3) payment to Class Counsel for one-half
11 of the total Class Counsel Attorneys’ Fees and Costs awarded by the Court, and (4) payments of
12 Individual Settlement Amounts.

13 c. **Second Installment Payment:** Within thirty (30) calendar days following
14 the Effective Date or January 10, 2019 (whichever comes later), Defendant shall make payment in
15 the amount of \$425,000 into the settlement account (to be established and maintained as a
16 qualified settlement fund, in accordance with applicable tax regulations) (“Second Installment
17 Payment”) to be distributed for payment of the following in the following order of priority: (1)
18 payment to Class Counsel for one-half of the total Class Counsel Attorneys’ Fees and Costs
19 awarded by the Court; (2) payment to the Settlement Administrator for any Administrative
20 Expenses approved by the Court that were not included or covered by the Initial Deposit for
21 Settlement Administration Expenses (as provided by Section IV.2.a), and (3) payments of
22 Individual Settlement Amounts.

23 3. **Calculation of the Individual Settlement Amounts**

24 Individual Settlement Amounts to be paid to Participating Class Members shall be paid
25 from the Net Settlement Fund pursuant to the schedule set forth below:

26 a. **Calculation of Individual Settlement Payments:** The portion of the Net
27 Settlement Fund payable to each Participating Class Member will be calculated by taking the Net
28 Settlement Fund, divided by the total number of hours worked by all Participating Class Members

1 according to Defendant's records, multiplied by the total number of hours worked by each
2 individual Participating Class Member. The number of hours worked by Participating Class
3 Members will be calculated based on the number of hours worked by the Participating Class
4 Member as reflected in Defendant's payroll systems. Thus, for example, if the total amount
5 available for distribution to the Participating Class Members equals \$500,000 and the total hours
6 worked by all Participating Class Members equals 500,000, then the per hour dollar value of the
7 settlement to each Participating Class Member equals \$1. Accordingly, if a Class Member worked
8 100 hours during the Class Period, then, assuming full participating by all Class Member, the
9 potential Individual Settlement Amount for such a Class Member would equal \$100. The precise
10 number of Participating Class Members and the Net Settlement Fund is unknown at this time and
11 will be derived from Defendant's payroll records.

12 b. **Tax Treatment of Settlement Payments:** The settlement payments shall
13 be allocated for tax purposes as follows: (1) one-third (33.33%) of each payment shall be deemed
14 wages, as to which legally required employee's share of state and federal payroll taxes and
15 withholdings shall be taken and a W-2 Form issued; (2) one-third (33.33%) shall be deemed
16 penalties, as to which a Form 1099 shall be issued; and (3) one-third (33.33%) shall be deemed
17 interest, as to which a Form 1099 shall be issued. Defendant's share of the employee payroll taxes
18 on the amount of the payments to the Class Participants that are attributable to "wages" shall be
19 paid by Defendant separately.

20 4. **Enhancement Awards for the Named Plaintiffs**

21 Named Plaintiffs may each apply for an Enhancement Award the amount of Three
22 Thousand Five Hundred (\$3,500.00) at the discretion of the Court subject to court approval, for
23 their efforts on behalf of the Class in this Action.

24 Defendant shall not oppose any request by Named Plaintiffs for an Enhancement Award,
25 provided that Named Plaintiffs execute a general release of all claims, as set forth herein. Any
26 Enhancement Award approved by the Court shall be paid to the Named Plaintiffs from the Gross
27 Settlement Amount, and shall be in addition to any distribution to which the Named Plaintiffs may
28 otherwise be entitled as Participating Class Members. Such Enhancement Award shall not be

1 considered wages, and Defendant or the Settlement Administrator shall issue each Named Plaintiff
2 a Form 1099 reflecting such payment.

3 5. **Distribution of Residuals**

4 If a Participating Class Member does not cash an Individual Settlement Amount check
5 within ninety (90) calendar days of the postmark date of its mailing to the Participating Class
6 Member from the Settlement Administrator, the check will become void and the Individual
7 Settlement Amount shall be transmitted to the California Department of Industrial Relations
8 Unclaimed Wage Fund in the name of the Participating Class Member.

9 6. **Time for Payment of Individual Settlement Amounts**

10 The Settlement Administrator shall make every effort to mail, by first-class US Mail to the
11 last-known address, the Individual Settlement Amount to each Participating Class Member, with
12 each checking being issued no later than fourteen (14) calendar days after each installment
13 payment (i.e. First Installment Payment and Second Installment Payment) made by Defendant.

14 If the Settlement Administrator is not able to mail the Individual Settlement Amounts to
15 Participating Class Members within the time period set forth above, it shall so inform Class
16 Counsel and Defense Counsel, and provide an approximate date by which the Individual
17 Settlement Amounts will be mailed. Under no circumstances shall the Settlement Administrator
18 distribute checks to Participating Class Members until the claims amounts have been considered,
19 calculated, and accounted for. In the event that any Participating Class Member is deceased,
20 payment shall be made payable to the estate of that Class Member and delivered to the executor or
21 administrator of that estate, unless the Settlement Administrator has received an affidavit or
22 declaration pursuant to §13101 of the California Probate Code, in which case payment shall be
23 made to the affiant(s) or declarant(s).

24 Within ten (10) business days of having issued checks for the full Individual Settlement
25 Amounts to Participating Class Members, Settlement Administrator provide to Class Counsel and
26 Defense Counsel a declaration of full issuance of payment.

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1 7. **Class Counsel Attorneys' Fees and Litigation Costs**

2 Class Counsel may submit an application for an award of reasonable attorneys' fees based
3 on a percentage and/or lodestar basis, to be paid from the Gross Settlement Amount, and to be
4 heard by the Court at the same time as the Final Approval Hearing. Class Counsel may also
5 submit an application for an award of reimbursement of verified costs and expenses incurred in an
6 amount of up to twenty five thousand dollars (\$25,000.00), and Defendant and its attorneys agree
7 not to object to any such verified application for an award of reimbursement of costs and expenses
8 incurred by Class Counsel in this amount. Class Counsel have asserted a statutory fee claim
9 pursuant to the California Labor Code and other applicable statutes. As a condition of this
10 Settlement, Class Counsel has agreed to pursue their fees in conformity with this paragraph. Any
11 fees and costs awarded by the Court shall be paid from the Gross Settlement Amount.

12 The attorneys' fees and costs approved by the Court shall encompass: (a) all work
13 performed and costs incurred by any attorney purporting to represent the Class in connection with
14 this litigation; (b) all work to be performed and costs to be incurred in connection with approval
15 by the Court of the Class Settlement; (c) all work and costs, if any, incurred in connection with
16 administering the Settlement; and (d) all work performed relating to any appeal of the judgment or
17 otherwise relating to the litigation.

18 Class Counsel Attorneys' Fees and Costs, as awarded by the Court, shall be paid by
19 Defendant pursuant to the schedule set forth in Section IV.2 above.

20 Defendant shall bear its own fees and costs of every kind in connection with the Action
21 and the negotiation of the Settlement of the Action.

22 8. **Extension of Time to Pay and/or Process Claims**

23 Should the Settlement Administrator need more time than is provided under this
24 Stipulation to complete any of its obligations, the Settlement Administrator may request, in
25 writing, such additional time (including an explanation of the need for additional time) from
26 Defense Counsel and Class Counsel. If Defense Counsel and/or Class Counsel do not agree, in
27 writing, to the Settlement Administrator's request for additional time, the Settlement
28 Administrator may seek such additional time from the Court.

1 9. **No Effect on Employee Benefit Plans**

2 Neither the Class Settlement nor any amounts paid under the Class Settlement will modify
3 any previously credited hours of service under any employee benefit plan, policy or bonus
4 program sponsored by Defendant. Such amounts will not form the basis for additional
5 contributions to, benefits under, or any other monetary entitlement under Defendant’s sponsored
6 benefit plans, policies or bonus programs. The payments made under the terms of this Stipulation
7 shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings,
8 wages, or any other form of compensation for the purposes of any of Defendant’s benefit plan,
9 policy or bonus program. Defendant retains the right to modify the language of its benefits plans,
10 policies and bonus programs to effect this intent, and to make clear that any amounts paid pursuant
11 to this Stipulation are not for “hours worked,” “hours paid,” “hours of service,” or any similar
12 measuring term as defined by applicable plans, policies and bonus programs for purpose of
13 eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or
14 benefits are not required by this Stipulation.

15 **V. NULLIFICATION OF THE SETTLEMENT AGREEMENT**

16 1. **Non-approval of the Stipulation of Settlement**

17 If (a) the Court should for any reason fail to approve this Stipulation of Settlement in the
18 form agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment with
19 prejudice of the Action, or (c) the judgment is reversed, modified or declared or rendered void,
20 then this Settlement shall be considered null and void, and neither this Settlement, nor any of the
21 related negotiations or proceedings, shall be of any force or effect, and all parties to this
22 Settlement shall stand in the same position, without prejudice, as if the Settlement had been
23 neither entered into nor filed with the Court.

24 2. **Invalidation**

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

28 ///

1 3. **Stay Upon Appeal**

2 In the event of a timely appeal from the judgment, the judgment shall be stayed, and none
3 of the Settlement Fund shall be distributed to Class Members, Class Counsel, the State of
4 California, and the actions required by this Stipulation shall not take place until all appeal rights
5 have been exhausted by operation of law.

6 4. **Defendant’s Right to Withdraw Based on Opt-Outs**

7 If more than ten percent (10%) combined of all Class Members who otherwise would be
8 Participating Class Members have filed proper and timely Request for Exclusion in accordance
9 with the provisions of the Class Notice, Defendant shall have the sole and absolute discretion to
10 terminate the Settlement.

11 In the event Defendant elects to so terminate this Stipulation of Settlement, Defendant
12 shall, at its own expense, provide such Notice of Termination in writing by first-class United
13 States mail to Class Counsel and each Participating Class Member no later than fifteen (16)
14 calendar days after the End of Notice Period. Defendant may use the services of the Settlement
15 Administrator in connection with such notice.

16 In the event Defendant elects to so terminate this Stipulation of Settlement, such
17 withdrawal shall have the same effect as would non-approval of the Settlement pursuant to Section
18 V.1, herein.

19 **VI. FINAL APPROVAL HEARING AND ENTRY OF JUDGMENT**

20 At the Final Approval Hearing, Plaintiffs and Class Counsel shall move the Court for entry
21 of the order finally approving the Settlement, certifying the Class for settlement purposes only,
22 approving the Settlement as being fair, reasonable and adequate to the Participating Class
23 Members within the meaning of §§ 877 and 877.6 of the California Code of Civil Procedure, and
24 for the entry of Final Judgment consistent with the terms of the Settlement. Class Counsel and
25 Defense Counsel shall submit to the Court such pleading and/or evidence as may be required for
26 the Court’s determination.

27 ///

28 ///

1 At the Final Approval Hearing, the Court will, among other things, be asked for the entry
2 of an Order permanently enjoining all Participating Class Members from pursuing and/or seeking
3 to reopen their pursuit of Released Claims.

4 **VII. RELEASES AND WAIVERS**

5 1. **Release of Claims by Participating Class Members.**

6 a. Scope of Release. Upon the Effective Date of the Settlement, the each and
7 all of the Participating Class Members, release the Released Parties, and each of them, of and from
8 any and all of the Released Claims.

9 b. Dismissal of All Claims with Prejudice. It is hereby stipulated that upon the
10 Effective Date the Action is to be dismissed with prejudice as to all Participating Class Members.

11 2. **Release of Claims by the Class Representatives**

12 a. Scope of Release. Upon the Effective Date of the Settlement, the Class
13 Representatives, each releases the Released Parties, and each of them, of and from all claims,
14 demands, rights, liabilities, and/or causes of action of any nature and description whatsoever,
15 known or unknown, in law or in equity, under any state or federal law, whether or not concealed
16 or hidden, asserted or that might have been asserted by the Plaintiffs against Defendant Centinela
17 Feed Inc. (as defined herein).

18 b. Waiver of Rights Under California Code of Civil Procedure Section 1542.
19 Upon the Effective Date of the Settlement each of the Class Representatives, waive all rights and
20 benefits afforded by Section 1542 of the Civil Code of the State of California, and do so
21 understanding the significance of that waiver. Section 1542 provides:

22 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
23 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
24 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.

25 c. Dismissal of All Claims with Prejudice. It is hereby stipulated that upon the
26 Effective Date the Action is to be dismissed with prejudice as to each of the Class Representatives.

27 ///

28 ///

1 **VIII. DUTIES OF THE PARTIES**

2 1. **Mutual Full Cooperation**

3 The Parties agree to cooperate fully with one another to accomplish and implement the
4 terms of this Stipulation of Settlement. Such cooperation shall include, but not be limited to,
5 execution of such other documents and the taking of such other actions as may reasonably be
6 necessary to fulfill the terms of this Settlement. The Parties shall use their best efforts, including
7 all efforts contemplated by this Stipulation of Settlement and any other efforts that may become
8 necessary by Court Order, or otherwise, to effectuate this Stipulation and the terms set forth
9 herein. As soon as practicable after execution of this Stipulation, Class Counsel with the
10 cooperation of Defendant and its Counsel, shall take all necessary and reasonable steps to secure
11 the Court's Final Approval of this Stipulation.

12 2. **Duty to Support and Defend the Settlement**

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

16 3. **Duties Prior to Court Approval**

17 Class Counsel shall submit this Stipulation to the Court for preliminary approval and
18 determination by the Court as to its fairness, adequacy, and reasonableness. Upon execution of
19 this Stipulation, Class Counsel shall apply to the Court for the entry of a preliminary approval
20 order consistent with this Settlement, scheduling a hearing on the question of whether the
21 proposed Class Settlement should be approved as fair, reasonable, and adequate as to the Class
22 Members, approving as to form and content the proposed Notice Packet and directing its mailing
23 to Class Members.

24 **IX. MISCELLANEOUS PROVISIONS**

25 1. **Voiding the Stipulation**

26 Pending Court approval and other than as provided in Section V herein, if any of the
27 conditions set forth in this Stipulation are not met and satisfied, this Stipulation shall, at the option
28 of either the Class Representatives or Defendant, be ineffective, void, and of no further force and

1 effect, and shall not be used or be admissible in any subsequent proceeding, either in this Court or
2 in any other court or forum.

3 2. **No Prior Assignments**

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

8 3. **Non-Admission**

9 Nothing in this Stipulation shall be construed to be or deemed an admission by Defendant
10 of any liability, culpability, negligence, or wrongdoing toward the Class Representatives, the Class
11 Members, or any other person, and Defendant specifically disclaims any liability, culpability,
12 negligence, or wrongdoing toward the Class Representatives, the Class Members, or any other
13 person. Each of the Parties has entered into this Stipulation with the intention to avoid further
14 disputes and litigation with the attendant inconvenience, expenses, and contingencies.

15 4. **Confidentiality**

16 Named Plaintiffs and Defendant, and their respective counsel, recognize and accept that
17 the Parties to this Stipulation desire that the terms of this Stipulation, the fact of the settlement
18 embodied in this Stipulation, the disposition of the Action, the Action, and all matters relating to
19 the litigation of the Action, including discovery proceedings therein, and evidence obtained during
20 the course of the Action, shall not be discussed with or presented to the media, unless required to
21 obtain approval of the Settlement. The parties agree that a copy of this Agreement, the Class
22 Notice (Exhibit 1), the Claim Summary Form (Exhibit 2), and any order or notices otherwise
23 ordered by the Court to be disseminated, may be posted on the Settlement Administrator's
24 website.

25 5. **Non-Retaliation**

26 Defendant agrees that it will not retaliate against any Class Member for participating in the
27 Settlement or choosing not to participate in the Settlement.

28 ///

1 6. **Construction**

2 The Parties hereto agree that the terms and conditions of this Stipulation are the result of
3 lengthy, intensive, arms-length negotiations between the Parties, and that this Stipulation is not to
4 be construed in favor of or against any party by reason of the extent to which any party or its
5 counsel participated in the drafting of this Stipulation.

6 7. **Choice of Law**

7 This Stipulation is intended to and shall be governed by the laws of the State of California,
8 without regard to conflicts of law principles.

9 8. **Captions and Interpretations**

10 Paragraph titles or captions contained herein are inserted as a matter of convenience and
11 for reference only, and in no way define, limit, extend, or describe the scope of this Stipulation or
12 any provision thereof.

13 9. **Modification**

14 This Stipulation may not be changed, altered, or modified, except in writing signed by the
15 counsel for the Parties hereto and approved by the Court.

16 10. **Integration Clause**

17 This Stipulation of Settlement contains the entire agreement between the Parties relating to
18 the settlement of the Action and the transactions contemplated thereby, and all prior or
19 contemporaneous agreements, understandings, representations, and statements, whether oral or
20 written, and whether by a party or such party's legal counsel, are merged herein. No rights under
21 this Stipulation may be waived except in writing signed by counsel for the Parties.

22 11. **Successors and Assigns**

23 This Stipulation shall be binding upon and inure to the benefit of the Parties hereto and
24 their respective heirs, trustees, executors, administrators, successors, and assigns.

25 12. **Class Counsel Signatories**

26 Because the Members of the Class are so numerous, the Parties agree that it is impossible
27 or impractical to have each Class Member sign this Stipulation. It is agreed that, for purposes of
28 seeking approval of the Class Settlement, this Stipulation may be executed on behalf of the Class

1 by Class Counsel and the Class Representatives.

2 13. **Corporate Signatories**

3 Any person executing this Stipulation or any such related document on behalf of a
4 corporate signatory hereby warrants and promises, for the benefit of all Parties hereto, that such
5 person has been duly authorized by such corporation to execute this Stipulation or any such related
6 document.

7 14. **Execution in Counterparts**

8 This Stipulation shall become effective upon its execution by all of the undersigned. The
9 Parties may execute this Stipulation in counterparts, and execution of counterparts shall have the
10 same force and effect as if all Settlement Class Members had signed the same instrument.

11
12 DATED: Jul 24, 2017 _____


Edward Perez (Jul 24, 2017)

EDWARD PEREZ, Plaintiff

13
14
15 DATED: _____

GIOVANNI SAUCEDO, Plaintiff

16
17
18 DATED: _____

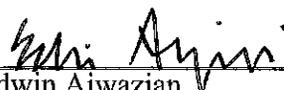
CENTINELA FEED, INC.
By: Chris Nakagawa, President

19
20
21 **APPROVED AS TO FORM**

22
23 DATED: _____

Bobby Pouya
PEARSON, SIMON & WARSHAW, LLP
Attorney for Defendant

24
25
26 DATED: July 25, 2017 _____


Edwin Aiwazian
LAWYERS FOR JUSTICE, PC
Attorney for Plaintiffs

1 by Class Counsel and the Class Representatives.

2 13. **Corporate Signatories**

3 Any person executing this Stipulation or any such related document on behalf of a
4 corporate signatory hereby warrants and promises, for the benefit of all Parties hereto, that such
5 person has been duly authorized by such corporation to execute this Stipulation or any such related
6 document.

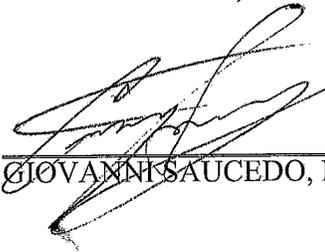
7 14. **Execution in Counterparts**

8 This Stipulation shall become effective upon its execution by all of the undersigned. The
9 Parties may execute this Stipulation in counterparts, and execution of counterparts shall have the
10 same force and effect as if all Settlement Class Members had signed the same instrument.

11
12 DATED: 7/6/17

EDWARD PEREZ, Plaintiff

13
14
15 DATED: _____



GIOVANNI SAUCEDO, Plaintiff

16
17
18 DATED: _____

CENTINELA FEED, INC.
By: Chris Nakagawa, President

19
20
21 **APPROVED AS TO FORM**

22
23 DATED: _____

Bobby Pouya
PEARSON, SIMON & WARSHAW, LLP
Attorney for Defendant

24
25
26 DATED: _____

Edwin Aiwazian
LAWYERS FOR JUSTICE, PC
Attorney for Plaintiffs

27
28

1 by Class Counsel and the Class Representatives.

2 13. **Corporate Signatories**

3 Any person executing this Stipulation or any such related document on behalf of a
4 corporate signatory hereby warrants and promises, for the benefit of all Parties hereto, that such
5 person has been duly authorized by such corporation to execute this Stipulation or any such related
6 document.

7 14. **Execution in Counterparts**

8 This Stipulation shall become effective upon its execution by all of the undersigned. The
9 Parties may execute this Stipulation in counterparts, and execution of counterparts shall have the
10 same force and effect as if all Settlement Class Members had signed the same instrument.

11
12 DATED: _____

EDWARD PEREZ, Plaintiff

13
14
15 DATED: _____

GIOVANNI SAUCEDO, Plaintiff

16
17
18 DATED: 7/14/17


CENTINELA FEED, INC.
By: Chris Nakagawa, President

19
20
21 **APPROVED AS TO FORM**

22
23 DATED: 7/14/17


Bobby Pouya
PEARSON, SIMON & WARSHAW, LLP
Attorney for Defendant

24
25
26 DATED: _____

Edwin Aiwazian
LAWYERS FOR JUSTICE, PC
Attorney for Plaintiffs

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Perez et. al. v. Centinela Feed Inc.

Superior Court of the State of California, County of Los Angeles, Case No. BC575341

PLEASE READ THIS NOTICE CAREFULLY

A California state court authorized this Notice. This is not a solicitation from a lawyer.

To: Any person employed by Centinela Feed, Inc. (“Defendant”) in a non-exempt position in the State of California at any time from March 12, 2011 through [Preliminary Approval Date] (the “Class” or “Settlement Class”).

Pursuant to the Order of the Superior Court for the State of California, County of Los Angeles, entered on [Preliminary Approval Date], **YOU ARE HEREBY NOTIFIED AS FOLLOWS:**

A proposed settlement (the “Settlement”) has been reached among the parties in this class action pending in the Superior Court for the State of California, County of Los Angeles, brought on behalf of the Class, as defined above. The Court has preliminarily approved the Settlement and conditionally certified the Class for settlement purposes only. You have received this Notice because Defendant’s records indicate that you are a member of the Class (“Class Member” or “Settlement Class Member”). This Notice is designed to inform you of how you can participate in the Settlement, object to the Settlement, or exclude yourself from the Settlement. **You have until [End of Notice Period] to choose from the options below.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
REMAIN PART OF THE SETTLEMENT CLASS	<ul style="list-style-type: none">• Class Members do not have to take any action to remain in the Class and receive the payments offered by the Settlement. Payments will be issued to eligible Class Members automatically once the Settlement becomes final.• If you wish to challenge the number of hours that you are attributed to have worked for Defendant during the relevant time period, as reflected in the accompanying Claim Summary Form, you may do so by following the instructions therein.
EXCLUDE YOURSELF	<ul style="list-style-type: none">• If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement. Excluding yourself means you will not receive any payment or benefits from this Settlement and you will not release any of the claims being settled in this case.• This option allows you to keep any rights you currently have to negotiate with or sue Defendant over the claims in this case.
OBJECT TO THIS SETTLEMENT	<ul style="list-style-type: none">• If you do not exclude yourself, you may write to the Court about why you do not approve of this Settlement.
GO TO THE FINAL APPROVAL HEARING	<ul style="list-style-type: none">• If you do not request to be excluded from the Settlement, you may ask to speak in Court about your opinion of this Settlement and attend the Final Approval Hearing by following the instructions in this Notice. You do not need to attend the Final Approval Hearing to participate in the Settlement or have your objections considered.

If you have any questions, please visit [insert website] or call [insert telephone support line].

I. BACKGROUND OF THE CASE

On March 12, 2015, Plaintiff Edward Perez filed a representative lawsuit against Defendant Centinela Feed, Inc. alleging various violations of California wage and hour laws. On June 24, 2015, Plaintiff Edward Perez filed a First Amended Complaint, adding Giovanni Saucedo as a named Plaintiff. On May 9, 2017, Plaintiffs Edward Perez and Giovanni Saucedo (“Plaintiffs”) filed a Second Amended Complaint.

The allegations in the lawsuit include claims that Defendant violated the law with respect to its hourly-paid or non-exempt employees in the State of California, by failing to properly pay minimum wages for all hours worked, failing to pay all overtime wages earned, failing to provide compliant meal and rest periods and associated premium pay, failing to provide reimbursements for business expenses, and failing to pay all wages owed during employment and at the time of termination, among other violations. The statutes which Plaintiffs allege were violated include: California Labor Code (“Cal. Lab. Code”) sections 1194 and 1197 [failure to pay all wages and minimum wage violations]; Cal. Lab. Code sections 510 and 1198 [failure to pay overtime]; Cal. Lab. Code sections 226.7 and 512 [failure to provide compliant meal and rest periods]; Cal. Lab. Code sections 2800 and 2802 [failure to reimburse necessary business-related expenses]; Cal. Lab. Code section 200 et seq. [failure to pay timely wages and waiting time penalties]; Cal. Lab. Code section 226 [inaccurate wage statements]; Cal. Lab. Code. 1174(d) [failure to maintain requisite payroll records]; Cal. Lab. Code section 2698 et seq. (Private Attorney General Act or “PAGA”); and California Business and Professions Code section 17200 [engaging in unfair competition].

Defendant denies any liability or wrongdoing of any kind associated with the claims alleged, and contends that this Action is not appropriate for class action or representative treatment for any purpose other than settlement. Defendant further contends that it has complied with applicable state and federal labor laws, including and not limited to, the California Labor Code and the California Business and Professions Code, and the applicable Industrial Welfare Commission Orders. After participating in mediation, the parties reached an agreement to settle the Action pursuant to the terms and conditions contained in the Joint Stipulation of Settlement of Class Action (the “Settlement”) and summarized below.

II. SUMMARY OF THE SETTLEMENT

A. Who is included in the Settlement?

You are a Class Member, and are included in the Settlement, if you were employed by Defendant Centinela Feed, Inc. in a non-exempt position in the State of California at any time from March 12, 2011 through [Preliminary Approval Date].

B. How Do I Receive Money From the Settlement?

If you received this Notice in the mail and you are part of the Class, you do not have to take any action to remain part of the Settlement Class and receive the benefits and payments offered by the Settlement. Settlement payments to Class Members who do not request to be excluded from the Settlement (“Participating Class Members”) will be automatically paid once the Settlement becomes final. You do not need to make a claim or take any other action to receive your share of the Settlement.

C. What will I receive from the Settlement?

Under the Settlement, Defendant will pay a total amount of \$850,000 (“Gross Settlement Amount” or “Settlement Fund”). The amount of the Settlement Fund which will be available to be paid to Participating Class Members (“Net Settlement Fund”) is currently estimated to be \$399,250, calculated as follows:

If you have any questions, please visit [insert website] or call [insert telephone support line].

<u>\$850,000</u>	(Gross Settlement Amount)
- \$323,000	(Plaintiffs' Requested Attorneys' Fees)
- \$25,000	(Plaintiffs' Litigation Costs and Expenses - estimated)
- \$7,000	(Enhancement Awards in the Amount of \$3,500 each to Plaintiffs)
- \$32,000	(Settlement Administration Costs - estimated)
- \$63,750	(PAGA Payment to the Labor Workforce and Development Agency)
= <u>\$399,250</u>	(Net Settlement Fund)

These amounts listed above are explained in further detail below and in the Settlement Agreement. All of the amounts listed above are subject to Court approval. Thus, the final amount of the Net Settlement Fund will vary if the Court does not approve the requested amounts (e.g., for attorneys' fees, litigation costs, or Class Representative Enhancement Awards), or if the Settlement Administration Costs are different than estimated.

The Net Settlement Fund will be distributed to each Participating Class Member on a *pro rata* basis, based on their respective number of hours worked during the Class Period ("Individual Settlement Amount").

Each Individual Settlement Amount will be calculated as follows: (1) Dividing the Net Settlement Fund by the total number of hours worked by all Participating Class Members; and (2) Multiplying the resulting amount by the total number of hours worked by the Participating Class Member.

Individual Settlement Amounts will be allocated for tax purposes as follows: (1) one-third (33.33%) of each as wages, which will be subject to deductions and withholdings for the employee's share of state and federal payroll taxes, and which will be reported on a Form W-2; and (2) one-third (33.33%) as penalties and one-third (33.33%) as interest, which will not be subject to deductions and withholdings, and which will be reported on a Form 1099 shall be issued. Defendant will pay the employer's share of payroll taxes with respect to the wage-portion of each Individual Settlement Amount, separately and apart from the amount that Defendant will pay under the Settlement. Participating Class Members will be responsible for the employee's share of taxes with respect to the wage-portion of each Individual Settlement Amount.

The enclosed Claim Summary Form contains the number of hours you have worked according to Defendant's records, as well as an estimate of the gross amount of your Individual Settlement Amount (assuming the Net Settlement Fund is the amount stated above and you do not submit a timely and valid request for exclusion) . If you wish to challenge the number of hours you worked, you may do so by following the procedures in the Claim Summary Form.

D. When will I receive my Settlement Payment?

If you do not submit a request for exclusion, you will receive payment of your Individual Settlement Amount after the "Effective Date" of the settlement, which will occur after: (a) final approval by the Court of the Settlement (following notice to the Class Members and a hearing); (b) entry of judgment; and (c) the expiration of any time for appeal or review, or, if any appeal is filed and not dismissed, after the final approval order is upheld on appeal in all material respects and is no longer subject to review upon appeal or by writ of certiorari.

After the Effective Date you will receive your settlement payment by way of up to two installments to be paid by Centinela as follows: (1) First Installment paid thirty (30) calendar days following the Effective Date, or January 10, 2018 (whichever comes later); (2) Second Installment paid thirty (30) calendar days following the Effective Date or January 10, 2019 (whichever comes later). Whether you receive payment in one or two installments, and the timing of the installment payments, will depend on the Effective Date of the Settlement.

If you have any questions, please visit [\[insert website\]](#) or call [\[insert telephone support line\]](#).

E. What if I do not want to participate in the Settlement?

You may exclude yourself from this Settlement by submitting a written request for exclusion to the Settlement Administrator set forth in Section III.D below and the enclosed Summary of Claim Form, postmarked on or before **[End of Notice Period]**. If you submit a timely and valid request for exclusion, you will not receive a payment under the Settlement or be bound by the terms of the Settlement. You will keep any rights you currently have to negotiate with or sue Defendant over the claims in this case.

F. What if I do not submit a Request for Exclusion?

If you do not timely submit a request for exclusion, you will be a Participating Class Member bound by the Settlement and you will receive payment of an Individual Settlement Amount. You should only send a request for exclusion if you do not want to be part of the Settlement and do not want to receive a payment under the Settlement.

G. Release of Claims.

Upon the Effective Date of the Settlement, the Participating Class Members will release Defendant Centinela Feed, Inc. and its present and former parent companies, subsidiaries, successors, predecessors, joint ventures, and each of their respective present and former officers, directors, stockholders, employees, insurers, co-insurers, re-insurers, auditors, consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees, general and limited partners, predecessors, successors and assigns (“Released Parties”) from, any and all claims, demands, rights, liabilities, and/or causes of action of any nature and description whatsoever, known or unknown, in law or in equity, under any state or federal law, asserted or that could have been asserted against Defendant Centinela Feed Inc. (as defined herein), based on the factual allegations that were alleged or could have been alleged in the Action, with respect to the Class Period, including but not limited to allegations that Centinela Feed: (1) failed to provide meal or rest periods; (2) failed to pay minimum wage or overtime; (3) failed to pay for all hours worked; (4) failed to provide accurate itemized wage statements; (5) violated, or is liable under, the California Labor Code, including, but not limited to, §§ 201-204, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 510-512, 551, 552, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802; (6) violated California Business and Professions Code §17200 et seq.; (7) violated California Code of Civil Procedure §§ 1021.5, 1032 and California Civil Code §§ 3287, 3289; (8) violated the California Wage Orders or regulations of the California Industrial Welfare Commission; and/or (9) violated the California Private Attorney General Act (Cal. Labor. Code §§ 2698 et seq.) (“Released Claims”).

If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

H. The Class Representatives.

The Court has preliminarily appointed Plaintiffs Edward Perez and Giovanni Saucedo as the Class Representatives in this case. In addition to the Individual Settlement Amounts that they will receive as Participating Class Members, and subject to Court approval, Plaintiffs will each request to be paid an Enhancement Award of up to \$3,500 (for a combined total of \$7,000), for their services as Class Representatives, as well as their willingness to accept the risks in the event of an unsuccessful outcome. These payments will be deducted from the Gross Settlement Amount.

I. Attorneys’ Fees and Costs.

The Court has preliminarily appointed Lawyers *for* Justice to serve as Counsel for the Class (“Class Counsel”). Class Counsel will request that the Court award payment from the Gross Settlement Amount of reasonable

If you have any questions, please visit **[insert website]** or call **[insert telephone support line]**.

attorneys' fees to Class Counsel based on a percentage of the Gross Settlement Amount and/or lodestar basis (i.e. a reasonable hourly rate multiplied by the reasonable number of hours of work performed), subject to reduction or enhancement at the discretion of the Court. Class Counsel intends to request attorneys' fees in the amount of up to thirty eight percent (38%) of the Gross Settlement Amount (or \$323,000) plus up to \$25,000 for reimbursement of verified costs, both of which, if approved by the Court, will be deducted from the Gross Settlement Amount. Class Counsel believes the amount for costs and attorneys' fees requested is fair and reasonable for their services to the Class Members. The parties have not reached an agreement regarding the amount of attorneys' fees recoverable by Class Counsel.

As a member of the Class, you will not be separately responsible for the payment of attorneys' fees or reimbursement of litigation expenses unless you choose to retain your own counsel separate from Class Counsel.

J. The Settlement Administrator and Administrative Expenses

The Court has appointed Angeion Group to act as the Settlement Administrator to handle the notice and settlement administration process. The Settlement Administrator will process requests for exclusion and challenges from Class Members regarding their number of hours worked, transmit payments under the Settlement, and perform tasks that are usual and customary in administering a class action settlement. The costs of administering the Settlement are currently estimated to be \$32,000 and will be deducted from the Gross Settlement Amount. The actual costs of administering the settlement may vary, and will be subject to Court approval at the Final Approval Hearing.

K. PAGA Penalties and LWDA Payment

Under the Settlement, \$85,000 out of the Gross Settlement Amount has been allocated to the payment of penalties under the California Private Attorney General Act (Cal. Labor. Code §§ 2698 et seq.) ("PAGA"). Pursuant to statute under PAGA, seventy-five percent (75%) of the PAGA penalties (or \$63,750) must be paid to the California Labor and Workforce Development Agency ("LWDA"), and twenty-five percent (25%) (or \$21,250) will be a part of the Net Settlement Fund to be distributed to the Participating Class Members on a *pro rata* basis.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?

A. Participate in the Settlement and Receive Settlement Payments

You do not have to take any action to participate in the Settlement as a Participating Class Member. If you do not take any action you will automatically receive payment of your share of the Settlement. You will be bound by the terms of the Settlement and any final judgment that may be entered by the Court, and will be deemed to have released the Released Claims against the Released Parties.

B. Participate in the Settlement and Dispute Hours Worked

The enclosed Claim Summary Form lists the number of hours that you worked during period from March 12, 2011 and [Preliminary Approval Date], based on Defendant's records. You may challenge the number of hours listed on the Claim Summary Form by submitting a written challenge in compliance with the instructions contained in the Claim Summary Form, post-marked no later than [End of Notice Period], at the following address:

Centinela Feed Wage and Hour Settlement
c/o Angeion Group
[address].

If you have any questions, please visit [insert website] or call [insert telephone support line].

C. Object to the Settlement

Class Members who do not submit a request for exclusion may object to the Settlement. To object, you must mail your objection to the Settlement Administrator, post-marked no later than [End of Notice Period], at the address listed above (in Section III.B).

Your objection must include the following information:

- Your full name, current address, telephone number, and signature.
- The settlement to which you are objecting: “Centinela Feed Wage and Hour Settlement.”
- Your objections and the specific reasons why you object.
- A statement of whether you intend to appear at the Final Approval Hearing, either in person or through counsel.
- If you are represented by separate counsel, the name, address, bar number, and telephone number of all attorneys who will represent you.
- A list of any other objections submitted by you, or your separate counsel, to any class action settlements submitted in any court in the United States, whether state, federal or otherwise, in the previous five years. If you or your separate counsel has not objected to any other class action settlement in any court in the United States in the previous five years, you or your counsel shall affirmatively so state in the written objection.

Please note that any objections must be submitted by an individual Class Member, his or her legally authorized representative, or his or her attorney—not as a member of a group, class, or subclass.

D. Exclude Yourself from the Settlement.

If you do not wish to participate in the Settlement, you must mail a timely and valid request for exclusion to the Settlement Administrator at the address listed above (in Section III.B), postmarked by [End of Notice Period].

Your request for exclusion must include the following information:

- Your full name, current address, telephone number, and signature.
- The settlement to which you are requesting exclusion: “Centinela Feed Wage and Hour Settlement.”
- A statement that you wish to exclude yourself from the class action settlement.

Any Class Members who does not submit a timely and valid request for exclusion will remain a part of the Settlement Class, and will be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, regardless of whether he or she has objected to the Settlement.

Any Class Member who does submit a timely and valid request for exclusion will no longer be a member of the Settlement Class, will be barred from participating in the Settlement, and will receive no benefits or payment from the Settlement. Any such person, at his or her own expense, may pursue any claims he or she may have against Defendant that relate to this lawsuit.

IV. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 308 of the Superior Court for the State of California, County of Los Angeles, on [Date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel’s request for

If you have any questions, please visit [insert website] or call [insert telephone support line].

attorneys' fees and reimbursement of litigation costs and expenses, the Class Representative Enhancement Awards, the Settlement Administration Costs, and the allocation for PAGA penalties.

It is not necessary for you to appear at this hearing. If you have valid objection which states that you intend to appear at the Final Approval Hearing, you may appear at the hearing to present your objection at the hearing. The Final Approval Hearing may be postponed without further notice. As such, if you want to attend the Final Approval Hearing, you should check the Court's website and the settlement website ([\[website\]](#)) before making travel plans.

V. GETTING MORE INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the Joint Stipulation of Class Action Settlement ("Settlement Agreement"), which will be available at [\[website\]](#) and on file with the Court. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined at any time during regular business hours in the Superior Court of the State of California, County of Los Angeles, 600 S. Commonwealth Ave., Los Angeles, California 90012. You may also contact the Settlement Administrator at: [\[phone number\]](#). You also may contact Class Counsel (listed below) for more information:

Edwin Aiwazian
LAWYERS *for* JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

IMPORTANT:

- 1. PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT!**
- 2. If you move, please send the Settlement Administrator your new address. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.**

If you have any questions, please visit [\[insert website\]](#) or call [\[insert telephone support line\]](#).

EXHIBIT 2

CLAIM SUMMARY FORM

Perez et. al. v. Centinela Feed Inc.

Superior Court of the State of California, County of Los Angeles, Case No. BC575341

[Class Member Name]

[Street Address]

[City and State]

Centinela Feed’s Inc.’s (“Defendant” or “Centinela”) records indicate that you were employed by Centinela in a non-exempt position in the State of California at any time from March 12, 2011 through **[Preliminary Approval Date]**. Therefore, you are a member of the Settlement Class and are eligible to receive benefits and payments from a Settlement in the above-referenced case.

According to Centinela’s records:

From March 12, 2011 to [Preliminary Approval Date], you worked for Centinela in a non-exempt position for a total of [Hours Worked] hours (“Hours Worked”).

Based on the above-stated number of Hours Worked, your estimated Individual Settlement Amount is [Indiv. Settlement Amount].

Individual Settlement Amounts will be allocated for tax purposes as follows: (1) one-third (33.33%) of each as wages, which will be subject to deductions and withholdings for the employee’s share of state and federal payroll taxes, and which will be reported on a Form W-2; and (2) one-third (33.33%) as penalties and one-third (33.33%) as interest, which will not be subject to deductions and withholdings, and which will be reported on a Form 1099 shall be issued.

For a description of how Individual Settlement Amounts are calculated, please refer to the Notice of Class Action Settlement, enclosed with this form.

You do not have to take any action or complete any forms if you want to be included in the Settlement and be eligible to receive your Individual Settlement Amount. If you do not submit a request for exclusion, you will automatically receive your Individual Settlement Amount once the Settlement becomes final. For more information regarding the timing and manner of payment please refer to the Notice of Class Action Settlement, enclosed with this form.

If you want to be included in the Settlement, but believe the number of hours you worked as reported in this form is incorrect, you may submit a written challenge of your hours worked to the Settlement Administrator. Any such challenge must include proof of the hours you claim to have worked, including, but not limited to, any paystubs, wage statements, and/or other records. You may write-in your dispute below and return this form, along with proof of the hours you claim to have worked:

Defendant’s records will be presumed determinative, but the Settlement Administrator will evaluate the evidence submitted by you and make the final decision as to your hours worked. To be timely, challenges must be mailed to the Settlement Administrator, postmarked no later than **[End of Notice Period]**, at the following address:

Centinela Feed Wage and Hour Settlement c/o Angeion Group
[address]

You may obtain more information regarding the Settlement and your rights by reviewing the attached Notice of Class Action Settlement, visiting the settlement website at www._____.com, or calling the settlement administrator at 1-_____.