

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN
Case No: STK-CV-UOE-2020-4825
Edgar Montes Sanchez, et al. v. Sarbanand Farms, LLC, et al.

NOTICE OF CLASS ACTION SETTLEMENT

Date of Mailing: January 5, 2024
Claims Must Be Received By: July 5, 2024

**TO: EMPLOYEES OF MUNGER BROS., LLC OR CROWNE COLD STORAGE, LLC
UNDER THE H-2A PROGRAM IN 2017 IN STOCKTON, CALIFORNIA**

YOU MAY BE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT. YOU MUST SUBMIT THE CLAIM FORM ATTACHED TO THIS NOTICE BEFORE JULY 5, 2024

This Notice was authorized by the Superior Court of the State of California (“the Court”). It is not a solicitation from a lawyer.

I. INTRODUCTION

This NOTICE OF SETTLEMENT concerns a class action lawsuit filed against Munger Bros., LLC; Crowne Cold Storage, LLC; Sarbanand Farms, LLC; Robert Hawk; and Cliff Woolley (collectively “**Defendants**”) in 2020 in San Joaquin County Superior Court. The plaintiffs are Edgar Montes Sánchez, Arturo Ramírez Álvarez, Filiberto López Herrera, and Sergio Jiménez García, along with Martín Varela Sifuentes and Esperanza Herrera Ramírez, the successors to Daniel Varelas Herrera (collectively “**Plaintiffs**”).

Plaintiffs and Defendants have entered into a Settlement Agreement on behalf of a Class and Subclass of workers.

“**The California H-2A Class**” (or “**the Class**”) is defined as:

all individuals employed by Munger Bros., LLC or Crowne Cold Storage, LLC under the H-2A program in California recruited by Defendants to work as H-2a employees for Munger Bros., Crowne Cold Storage, and/or Sarbanand and commenced work in May of 2017 at Munger Bros. or Crowne Cold Storage facilities or fields in California.

“**The California-Only Subclass**” (or “**the Subclass**”) is defined as:

all members of the California H-2A Class who did not continue to work for Defendants in Washington in 2017 and whose employment was terminated at the end of the 2017 California blueberry season.

This Notice is to inform you about the Settlement Agreement; your right to receive a share of the settlement funds; and your right to make an objection to the settlement before final approval by the Court.

II. DESCRIPTION OF THE LAWSUIT

In this lawsuit, Plaintiffs assert claims against Defendant relating to the 2017 California blueberry harvest as follows: (1) Solicitation by Misrepresentation (Lab. Code § 970), Intentional Misrepresentation, and Negligent Misrepresentation based on Defendants promising five months of work when recruiting employees but only providing seven weeks to members of a proposed Subclass; (2) Failure to Pay Minimum Wages Due (Lab. Code §§ 1182.12, 1194, 1194.2, 1197); Failure to Pay Overtime Due (Lab. Code § 1198, 1194, 1194.2); Failure to Pay Contractual Wages and Expenses, based on Defendants not paying for certain waiting and transportation time relating to travel from housing to the worksites and back, as well as failure to provide adequate meals; (3) Statutory penalties under Lab. Code § 203 and Lab. Code § 226 relating to the failure to pay for all compensable hours; (4) Failure to Provide Rest Periods (Lab. Code §§ 226.7, 512) to a subclass of one crew at the cooling and storage facility; (5) Violation of Farm Labor Contractor Act (Lab. Code §§ 1683 et seq.) based on Defendants' use of an unlicensed farm labor contractor, CSI; and (6) Violation of Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200 et seq.) for each of the above business practices. Plaintiffs assert these claims on behalf of themselves and similarly situated H-2A workers. The lawsuit was filed on June 11, 2020.

Defendants deny these allegations, and they contend that Plaintiffs and other similarly situated workers have been properly paid for all hours worked and that they do not owe any wages, interest, penalties, or other amounts to Plaintiffs or any other member of the Class. Nevertheless, Defendants wish to settle in order to avoid the costs, time, and disruption caused by litigation.

On August 17, 2023, Plaintiffs and Defendants signed a Settlement Agreement, described below. Plaintiffs and Plaintiffs' attorneys believe that the Settlement Agreement is fair, adequate, reasonable, and in the best interests of the Class and Subclass.

On December 7, 2023, the Court granted conditional certification of the Class and preliminary approval of the Settlement Agreement. The Court scheduled a final approval hearing for March 14, 2024.

III. TERMS OF THE PROPOSED SETTLEMENT AGREEMENT

The following terms are not effective unless and until the Court grants final approval of the Settlement Agreement.

Defendants have agreed to pay One Million Two Hundred Thousand Dollars (\$1,200,000.00) to resolve all claims against Defendants under the lawsuit. Defendants will make three equal payments of \$400,000.00, with the final payment due one year after final approval of the Settlement Agreement by the Court. The funds will be distributed as follows:

1. Claims Administration Fee. All funds will be distributed by a third-party administrator ("the **Claims Administrator**"). The Claims Administrator's fee will be negotiated, but in any event no greater than fifty thousand dollars (\$50,000.00). The Claims Administrator is:

Sanchez v Munger Bros
c/o Atticus Administration
PO Box 64053
Saint Paul, MN 55164
Email: mungeracuerdo@atticusadmin.com

Phone: 1-800-201-8529
WhatsApp: 612-205-1767

2. Participation Enhancement for Plaintiffs. In addition to their individual claim amounts under the Distribution Plan, the Plaintiffs will be paid service awards in recognition of the time, expense, and risks they suffered as a result of their participation in this Action (\$40,000.00 in total):
 - a. Ten thousand dollars (\$10,000.00) each to Edgar Montes Sánchez, Arturo Ramírez Álvarez, and Filiberto López Herrera;
 - b. Five thousand dollars (\$5,000.00) in total to Martín Varela Sifuentes and Esperanza Herrera Ramírez, successors to Daniel Varelas Herrera, an original plaintiff who died while this case was pending; and
 - c. Five thousand dollars (\$5,000.00) to Sergio Jiménez García.
3. Attorney Fees and Costs. Plaintiffs' attorneys ("**Class Counsel**") will seek Court approval for attorney fees and costs in an amount no greater than one hundred thousand dollars (\$100,000.00).
4. Class Fund. The remainder (the "**Class Fund**"), at least \$1,010,000.00, is designated for payment to members of the Class who submit timely Claim Forms.

The amount of the payment to each Class Member will be determined by dividing the Class Fund proportionally among all Class Members who submit a timely claim, based on each Class Member's number of days employed; whether the Class Member worked at Munger Bros., Crowne Cold Storage, or both; and whether the Class Member is a member of the Subclass. These factors are based on payroll information maintained by Defendants.

The maximum amount that a Class Member can receive from the Class Fund is four thousand dollars (\$4,000.00), or eight thousand dollars (\$8,000.00) if the Class Member is a member of the Subclass.

Applicable payroll taxes will be deducted from the payment.

5. Any remainder to charity. In the event that any funds remain after distribution to the Class, the remaining funds will be paid to Valley Children's Healthcare of Madera, California. In no event will any money be returned to Defendants.

IV. BINDING EFFECT AND CLASS RELEASE

If the Court grants final approval of the Settlement Agreement, the proposed Settlement will be binding on all members of the Class who have not requested to be excluded from this lawsuit, and will bar them from bringing any of the following claims against Defendants:

any and all claims, debts, liabilities, demands, actions, or causes of action of every nature and description that accrued during the Class Period [2017], under state law and the Wage Orders of the California Industrial Welfare Commission, that were alleged or which could have been alleged based on the factual allegations in the Complaint (or other Operative Complaint(s)) in the Action, including claims for unpaid wages, including but not limited to failure to pay minimum wages, straight time compensation, overtime compensation, and interest; failure to timely pay regular and final wages; failure to provide compliant meal, rest, and/or recovery periods; failure to pay premiums at all or at the correct rate for any violation of meal, rest, and recovery period obligations; compensation due by reason of a split shift; reporting time pay; meal period waivers and on-duty meal period waivers; payment for all hours worked; wage statements and paystubs, including wage statements and paystubs furnished or available in physical,

electronic, or other forms; failure to keep accurate records; making unlawful deductions; failing to reimburse business expenses; unfair business practices; any and all related penalties, including recordkeeping penalties, wage statement penalties, minimum wage penalties, and waiting time penalties; and statutory penalties and/or civil penalties associated with any of the foregoing. Such released claims shall include, but are not limited to those claims arising under California Labor Code sections 201-204, 206, 210, 218, 218.5, 218.6, 221, 222, 222.5, 223, 226, , 226.3, 226.7512, 558, 558.1, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, 2802, 2698 et seq., and 2699 et seq., and/or those arising under the applicable Industrial Welfare Commission Wage Order(s); California Business and Professions Code section 17200 et seq. (including, without limitation, California Business and Professions Code §§17200 through 17208); the California Civil Code sections 3287, 3289, and 3294; California Code of Civil Procedure section 1021.5, the Migrant Seasonal Worker Protection Act, the H2-A program, California Farm Labor Contactor Act (“Released Claims”).

V. **WHAT ARE YOUR OPTIONS?**

A. **File Your Claim and Receive Your Portion of the Settlement**

In order to receive money from the Class Fund, you must sign the attached Claim Form and send it, with proof of identity, to the Claims Administrator at the address below.

Your Claim Form must be received by the Claims Administrator by July 5, 2024.

B. **Opt Out and Be Excluded From the Settlement**

If you do not wish to take part in the Settlement, you may exclude yourself (i.e., opt-out) by sending to the Claims Administrator a written “Request for Exclusion from the Class Action Settlement.” The Request for Exclusion must be received by the Claims Administrator on or before February 19, 2024. The Request for Exclusion must include your name, address, telephone number, and signature, and should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE LAWSUIT OF *MONTES SANCHEZ, ET AL V. SARBANAND FARMS, LLC, ET AL*. I UNDERSTAND THAT I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT HAVE.”

C. **Object to the Settlement**

You 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 settlement. If you wish to object to the Settlement Agreement, you must file with the Claims Administrator a written objection stating your name, address, telephone number, the name of this case, and the grounds for your objection. Any objection must be received by the Claims Administrator on or before February 19, 2024.

If you have filed a proper, timely objection, you also may appear at the final approval hearing scheduled for March 14, 2024 at 9 a.m. in the California Superior Court for the County of San Joaquin, located at 180 East Weber Avenue, Stockton, California 95202, to have your objection heard by the Court. Objections not timely filed will not be considered by the Court. If you fail to file a timely objection or an objection that fails to satisfy the requirements set forth in this Notice, you will have no right to appear and present any argument at the final approval hearing. You may be represented by an attorney at the final approval hearing. Any attorney who will represent an individual objecting to the settlement must file a notice of appearance with the Court and serve counsel for all parties on or before February 15, 2024. All correspondence must state the name and number of the case –*Montes Sanchez, et al v. Sarbanand Farms, LLC, et al*, Case No. STK-CV-UOE-2020-4825.

All Claim Forms, Requests for Exclusion, and Objections must be received by the Claims Administrator by the dates above at the address listed at the end of this Notice.

VI. IF THE CLASS ACTION SETTLEMENT AND RELEASE IS NOT APPROVED

On December 7, 2023, the Court preliminarily approved the Class Action Settlement, finding that the agreement was fair and reasonable. The Court has expressed no opinion regarding the merits of the claims made in this action.

If the Class Action Settlement and Release is not approved by the Court, or if any of its conditions are not satisfied, the conditional settlement will be voided, no money will be paid, and the parties will continue to litigate this case. If that happens there is no assurance: (a) that any decision at trial would be in favor of the Class members; (b) that a trial decision, if any, would be as favorable to the Class members as this settlement; or (c) that any favorable trial decision would be upheld if an appeal is filed.

VII. NO RETALIATION OR DISCRIMINATION

California law prohibits the Defendants from retaliating or discriminating against you in any manner because you have exercised your right under California law to participate in this settlement.

VIII. ADDRESS CHANGES

It is your responsibility to keep the Claims Administrator apprised of your correct address and telephone number until the settlement has been approved and payments have been made. Please contact the Claim Administrator at the address above.

IX. HOW TO GET MORE INFORMATION

This NOTICE provides only a summary of the most pertinent terms and conditions of the settlement. The complete terms of the proposed settlement are stated in the Settlement Agreement that has been tentatively approved by and filed with the Court. You can view important documents about this case at this website: www.mungeracuerdo.com.

You also may access all the documents that have been filed in Court in the case, including the Settlement Agreement, from the Court, either online at <https://cms.sjcourts.org/fullcourtweb/start.do>, or by using one of the computer terminal kiosks at the courthouse at 180 East Weber Avenue, Stockton, California 95202. **Please do not call the Court.**

If you have any questions, you may contact:

<p><u>Class Counsel</u> California Rural Legal Assistance Foundation 2210 K St #201, Sacramento, CA 95816 Tel: 1-916-446-7905 WhatsApp: 1-916-905-0005 E-mail: ekautz@crlaf.org</p>	<p><u>Claim Administrator</u> Sanchez v Munger Bros c/o Atticus Administration PO Box 64053 Saint Paul, MN 55164 Email: mungeracuerdo@atticusadmin.com Phone: 1-800-201-8529 WhatsApp: 612-205-1767</p>
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