

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT

Lidia Espinoza v. Agustin Ceballos Baca dba A&L Harvesting, et al.

Tulare County Superior Court

Case No.: VCU294386

To: All current and former non-exempt employees of Agustin Ceballos Baca dba A&L Harvesting who performed work for Porterville Citrus, Inc. in California at any time from December 2, 2018, through October 16, 2023 (“Class Period”).

PLEASE READ CAREFULLY

YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT

Why should you read this Notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in the matter of *Lidia Espinoza v. Agustin Ceballos Baca dba A&L Harvesting, et al.*, Tulare County Superior Court, Case No. VCU294386 (the “Action”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. Defendants Agustin Ceballos Baca dba A&L Harvesting’s and Porterville Citrus, Inc.’s (“Defendants”) records show that you were employed by Defendant A&L as a non-exempt employee in California at any time from December 2, 2018, through October 16, 2023 (“Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Lidia Espinoza (“Plaintiff”) brought this Action against Defendants seeking to assert claims on behalf of a class of all current and former non-exempt employees of Agustin Ceballos Baca dba A&L Harvesting who performed work for Porterville Citrus, Inc. in California at any time from December 2, 2018, through October 16, 2023 (“Settlement Class Members”). Plaintiff is known as the “Class Representative,” and her attorneys, who also represent the interests of all Settlement Class Members, are known as “Class Counsel.”

The Action alleges that Defendants: (i) failed to pay employees all earned minimum and overtime; (ii) failed to provide all legally required meal and rest periods; (iii) failed to reimburse for necessary business expenses; (iv) failed to provide accurate and itemized wage statements; (v) failed to timely pay all wages due or final wages due upon separation of employment; and (vi) engaged in unlawful business practices as a result of the above-mentioned alleged violations. The Action further alleges that Defendants are also liable for civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”).

Defendants deny that they have done anything wrong. Defendants also deny that they owe Settlement Class Members any wages, restitution, penalties, damages, or other amounts. Accordingly, the Settlement is a compromise of disputed claims and should not be considered an admission of liability on the part of Defendants, by whom all liability is expressly denied.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the risk of the Court not allowing the case to proceed as a class action, the risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

The Court has not ruled on Plaintiff’s claims. In granting preliminary approval of the Settlement, the Court has determined only that there is sufficient evidence to suggest that the Settlement might be fair, adequate, and reasonable. A final determination on whether the Settlement is fair, adequate, and reasonable will be made at the Final Approval hearing.

Your decision about whether to participate in the Settlement will not affect your employment. California law and Defendants’ policies strictly prohibit unlawful retaliation. Defendants will not take any adverse action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of his or her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

<u>Attorneys for Plaintiff/Settlement Class:</u> STANSBURY BROWN LAW, PC Daniel J. Brown dbrown@stansburybrownlaw.com 2610 ½ Abbot Kinney Blvd. Venice, California 90291 Tel: (323) 204-3124 www.stansburybrownlaw.com	<u>Attorneys for Defendant Agustin Ceballos Baca dba A&L Harvesting:</u> LITTLER MENDELSON, P.C. Gerardo Hernandez, Esq. ghernandez@littler.com 5200 North Palm Avenue, Suite 302 Fresno, CA 93704 www.littler.com Attorneys for Defendant Porterville Citrus, Inc.	FISHER PHILLIPS LLP Alden J. Parker, Esq. aparker@fisherphillips.com Rebecca A. Hause-Schultz, Esq. rhause-schultz@fisherphillips.com William Okamoto, Esq. wokamoto@fisherphillips.com FISHER PHILLIPS LLP 621 Capitol Mall, Suite 1400 Sacramento, CA 95814 www.fisherphillips.com
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What are the terms of the Settlement?

Defendants have agreed to pay \$350,000.00 (the “Gross Settlement Amount”) to fully resolve all claims in the Action, including payments to Settlement Class Members, Class Counsel’s attorneys’ fees and expenses, Settlement administration costs, and the Class Representative’s Service Award.

The following deductions from the Gross Settlement Amount will be requested by the Parties:

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Gross Settlement Amount. Settlement Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for up to thirty-five percent of the Gross Settlement Amount, which is currently estimated at \$122,500.00 as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$12,000.00 in verified costs incurred in connection with the Action.

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$18,000.00 from the Gross Settlement Amount to pay the settlement administration costs.

Class Representative Service Award. Class Counsel will ask the Court to award the Class Representative a Service Award in the amount of \$7,500.00 to compensate her for her service and extra work provided on behalf of the Settlement Class Members.

Payment to the State of California. The Parties have agreed to allocate \$10,000.00 towards the Settlement of the PAGA claims in the Action. \$7,500.00 will be paid to the State of California Labor and Workforce Development Agency (“LWDA”), representing its 75% share of the PAGA civil penalties. The remaining \$2,500.00 will be allocated to Aggrieved Employees (i.e. Settlement Class Members who were employed by Defendant Agustin Ceballos Baca dba A&L Harvesting as non-exempt employees and performed work for Defendant Porterville Citrus, Inc. in California during the time period of December 2, 2021 through October 16, 2023 (the “PAGA Period”) as part of the Net Settlement Amount described below.

Calculation of Settlement Class Members’ Individual Participating Member Payments. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the “Net Settlement Amount,” which will be distributed to all Settlement Class Members who do not submit a valid and timely request for exclusion (“Participating Settlement Class Members”) (described below). The Net Settlement Amount is estimated at approximately \$182,500.00, and will be divided as follows:

- (i) \$2,500.00 of the Gross Settlement Amount has been designated as the “PAGA Amount” and will be distributed to each Aggrieved Employee based on the proportionate number of PAGA Pay Periods (defined as any calendar week in which the Aggrieved Employee worked at least one shift performing for Porterville Citrus, Inc. based on Defendants’ records) that he or she worked during the PAGA Period (from December 2, 2021 through October 16, 2023). Settlement Class Members cannot opt out of the PAGA portion of the settlement and will receive their portion of the PAGA Amount regardless of their decision to opt out of the class settlement.
- (ii) The remainder of the Net Settlement Amount will be distributed to each Participating Settlement Class Member based on the proportionate number of Class Workweeks (defined as any calendar week in which the Participating Settlement Class Member worked at least one shift performing work for Defendant Porterville Citrus, Inc. based on Defendants’ records) that he or she worked during the Class Period (from December 2, 2018, through October 16, 2023).

Payment of the Settlement. If the Court grants final approval of the Settlement, individual Participating Member Payments will be mailed to all Settlement Class Members for their portion of the PAGA Amount regardless of whether they submit a Request for Exclusion. In addition, Participating Settlement Class Members will receive additional compensation as part of their individual Participating Member Payments comprised of their portion of the Net Settlement Amount as described above.

Allocation and Taxes. For tax purposes, each Participating Member Payment shall be treated as follows: 20% as “wages,” for which an IRS Form W-2 will be issued; and 80% as penalties and interest, for which an IRS Form 1099 will be issued. Settlement Class Members are responsible for the proper income tax treatment of the individual Participating Member Payments. The Settlement Administrator, Defendants and their counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members should consult with their tax advisors concerning the tax consequences and treatment of awards they receive under the Settlement.

Class Release. If the Court approves the Settlement, each Participating Settlement Class Member will fully release and discharge Defendants Agustin Ceballos Baca dba A&L Harvesting and Porterville Citrus, Inc., and each of its past and present officers, directors, managers, employees, agents, principals, representatives, fiduciaries, attorneys, accountants, auditors, consultants, partners, investors, shareholders, agents, administrators, insurers and reinsurers, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers (the “Released Parties”) from all claims, pled or which could have been pled based on the factual allegations in First Amended Class and Representative Action Complaint (“FAC”) in the Action during the Class Period, including (a) minimum wage violations; (b) failure to pay all overtime wages; (c) rest period violations; (d) waiting time penalties; (e) wage statement violations; (f) unfair competition; (g) failure to reimburse for necessary business expenses; and (h) meal period violations premised on the claims pled based on the factual allegations in the Action, or claims that are based upon, or derive from the claims asserted in the Action, including alleged violations of California Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7,

246, 256, 510-512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1197.2, 1198, 1199, 2800, 2802, and 2698, *et seq.* as well as the relevant Industrial Welfare Commission Wage Order(s), California Business and Professions Code sections 17200, *et seq.*, as well as claims for interest, costs, attorneys' fees, compensatory damages, and all claims for restitution and other equitable relief, injunctive relief, liquidated damages, and any other remedies owed or available under the law related to the facts set forth in the Action. The release extends to the limits of the Class Period. This Release is expressly limited to shifts in which Settlement Class Members performed work for Defendant Porterville Citrus, Inc.

PAGA Release. Plaintiff and all current and former non-exempt employees of Agustin Ceballos Baca dba A&L Harvesting who performed work for Porterville Citrus, Inc. in California ("Aggrieved Employees") who worked at any time from December 2, 2021 through October 16, 2023 (the "PAGA Period") on behalf of themselves and their respective past and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, regardless of whether they opt out of the Settlement Class, will release and discharge the Released Parties from all claims for PAGA civil penalties that were alleged based on facts pled in the Action for alleged Labor Code violations that arose during the PAGA Period. The release extends to the limits of the PAGA Period. This Release is expressly limited to shifts in which Aggrieved Employees performed work for Defendant Porterville Citrus, Inc.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of Class Workweeks you worked during the Class Period, and the proportionate number of PAGA Pay Periods you worked during the PAGA Period, as stated in this Notice. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Participating Member Payment. Your award is based on the proportionate number of Class Workweeks you worked during the Class Period and the proportionate number of PAGA Pay Periods you worked during the PAGA Period. The information contained in Defendants' records regarding each of these factors, along with your estimated individual Participating Member Payment, is listed below. If you disagree with the information listed below, you may submit a dispute, along with any supporting documentation, to Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. Any disputes, along with supporting documentation, must be postmarked no later than February 19, 2024. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Settlement Administrator will determine whether any adjustments are warranted, and if so, will consult with the Parties and make a determination as to whether an adjustment will be made.

According to Defendants' records:

- (a) you worked for Defendants in California from «Hire_Date» to «Term_Date».
- (b) you worked «Total_Weeks» Class Workweeks between December 2, 2018, and October 16, 2023, for Defendants; and
- (c) you worked «Paga_PPs_» PAGA Pay Periods between December 2, 2021, and October 16, 2023, for Defendants.

Based on the above, your individual Participating Member Payment is estimated at «Est_Set_Amt». The lowest Participating Member Payment to a Settlement Class Member is estimated at **\$12.69**. The highest Participating Member Payment to a Settlement Class Member is estimated at **\$2,208.90**.

Exclude Yourself from the Class Portion of the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself from the class portion of the settlement by making a request for exclusion and sending it to the Settlement Administrator postmarked no later than February 19, 2024. The request for exclusion must: (1) contain your name, address, telephone number; (2) contain a statement that you wish to be excluded from the class settlement; and (3) be signed by you. If the Request for Exclusion fails to comply with items (1) or (2), it will not be deemed a valid request for exclusion from this Settlement, except a request for exclusion not containing your telephone number will be deemed valid.

Send the request for exclusion directly to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. Any person who submits a timely request for exclusion shall, upon receipt by the Settlement Administrator, not be a Settlement Class Member. If you exclude yourself, you will still receive your portion of the PAGA Amount if you are an Aggrieved Employee.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may submit a written objection directly to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. Your written objection must include your name, address, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection, together with any evidence in support of your objection. Written objections must be postmarked on or before February 19, 2024.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Participating Settlement Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on April 18, 2024, at 8:30 a.m., in Department 01 of the Tulare County Superior Court, located at 221 S. Mooney Blvd., Visalia, California 93291. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, the Service Award to the Class Representative, the Settlement Administrator's costs, and the amount related to the PAGA civil penalties. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. The easiest way to read the Settlement Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at espinoza-v-agustin-ceballos-baca.phoenixcases.com. You can also telephone or send an email to Class Counsel using the contact information listed above or consult the Superior Court website by going to <https://www.tulare.courts.ca.gov/> and looking up the case number (Case No. VCU294386). You may also inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Tulare County Superior Court, located at 221 S. Mooney Blvd., Visalia, California 93291, during regular court hours. The Settlement Agreement is attached as Exhibit A to the Declaration of Daniel J. Brown in Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement, filed on September 28, 2023.

PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANTS, OR THEIR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting a Request for Exclusion, a written objection, or any dispute is February 19, 2024. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON NOVEMBER 7, 2023.