

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement is made by and between Plaintiff Jose Bermejo ("Plaintiff"), on behalf of himself and on behalf of the State of California and all Private Attorneys General Act ("PAGA") Settlement Group Members, on the one hand, and Defendant Laboratory Corporation of America dba Labcorp ("Defendant"), on the other (Plaintiff and Defendant are collectively referred herein as, the "Parties", and individually as a "Party"), subject to the approval of the Court in accordance with California Labor Code section 2699(1)(2), upon and subject to the following terms and conditions.

I. DEFINITIONS

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

- A. "Action" means the civil action titled *Jose Bermejo, as a representative on behalf of the State of California and other aggrieved employees v. Laboratory Corporation of America, dba Labcorp, and DOES 1 through 50, inclusive* (the "Action"), pending before the Superior Court for the State of California, for the County of Los Angeles (the "Court"), Case No. 20STCV21106.
- B. "Agreement" or "Settlement Agreement" means this PAGA Settlement Agreement.
- C. "Complaint" means the Complaint filed by Plaintiff on June 4, 2020, in the Action, and all amendments thereto.
- D. "Court" means the Superior Court for the State of California, County of Los Angeles.
- E. "Covered Period" means the period of time from February 19, 2019 through the date on which the Court grants approval of the Settlement.
- F. "Defendant" means the defendant in this Action, Laboratory Corporation of America dba Labcorp.
- G. "Effective Date" means the date upon an entry of an Order by the Court approving the Settlement Agreement and the Settlement is fully funded.
- H. "Defendant's Counsel" means Gene C. Ryu, Esq., Carter L. Norfleet, Esq., and Paul M. Suh, Esq. of K&L Gates LLP.
- I. "Judgment" means the Order Granting Approval of Settlement and Entering Final Judgment entered by the Court in substantially the same form evidenced by **Exhibit A** to this Agreement and incorporated by reference into this Agreement.
- J. "LWDA" means the California Labor and Workforce Development Agency.
- K. "LWDA Payment" means the portion of the payment from the Total Settlement Amount to be paid to the LWDA under the Settlement Agreement.

- L. "Net Settlement Amount" means the Total Settlement Amount minus deduction for (i) the Representative Plaintiff's Payment, (ii) the Plaintiff's Counsel Fees and Expenses Payment, and (iii) the Settlement Administrator's fees and expenses.
- M. "PAGA" means the Private Attorneys General Act of 2004, California Labor Code section 2698 et seq.
- N. "PAGA Notice" means a notice of proposed settlement pursuant to PAGA, substantially in the form evidenced by **Exhibit B** to this Agreement.
- O. "PAGA Released Claims" means the claims being released by Plaintiff and PAGA Settlement Group Members in section III J below.
- P. "PAGA Settlement Group Members" means, based upon Defendant's representation to Plaintiff, the four thousand five hundred twenty-five (4,525) current and former non-exempt employees of Defendant in California at any time during the period from February 19, 2019 to the date that the Court approves this Settlement.
- Q. "Plaintiff" means the plaintiff in the Action, Jose Bermejo.
- R. "Plaintiff's Counsel" means Kevin Mahoney, Esq., Berkeh Alemzadeh, Esq., and Laura Theriault, Esq. of Mahoney Law Group, APC.
- S. "Released Parties" means Defendant, Laboratory Corporation of America Holdings, its present and former parents, subsidiary and affiliated companies, as well as their former and present respective officers, directors, employees, partners, shareholders and agents, and any other successors, assigns and legal representatives and its related persons and entities.
- T. "Representative Plaintiff's Payment" means the special payment made to Plaintiff to compensate him for initiating and pursuing the Action, undertaking the risk of liability for attorneys' fees and expenses in the event that he was unsuccessful in the prosecution of the Action, and granting the release described in section III.I.1. of the Settlement.
- U. "Settlement" means the Parties' agreement, as detailed herein, to dispose of the Action and all other claims, demands, rights, promises, covenants, actions, suits, causes of action, obligations, debts, expenses, administration costs, damages, penalties, fines, interest, injuries, compensation, judgments, orders, and liabilities alleged in, arising from, or related to the Action.
- V. "Settlement Administrator" means the administrator proposed by the Parties and appointed by the Court to administer the Settlement.
- W. "Settlement Share" means the portion of the Net Settlement Amount allocable to each PAGA Settlement Group Member as provided by this Agreement.

- X. “Total Settlement Amount” means the total amount to be paid by Defendant as provided by this Agreement. The Total Settlement Amount is five-hundred thousand dollars (\$500,000.00). The Total Settlement Amount will cover: (i) all Settlement Shares to PAGA Settlement Group Members, (ii) the LWDA Payment, (iii) the Representative Plaintiff’s Payment, (iv) the Plaintiff’s Counsel Fees and Expenses Payment, and (v) the Settlement Administrator’s fees and expenses.

II. FACTUAL BACKGROUND

- A. On February 19, 2020, Plaintiff served a letter to the LWDA and Defendant in accordance with the requirements of Labor Code section 2699.3, to notify the LWDA of alleged violations by Defendant of the California Labor Code sections 201–203, 226, 226.7, 227.3, 510, 512, 1174, 1194, and 2802 for alleged failures to pay all wages, provide meal and rest periods to employees, to pay timely wages, maintain accurate payroll records and wage statements, and reimburse employees for business expenses. The LWDA declined to investigate the alleged violations, and Plaintiff initiated this Action.
- B. On June 4, 2020, Plaintiff commenced this Action.
- C. In the Action, Plaintiff seeks relief under PAGA on behalf of himself and the PAGA Settlement Group Members for the alleged violations of the California Labor Code.
- D. Prior to Mediation, Defendant supplied Plaintiff’s Counsel with Defendant’s company handbook and numerous policies and procedures, as well as a thirty percent (30%) sampling of employee time and payroll records which Plaintiff’s Counsel’s expert reviewed and analyzed. At all times, the Parties engaged in arm’s length negotiations.
- E. On February 24, 2022, the Parties participated in a mediation presided over by Hon. Carl West (Ret.). During the mediation, each side, represented by its respective counsel, recognized the risk of an adverse result in the Action. The Parties came to an agreement during the mediation to settle the Action.
- F. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that Plaintiff’s claims in the Action have merit or that they have any liability to Plaintiff or the PAGA Settlement Group on those claims, or as an admission by Plaintiff that Defendant’s defenses in the Action have merit.

III. SETTLEMENT TERMS AND CONDITIONS

- A. **Non-Admission.** Nothing in this Settlement nor the acts to be performed or judgments to be entered pursuant to the terms of the Settlement shall be construed to be an admission by Plaintiff that his claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, PAGA Settlement Group Members, or any other person. Defendant specifically disclaims any such liability or

wrongdoing. Defendant denies the allegations in the Action and specifically deny that it has committed any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind. The Parties have entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

- B. **Total Settlement Amount.** Subject to the terms and conditions of this Agreement and Court approval, the Total Settlement Amount is five-hundred thousand dollars and zero cents (\$500,000.00). The Total Settlement Amount will cover: (i) all Settlement Shares to PAGA Settlement Group Members, (ii) the LWDA Payment, (iii) the Representative Plaintiff's Payment, (iv) the Plaintiff's Counsel Fees and Expenses Payment, and (v) the Settlement Administrator's fees and expenses. The Total Settlement Amount will not be increased unless there is ultimately more than a 10% increase in the 4,525 PAGA Settlement Group Members from February 19, 2019 through the date the Court approves this Settlement (i.e., more than four thousand nine hundred seventy eight (4,978) total PAGA Settlement Group Members), in which case the Total Settlement Amount shall be increased by the percentage amount above the ten percent (10%) (e.g., if the number of PAGA Settlement Group Members increases by 11% to 5,023, the Total Settlement Amount will increase by one percent (1%)). However, Defendant shall have the right to cap the Covered Period at 4,978 PAGA Settlement Group Members instead of increasing the Total Settlement Amount, in which case the Covered Period will end at the date 4,798 PAGA Settlement Group Members is reached. The settlement is non-reversionary, such that the entire Total Settlement Amount will be disbursed.
- C. **Payments to Settlement Administrator.** The Settlement Administrator will pay to itself out of the Total Settlement Amount its reasonable fees and expenses as approved by the Court, and not to exceed eighteen thousand dollars (\$18,000.00).
- D. **Payments to LWDA.** The Parties will apply to the Court for a payment to the LWDA of seventy-five percent (75%) of the Net Settlement Amount. If the Court approves an LWDA Payment of less than seventy-five percent (75%) of the Net Settlement Amount, the remainder will be retained in the Net Settlement Amount and allocated to payment to the Settlement Group Members.
- E. **Payment to Plaintiff's Counsel.** Defendant will not oppose Plaintiff's Counsel's request for a Fees and Expenses Payment in the total, maximum amount of one-hundred sixty-six thousand, six-hundred sixty-six dollars and sixty-seven cents (\$166,666.67) for attorneys' fees (one-third (1/3) of the Total Settlement Amount) and expenses not to exceed one-thousand five-hundred dollars (\$1,500.00). The Settlement Administrator will issue to Plaintiff's Counsel a Form 1099 with respect to the awarded attorneys' fees and costs.
- F. **Payment to Plaintiff.** In addition to his Settlement Share, Plaintiff will apply to the Court for a Representative Plaintiff's Payment of not more than five thousand

dollars (\$5,000.00). Defendant will not oppose a Representative Plaintiff's Payment of up to five thousand dollars (\$5,000.00). The Settlement Administrator will pay the Representative Plaintiff's Payment approved by the Court out of the Total Settlement Amount. If the Court approves a Representative Plaintiff's Payment of less than five thousand dollars (\$5,000.00), the remainder will be retained in the Net Settlement Amount. Tax deductions and withholdings will not be taken from the Representative Plaintiff's Payment, and instead a Form 1099 will be issued to Plaintiff with respect to this payment.

- G. **Settlement Share to PAGA Settlement Group Members.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will allocate Settlement Shares from the Net Settlement Amount to the PAGA Settlement Group Members in proportion to the number of weeks worked for Defendant during the Covered Period. A Form 1099 will be issued to each PAGA Settlement Group Member for his/her Settlement Share because the Action sought civil penalties.
- H. **Appointment of Settlement Administrator.** The Parties agree to propose Phoenix Class Action Administrators as an acceptable Settlement Administrator to resolve disputes in connection with the calculation of the Settlement Shares in accordance with the Settlement, distribute Settlement Shares and other payments due under the Settlement, and otherwise administer the Settlement. The Settlement Administrator's duties will include preparing, printing, and mailing the Notice Packet to the PAGA Settlement Group Members; conducting a National Change of Address search and using Accurant and other reasonable and cost-effective skip trace methods to locate any PAGA Settlement Group Member whose Notice Packet was returned by the U.S. Postal Service as non-deliverable, and re-mailing the Notice Packet to the PAGA Settlement Group Member's new address; issuing the checks to effectuate the payments due under the Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Settlement Administrator will have the final authority to resolve all disputes concerning the calculation of a PAGA Settlement Group Member's Settlement Share, subject to the dollar limitations set forth in this Agreement. The Settlement Administrator's reasonable fees and expenses, including the cost of printing and mailing the Notice Packet, will be paid out of the Total Settlement Amount.
- I. **Procedure for Approving Settlement.**
 - 1. **Motion for an Order Approving the Settlement.**
 - a. The Parties will cooperate in seeking approval of the Settlement, including Plaintiff filing a Motion for an Order Approving the Settlement Agreement (the "Motion").
 - b. Pursuant to PAGA, on the date Plaintiff files the Motion, Plaintiff will submit to the LWDA the PAGA Notice substantially evidenced by **Exhibit B** to this Agreement, enclosing this Agreement. The Parties intend and believe that

providing notice of this Settlement to the LWDA pursuant to the procedures described in this section complies with the requirements of PAGA.

- c. At the hearing on the Motion, the Parties will jointly appear, support the granting of the Motion, and submit an order granting the Motion in the form evidenced by **Exhibit A** to this Agreement.
 - d. Should the Court decline to approve all material aspects of the Settlement, or order material changes to the Settlement to which the Parties do not agree, the Parties will meet and confer to address the Court's concerns and determine whether resolution of the Action can be obtained in a manner consistent with the Court's concerns. If no agreement can be reached, the Settlement will be null and void and the Parties will have no further obligations under it. However, an award by the Court of lesser amounts than sought for the Representative Plaintiff's Payment and/or Class Counsel Fees and Expenses Payment will not be considered a material change to the Settlement.
2. **No Right to Opt Out or Object.** The Parties agree there is no statutory right for any PAGA Settlement Group Member to object, opt out, or otherwise exclude himself or herself from the Settlement. The Parties further agree there is no right or opportunity for any PAGA Settlement Group Member to appeal the approval of the Settlement by the Court with the exception of Plaintiff.
 3. **Notice to PAGA Settlement Group Members.** After the Court enters its order granting the Motion, every PAGA Settlement Group Member will be provided with the Notice Packet, which will include the Notice completed to reflect the order granting the Motion, and the PAGA Settlement Group Member Settlement Information Sheet completed to show the PAGA Settlement Group Member's information, as follows:
 - a. Within twenty-one (21) days after Court approval of the settlement, Defendant will provide to the Settlement Administrator the names, last known addresses and telephone numbers, Social Security numbers, and Covered Pay Periods of all PAGA Settlement Group Members. The Settlement Administrator shall keep this information confidential and not disclose it to any third parties. If any or all of the PAGA Settlement Group Members' data are unavailable to Defendant, Defendant will use best efforts to deduce or reconstruct their data prior to when it must be submitted to the Settlement Administrator.
 - b. Within twenty-five (25) days after receiving the PAGA Settlement Group Members' data from Defendant, the Settlement Administrator will send a Notice Packet to each PAGA Settlement Group Member. The Settlement Administrator will mail this information to all identified PAGA Settlement Group Members, using the mailing address information provided by Defendant, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the

Settlement. In the event of returned or non-deliverable notices, the Settlement Administrator will make reasonable efforts to locate PAGA Settlement Group Members and re-send the notices.

- c. If a Notice Packet is returned because of an incorrect address, the Settlement Administrator will promptly, and not later than ten (10) days from receipt of the returned packet, search for a more current address for the PAGA Settlement Group Member using Accurant and other reasonable and cost-effective skip trace methods, and re-mail the Notice Packet to the PAGA Settlement Group Member. The Settlement Administrator will use the PAGA Settlement Group Members' data and otherwise work with Defendant to find a more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, court orders, and fee, as agreed to with Plaintiff's Counsel and according to the following deadlines, to trace the mailing address of any PAGA Settlement Group Member for whom a Notice Packet is returned by the U.S. Postal Service as undeliverable. These reasonable steps will include, at a minimum, the tracking of all undelivered mail, performing address searches for all mail returned without a forwarding address, and promptly re-mailing to PAGA Settlement Group Members for whom new addresses are found.
4. **Resolution of Disputes.** If a PAGA Settlement Group Member disputes the information shown on his or her Settlement Information Sheet, the PAGA Settlement Group Member has thirty (30) days from the date of mailing to so notify the Settlement Administrator to resolve the matter by returning the sheet with the information that he or she contends is incorrect and including with the sheet any documentation the PAGA Settlement Group Member has to support his or her contention. In the event of such a dispute, Defendant will have the right to review their payroll and personnel records to verify the correct information. The Settlement Administrator will make a determination of the correct information, and that determination will be final, binding on the Parties and the PAGA Settlement Group Member, and non-appealable.
5. **Submission of Judgment.** Plaintiff shall submit a copy of the Judgment in this Action and a copy of any other order providing for or denying an award of civil penalties within ten (10) days after entry of the Judgment and/or order, in compliance with Section 2699(1)(3) of the California Labor Code. The Judgment will be made available to the LWDA and PAGA Settlement Group Members through the Settlement Administrator's website for a period of one (1) year following entry of judgment.
6. **Vacating Reversal, or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal or a petition for certiorari or review, or any other motion, petition, or application, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material change to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then either Plaintiff or Defendant will have

the right to void the Settlement, which the Party must do by giving written notice to the other Party, the reviewing court, and the Court not later than thirty (30) days after the reviewing court's decision vacating, reversing, or materially modifying the Judgment becomes Final. A vacation, reversal, or modification of the Court's award of the Representative Plaintiff's Payment and/or Plaintiff's attorneys' fees and/or costs will not constitute a vacating, reversal, or material modification of the Judgment within the meaning of this paragraph, although Plaintiff or Plaintiff's Counsel have the right to appeal from any refusal by the Court to award the Plaintiff's Counsel attorneys' fees and/or costs sought by them.

7. **Timing of Settlement Payments.** Within ten (10) days after the Settlement becomes Final, as defined in this Agreement, the Settlement Administrator will provide Defendant with wire transfer information. Within fifteen (15) business days after the Settlement Administrator provides Defendant with wire transfer information, Defendant will transfer the Total Settlement Amount to the Settlement Administrator via wire transfer. Within ten (10) days thereafter, the Settlement Shares will be paid to the PAGA Settlement Group Members, the LWDA Payment will be paid to the LWDA, the Representative Plaintiff's Payment will be paid to Plaintiff, Plaintiff's Counsel Fees and Expenses Payment will be paid to Plaintiff's Counsel, and the Settlement Administrator's fees and expenses will be paid to the Settlement Administrator.
8. **Uncashed Settlement Share Checks.** A PAGA Settlement Group Member must cash his or her Settlement Share payment or check within one-hundred and eighty (180) calendar days after it is mailed to him or her. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the PAGA Settlement Group Member at his or her correct address. If any PAGA Settlement Group Member's Settlement Share check is not cashed within one-hundred and twenty (120) days after its last mailing to the PAGA Settlement Group Member, the Settlement Administrator will send the PAGA Settlement Group Member a letter or postcard informing him or her that unless the check is cashed in the next sixty (60) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed. If a PAGA Settlement Group Member fails to cash the check for his or her Settlement Share within one hundred eighty (180) days after it is mailed to him or her, the funds shall be distributed by the Settlement Administrator to the State Controller's Unclaimed Property Fund in the Settlement Group Member's name.

J. Release and Waiver of Claims.

1. **Plaintiff.** In consideration of Plaintiff's awarded Representative Payment, Plaintiff's Settlement Share, and the other terms and conditions of the Settlement, as of the date the Settlement becomes Final, Plaintiff releases any and all known and unknown claims for violations under PAGA only against Defendant and the Released Parties. This release does not include a release of Plaintiff's individual wage and hour claims and does not include a release of claims for wrongful termination, discrimination, or other related claims.

2. **PAGA Settlement Group Members.** In consideration for their awarded Settlement Shares, as of the date the Settlement becomes Final, all PAGA Settlement Group Members release Defendant and the Released Parties from any and all claims under PAGA of whatever kind or nature, whether known or unknown, arising during the Covered Period based on the facts alleged by Plaintiff in the Action and Plaintiff's notice letter to LWDA, including but not limited to claims under Labor Code sections 201–203, 226, 226.7, 227.3, 510, 512, 1174, 1194, 1197, 2802, 2698, 2699.3, and 2699.5, the Industrial Welfare Commission Wage Orders, and any resulting claim for attorneys' fees and costs (the "Released Claims").

3. **Waiver of Rights Under California Civil Code Section 1542.** Plaintiff's released claims as provided for in part III.I.1 and the PAGA Settlement Group Members' Released Claims include all such respective claims under PAGA only, whether known or unknown by the releasing party. Therefore, with respect only to those respective Released Claims, Plaintiff and the PAGA Settlement Group Members expressly waive and relinquish the provisions, rights and benefits of section 1542 of the California Civil Code, which reads:

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

With respect to the PAGA Settlement Group Members' Released Claims, the scope of the waiver of rights and benefits under section 1542 of the California Civil Code is in no way intended by the Parties to extend to any claims beyond the Released Claims; rather, this waiver is intended to apply only to the Released Claims.

K. **No Effect on Other Benefits.** The Net Settlement Shares will not result in any additional benefit payments (such as 401(k) or bonus) beyond those provided by this Agreement to Plaintiff or the PAGA Settlement Group Members, and they will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement.

L. **Confidentiality Preceding Approval.** Prior to filing of the Motion for Settlement Approval, Plaintiff and Plaintiff's Counsel will not issue any press or other media releases or have any communication with the press or media or anyone other than financial advisors, retained experts, and vendors related to settlement administration, regarding the Settlement.

M. Miscellaneous Terms.

1. No Admission of Liability.

a. Defendant denies that they have engaged in any unlawful activity, have failed to comply with the law in any respect, or have any liability to anyone under

the claims asserted in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission of liability or wrongdoing by Defendant, or an admission by Plaintiff that any of his claims were non-meritorious or any defense asserted by Defendant was meritorious. This Settlement and the fact that Plaintiff and Defendant were willing to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with the Settlement).

- b. Whether or not the Judgment becomes Final, nothing in the Settlement, this Agreement, any document, statement, proceeding or conduct related to the Settlement or the Agreement, or any reports or accounting of those matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against any of the Released Parties, in any further proceeding in the Action, or any other civil, criminal or administrative action or proceeding except for purposes of effectuating the Settlement pursuant to this Agreement.
 - c. This section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Agreement, or in defense of any claims released or barred by this Agreement.
2. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Agreement or its exhibits other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
3. **Attorney Authorization.** Plaintiff's Counsel and Defendant's Counsel each warrant and represent that they are authorized by their respective clients to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effectuate implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court or mediator, and in all cases all such documents, supplemental provisions and assistance of the court will be consistent with this Agreement. No attorney for

any party is a party to this agreement and will not be liable for any party's breach of any of the terms of this agreement.

4. **Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their successors-in-interest.
5. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
6. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
7. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
8. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
9. **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
10. **Notice.** All notices, demands or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, addressed as follows:

To Plaintiff and the Settlement Group:

Kevin Mahoney

kmahoney@mahoney-law.net

Berkeh Alemzadeh

balem@mahoney-law.net

Laura Theriault

ltheriault@mahoney-law.net

Mahoney Law Group, APC

249 East Ocean Blvd., Suite 814

Long Beach, CA 90802

Telephone: 562.590.5550

Facsimile: 562.590.8400

To Defendant:

Gene C. Ryu

Gene.Ryu@klgates.com
Carter Norfleet
Carter.Norfleet@klgates.com

10100 Santa Monica Blvd., 8th Floor
Los Angeles, CA 90067
Telephone: 310.552.5000
Facsimile: 310.552.5001

11. Execution in Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile signatures will be accepted if the original signature is provided within seven days. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

SIGNATURES ON FOLLOWING PAGE

IV. EXECUTION BY PARTIES

The Parties hereby execute this Agreement.

Oct 4, 2023

Dated: September 28, 2023 JOSE BERMEJO


JOSE BERMEJO (Oct 4, 2023 14:32 PDT)

Dated: September 28, 2023

LABORATORY CORPORATION OF AMERICA dba
LABCORP

By: _____
[NAME]
[TITLE]

Gene.Ryu@klgates.com
Carter Norfleet
Carter.Norfleet@klgates.com

10100 Santa Monica Blvd., 8th Floor
Los Angeles, CA 90067
Telephone: 310.552.5000
Facsimile: 310.552.5001

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SIGNATURES ON FOLLOWING PAGE

IV. EXECUTION BY PARTIES

The Parties hereby execute this Agreement.

Dated: October 5, 2023

JOSE BERMEJO

Dated: October 5, 2023

LABORATORY CORPORATION OF AMERICA dba
LABCORP

By: 

NAME: Sandra D. van der Vaart

TITLE: Executive Vice President

EXHIBIT A

Kevin Mahoney (SBN: 235367)
kmahoney@mahoney-law.net

Laura Theriault (SBN: 330474)
ltheriault@mahoney-law.net

MAHONEY LAW GROUP, APC
249 E. Ocean Boulevard, Suite 814
Long Beach, CA 90802
Telephone No.: (562)590-5550
Facsimile No.: (562)590-8400

Attorneys for Plaintiff JOSE BERMEJO as a representative on behalf of the State of California
and other aggrieved employees,

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES-CENTRAL DISTRICT

JOSE BERMEJO, as a representative on behalf
of the State of California and other aggrieved
employees,

Plaintiff,

v.

LABORATORY CORPORATION OF
AMERICA, DBA LABCORP and DOES 1
through 50, inclusive,

Defendant.

Case No.: 20STCV21106

**[PROPOSED] ORDER FOR JUDICIAL
APPROVAL OF THE PARTIES'
PRIVATE ATTORNEYS GENERAL
ACT SETTLEMENT AGREEMENT
AND RELEASE OF CLAIMS AND
JUDGMENT THEREON**

Assigned for all purposes to:
Hon. Christopher K. Lui, Dept. 76

Date: November 1, 2023
Time: 8:30 a.m.
Dept.: 76

Complaint Filed: June 4, 2020
Trial Date: None Yet Set

1 **[PROPOSED] ORDER AND JUDGMENT**

2 Plaintiff, Jose Bermejo ("Plaintiff"), and Defendant, Laboratory Corporation of America
3 dba Labcorp ("Defendant"), (collectively "Parties") have entered into a Private Attorneys General
4 Act Settlement Agreement and Release of Claims ("Settlement Agreement") to settle the above-
5 captioned action subject to the Court's approval (the "Settlement"). This matter is not before the
6 Court on Plaintiff's Motion to Approve the Settlement Agreement Pursuant to the Private
7 Attorneys General Act ("PAGA"). The Court has read, heard, and considered all the pleadings
8 and documents submitted, and the presentations made in connection with the Motion which came
9 on for hearing on November 1, 2023. Pursuant to Labor Code section 2699(1)(2), the Court
10 approves Plaintiff's Motion to Approve Settlement Agreement Pursuant to the Private Attorneys
11 General Act.

12 NOW THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED:

13 1. Except as otherwise defined herein, this Judgment incorporates by reference the
14 definitions in the Settlement Agreement, and all capitalized terms herein shall have the same
15 meaning as set forth in the Settlement Agreement.

16 2. The California Labor Workforce and Development Agency ("LWDA") has been
17 provided with notice of settlement in accordance with California Labor Code section 2699(1)(2).

18 3. The Court confirms approval of the Settlement Agreement as to the Aggrieved
19 Employees and the State of California.

20 4. The Court has jurisdiction over the subject matter of this litigation, over all
21 Aggrieved Employees, and over those persons undertaking affirmative obligations under the
22 Settlement Agreement.

23 5. The Court has approved the Settlement Agreement under Labor Code section
24 2699(1)(2).

25 6. The Notice of PAGA Settlement, attached as Exhibit B to the Settlement
26 Agreement, fairly and adequately describes the Action, approved Settlement Agreement, and is
27 the best notice practicable under the circumstances.
28

1 7. The Court finds and determines that each Aggrieved Employee, in accordance with
2 the Settlement Agreement, releases all PAGA Claims against the Released Parties.

3 8. The Settlement Sum, Net Settlement Amount, and methodology used to calculate
4 the LWDA Net Settlement Amount, Employee Net Settlement Amount, and Employee Settlement
5 Share in accordance with the Settlement Agreement, is approved.

6 9. The Court approves Phoenix Class Action Administration Solutions to act as the
7 Settlement Administrator.

8 10. The Court awards the Settlement Administrator up to eighteen thousand dollars
9 (\$18,000.00) in accordance with the terms of the Settlement Agreement.

10 11. The Court awards Plaintiff's Counsel attorneys' fees in the amount of one hundred
11 sixty-eight thousand six hundred sixty-six dollars and sixty-seven cents (\$166,666.67) and costs
12 in the amount of one thousand seventy-two dollars and ninety-six cents (\$1,072.96), which the
13 Court finds to be fair and reasonable. The Court authorizes the Settlement Administrator to make
14 this payment in accordance with the terms of the Settlement Agreement.

15 12. The Court authorizes the Settlement Administrator to calculate and distribute the
16 Employee Settlement Share in accordance with the terms of the Settlement Agreement.

17 13. The Court authorizes the Settlement Administrator to calculate and distribute the
18 LWDA Settlement Amount in accordance with the terms of the Settlement Agreement.

19 14. Checks issued to the Aggrieved Employees shall remain valid for one hundred
20 eighty (180) days. Thereafter, all unclaimed funds shall be tendered to the California State's
21 Controller Office pursuant to the Unclaimed Property Law in the name of each Aggrieved
22 Employee who has not claimed his or her Employee Settlement Share.

23 15. Upon completion of the Settlement, the Settlement Administrator will provide
24 written certification of the completion to the Court and counsel for the Parties, which shall be
25 filed with the Court on or before _____.

26 16. Nothing in this Judgment or the Settlement Agreement shall be construed as an
27 admission or concession by any party. The Settlement Agreement and entry of this judgment
28 simply represents a compromise of disputed allegations.

1 17. The Court enters final judgment in accordance with the Settlement Agreement and
2 this Judgment.

3 18. Plaintiff is directed to submit a copy of this Judgment and entry of judgment to the
4 LWDA within 10 days of the date of this Judgment and entry of the judgment.

5 19. Without affecting the finality of this Judgment in any way, the Court retains
6 jurisdiction of all matters relating to the interpretation, administration, implementation,
7 effectuation, and enforcement of the Settlement pursuant to Code of Civil Procedure section
8 664.6.

9
10 **IT IS SO ORDERED.**

11
12 Dated: _____

Hon. Christopher K. Lui
Judge of the Superior Court

EXHIBIT B

NOTICE OF SETTLEMENT

To: *All current and former non-exempt employees of Laboratory Corporation of America dba Labcorp in California at any time during the period from February 19, 2019 to the date that the Court approves this Settlement.*

PLEASE READ THIS NOTICE CAREFULLY

ACCORDING TO THE LABORATORY CORPORATION OF AMERICA dba LABCORP YOU QUALIFY TO RECEIVE MONEY IN CONNECTION WITH A LEGAL SETTLEMENT. TO ENSURE THAT YOUR PAYMENT IS ACCURATELY CALCULATED, READ THE ENCLOSED SETTLEMENT INFORMATION SHEET AND CONFIRM THAT THE INFORMATION ABOUT YOURSELF AND YOUR EMPLOYMENT WITH LABCORP IS CORRECT. IF IT IS CORRECT, YOU DO NOT NEED TO DO ANYTHING; YOU WILL RECEIVE YOUR SHARE OF THE SETTLEMENT. IF THE SETTLEMENT INFORMATION SHEET IS INCORRECT, RETURN IT IN ACCORDANCE WITH THE INSTRUCTIONS IN THIS NOTICE.

WHAT IS THIS NOTICE ABOUT?

A settlement (the "Settlement") has been reached between Plaintiff Jose Bermejo ("Plaintiff") and Defendant Laboratory Corporation of America dba Labcorp ("Defendant"), in the action pending in the Court brought on behalf of the following individuals (the "Settlement Group"):

The [redacted] current and former non-exempt employees of Defendant in California at any time during the period from February 19, 2019 to [date of court approval]

The Court has approved the Settlement. You have received this notice because Laboratory Corporation of America dba Labcorp's records indicate that you are a member of the Settlement Group. This notice is designed to inform you of how you can provide corrected information to the Settlement Administrator, if necessary, to ensure your receipt of your Settlement Share.

WHAT IS THIS LAWSUIT ABOUT?

On June 4, 2020, Plaintiff brought an action entitled "*Jose Bermejo, as a representative on behalf of the State of California and other aggrieved employees v. Laboratory Corporation of America, dba Labcorp, and DOES 1 through 50, inclusive*" (the "Action"), pending before Superior Court of the State of California, for the County of Los Angeles (the "Court"), designated as No. 20STCV21106.

In the Action, Plaintiff alleged that Defendant failed to properly pay all wages due to Laboratory Corporation of America dba Labcorp employees in California during the period of February 19, 2019 through [date of court approval] in violation Labor Code section 2698, *et seq.* claiming violations of specific sections of the Labor Code including 201-203, 226, 226.7, 227.3, 510, 512, 1174, 1194, 1197, 2802, 2698, 2699.3, and 2699.5 of the California Labor Code. Plaintiff sued for civil penalties under the California Labor Code Private Attorneys General Act ("PAGA"), Cal. Lab. Code § 2698 *et seq.* Under PAGA, any recovery of civil penalties is shared between the LWDA, which gets 75% of the penalties recovered, and the allegedly aggrieved employees, who get 25% of the penalties recovered.

Defendant denied and continues to deny all of Plaintiff's material allegations. Specifically, Defendant contends that they complied with the requirements of the Labor Code and that civil penalties are not recoverable.

After good-faith negotiations in which both sides recognized the substantial risk of an uncertain outcome, Plaintiff and Defendant agreed to settle the Action pursuant to the terms and conditions of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that Plaintiff's claims in the Action have merit or that it has any liability to Plaintiff or the group of individuals he seeks to represent on those claims. On the contrary, Defendant denies any and all such liability.

WHO IS INCLUDED IN THE SETTLEMENT?

You are included in the Settlement if you fall within the following definition:

The [redacted] current and former non-exempt employees of Laboratory Corporation of America dba Labcorp in California at any time during the period from February 19, 2019 to the date that the Court approves this Settlement.

You are receiving this notice because Defendant's records indicate that you are part of the Settlement Group.

WHAT WILL I RECEIVE FROM THE SETTLEMENT?

1. **Settlement Shares.** Pursuant to PAGA, 75% of the Net Settlement Amount will go to the LWDA. The remaining 25% of the Net Settlement Amount will be distributed to Settlement Group Members in proportion to the number of weeks that they were an employee of Laboratory Corporation of America dba Labcorp.
2. **Payment of Settlement Shares.** The Settlement Shares and other amounts awarded by the Court will be paid after entry of the final judgment. Checks for Settlement Shares must be cashed within 180 days after they are issued, or else the funds they represent will go to the State of California in your name and held for your benefit.
3. **Dispute of Settlement Group Member Information.** If you dispute the validity of any of the information shown on your enclosed Settlement Information Sheet, including the number of workweeks used to calculate your Settlement Share, you must report your dispute to the Settlement Administrator to resolve the matter. In order to do so, you must return the enclosed Settlement Information Sheet to the Settlement Administrator by the deadline of _____, informing the Settlement Administrator of the fact of the dispute and the basis for your contention that different information is correct for you (including any documentary evidence that you have to support your contention). In the event of such a dispute, Defendant will review payroll and personnel records to verify the correct information. Defendant's records will have a rebuttable presumption of correctness. After consultation with you, Defendant's, and Plaintiff's Counsel, the Settlement Administrator will make a final determination.
4. **Settlement Group Member Release.** The Settlement approved by the Court includes a release by Settlement Group of any and all representative claims under PAGA of whatever kind or nature, whether known or unknown, arising during the Covered Period based on the facts alleged by Plaintiff in the Action and Plaintiff's notice letter to LWDA, including but not limited to PAGA claims for alleged violations of Labor Code sections 201-203, 226, 226.7, 227.3, 510, 512, 1174, 1194, 1197, 2802, 2698, 2699.3, and 2699.5, the Industrial Welfare Commission Wage Orders, and any resulting claim for attorneys' fees and costs (the "Released Claims").

The Released Claims include all such claims, whether known or unknown under PAGA. Therefore, as a Settlement Group Member, and only as to the Released PAGA Claims, you expressly waive and relinquish the provisions, rights, and benefits of section 1542 of the California Civil Code, which reads:

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

WHAT ARE MY RIGHTS AS A SETTLEMENT GROUP MEMBER?

1. **Participating in Settlement.** You are a part of the Settlement Group, and therefore, you will be bound by the terms of the Settlement and any final judgment that may be entered by the Court and you will be deemed to have released the PAGA claims against Defendant and the other released parties described above. As a member of the Settlement Group, you will not be responsible for the payment of attorneys' fees or reimbursement of litigation expenses unless you retain your own counsel, in which event you will be responsible for your own attorneys' fees and expenses.
2. **Settlement Information Sheet.** The enclosed Settlement Information Sheet provides the information on

which your Settlement Share will be calculated and an estimate of your Settlement Share. If the information in the Settlement Information Sheet (including your mailing address) is correct, you need not return the form. If the information contained in the Settlement Information Sheet is not correct, correct the information on the sheet and return it to the Settlement Administrator. If you believe information (other than your name, mailing address, and the last four digits of your Social Security Number) is incorrect, state on the Settlement Information Sheet what you contend is the correct information and also include any documentation you have to support that contention. The Settlement Information Sheet must be completed and returned to the Settlement Administrator postmarked by not later than _____, 2023. It is your obligation to keep the Settlement Administrator informed of any changes to your mailing address until your Settlement Share is received. Failing to provide the Settlement Administrator with any change of your mailing address may prevent you from receiving your Settlement Share.

3. **The Settlement Administrator's Address.** If applicable, send your corrected Settlement Information Sheet to the Settlement Administrator at the following address.

Jose Bermejo v. Laboratory Corporation of America dba Labcorp.
c/o Phoenix Class Action Administration
P.O. Box 7208
Orange, CA 92863
(888) 517-4291

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 detailed Settlement Agreement, which will be on file with the Clerk of the Court. The pleadings and other records in this litigation including the Settlement Agreement, may be examined at the Office of the Clerk of the Court, Superior Court of California for Los Angeles County, 111 North Hill Street, Los Angeles, CA 90012, during the Clerk's normal business hours; or you may contact Plaintiff's Counsel as follows: Kevin Mahoney, Berkeh Alemzadeh, and Laura Theriault of Mahoney Law Group, APC, 249 East Ocean Boulevard, Suite 814, Long Beach, CA 90802, (562) 590-5550.

PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL ANY OF PLAINTIFF'S COUNSEL LISTED ABOVE.

Dated: _____, 2023.
By Order of the Court