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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 FOR THE COUNTY OF VENTURA
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14 MARIA PALMERIN, individually, and on
15 behalf of other members of the general public
16 similarly situated;

16 Plaintiff,

17 vs.

18 GOLDEN STATE MEDICAL SUPPLY, INC.,
19 a California corporation; and DOES 1 through
20 100, inclusive,

20 Defendants.

Case No. 56-2019-00524873-CU-OE-VTA
Dept. 21

Hon. Jeffrey G. Bennett

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT**

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff Maria Palmerin, individually and on behalf of the Settlement Class, and Defendant Golden State Medical Supply, Inc.

DEFINITIONS

1. “Agreement” or “Settlement” means this Joint Stipulation of Class Action and PAGA Settlement.

2. “Action” means the court action, entitled “*Maria Palmerin, vs. Golden State Medical Supply, Inc. et al.*,” Case No. 56-2019-00524873-CU-OE-VTA, pending before the Ventura County Superior Court.

3. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Plaintiff’s Counsel’s litigation and resolution of the Action, and all costs incurred and to be incurred by Plaintiff’s Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and expenses for any experts. Plaintiff’s Counsel will request attorneys’ fees not in excess of Thirty-Five Percent of the Gross Settlement Amount, or Two Hundred Ninety-Seven Thousand Five Hundred Dollars and Zero Cents (\$297,500.00). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Plaintiff’s Counsel’s litigation and settlement of the Action, not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), subject to the Court’s approval. Defendant has agreed not to oppose Plaintiff’s Counsel’s request for fees and reimbursement of costs and expenses as set forth above.

4. “Class Counsel” means Protection Law Group, LLP and Lawyers *for* Justice, P.C.

5. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator within fourteen (14) calendar days after Preliminary Approval of this Settlement. The Class List

1 will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class
2 Member's full name; most recent mailing address and telephone number; Social Security number;
3 the hire and termination dates, and the workweeks actually worked by each Class Member during
4 the Class Period ("Individual Workweeks") and any other relevant information needed to calculate
5 settlement payments.

6 6. "Class Members" or "Settlement Class" or "Settlement Class Members" means all
7 current and former hourly-paid, non-exempt employees who are employed or have been employed
8 by Defendant in the State of California during the Class Period.

9 7. "Class Period" means the period from February 14, 2015 to April 7, 2020.

10 8. "Class Representative" means Plaintiff Maria Palmerin in her capacity as the
11 representative of the Settlement Class Members.

12 9. "Class Representative Enhancement" means the amount that the Court authorizes
13 to be paid to Plaintiff, in addition to her Individual Settlement Payment, in recognition of her
14 efforts and risks in assisting with the prosecution of the Action and in exchange for executing the
15 General Release provided herein.

16 10. "Court" means the Superior Court of the State of California for the County of
17 Ventura.

18 11. "Defendant" means Golden State Medical Supply, Inc.

19 12. "Effective Date" means: the later of: (a) if any timely objections are filed and not
20 subsequently withdrawn, the 60th day after the Court enters an order granting final approval of the
21 Joint Stipulation of Class Action and PAGA Settlement; (b) if any timely appeals are filed, the
22 date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of
23 the Settlement; or (c) if no timely objections are filed, or if all objections are withdrawn, the date
24 upon which the Court enters an order granting final approval of the Joint Stipulation of Class
25 Action and PAGA Settlement.
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1 13. “Final Approval” means the Court entering an order granting final approval of the
2 Settlement Agreement.

3 14. “First Amended Complaint” means: the First Amended Complaint Plaintiff will
4 file in the action as a part of this settlement adding a cause of action for penalties pursuant to the
5 Private Attorneys General Act of 2004 (PAGA).

6 15. “Gross Settlement Amount” means the sum of the Individual Settlement Payments,
7 the Class Representative Enhancement, the Attorney’s Fees and Costs, PAGA Payment, and the
8 Settlement Administration Costs, up to a Gross Settlement Amount of Eight Hundred Fifty
9 Thousand Dollars and Zero Cents (\$850,000.00). The Gross Settlement Amount is non-
10 reversionary; no portion of the Gross Settlement Amount will return to Defendant.

11 16. “Individual Settlement Payment” means the amount payable from the Net
12 Settlement Amount to each Settlement Class Member who has not submitted a Request for
13 Exclusion. In addition to the amount payable from the Net Settlement Amount, the Individual
14 Settlement Payment shall also include eligible PAGA Members’ share of the employee portion of
15 the PAGA Payment.

16 17. “Net Settlement Amount” or “NSA” means the Gross Settlement Amount, less
17 Attorney’s Fees and Costs, the Class Representative Enhancement, PAGA Payment, and
18 Settlement Administration Costs.

19 18. “Notice” means the Notice of Class Action Settlement in a form substantially
20 similar to the form attached hereto as Exhibit A, that will be mailed to Class Members’ last known
21 addresses and which will provide Class Members with information regarding the Action and
22 information regarding the settlement of the Action.

23 19. “Notice of Objection” means a Class Member’s valid and timely written objection
24 to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the
25 objector’s full name, address, telephone number, last four digits of the employee’s social security
26 number or employee ID number and (b) a written statement of all grounds for the objection
27 accompanied by legal support, if any, for such objection.
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1 20. “PAGA” means the California Labor Code Private Attorneys General Act of 2004
2 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”).

3 21. “PAGA Member” means all current and former hourly-paid, non-exempt
4 employees who are employed or have been employed by Defendant in the State of California
5 during the PAGA Period

6 22. “PAGA Payment” means the amount that the Parties have agreed to allocate in
7 order to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§
8 2698, *et seq.*)(“PAGA”). The Parties have agreed that Twenty-Five Thousand Dollars and Zero
9 Cents (\$25,000.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiff’s
10 PAGA Claims. Seventy Five Percent (75%) of this amount (\$18,750.00) will be paid to the
11 California Labor and Workforce Development Agency in accordance with Labor Code §§ 2698 *et*
12 *seq.* Twenty Five Percent (25%) of this amount (\$6,250.00), will be distributed to PAGA Members
13 on a *pro rata* basis based on the weeks worked during the PAGA Period.

14 23. “PAGA Period” means the period from February 14, 2018, to April 7, 2020.

15 24. “Parties” means Plaintiff and Defendant, collectively, and “Party” shall mean either
16 Plaintiff or Defendant, individually.

17 25. “Participating Class Members” means all Class Members who do not submit valid
18 and timely Requests for Exclusion.

19 26. “Plaintiff” means Maria Palmerin.

20 27. “Preliminary Approval” means the Court order granting preliminary approval of
21 the Settlement Agreement.

22 28. “Released Claims” means any and all claims, debts, liabilities, demands,
23 obligations, penalties, guarantees, costs, expenses, attorney’s fees, damages, action or causes of
24 action of whatever kind or nature, whether known or unknown, contingent or accrued, that are
25 alleged, related to or that reasonably could have arisen out of the same facts alleged in Plaintiff’s
26 March 24, 2020 PAGA Notice , the Complaint and First Amended Complaint filed in the Action
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1 including, but not limited to claims for: (a) failure to provide meal periods and/or meal period
2 premium or penalty pay; (b) failure to authorize and permit rest periods and/or rest period premium
3 or penalty pay; (c) failure to pay minimum wages; (d) failure to pay overtime wages; (e) failure to
4 pay for all hours worked; (f) unlawful rounding of work time; (g) failure to reimburse for business
5 expenses; (h) failure to pay timely pay wages upon termination; (i) failure to timely pay wages
6 during employment; (j) failure to provide accurate, itemized wage statements; (k) failure to keep
7 complete or accurate payroll records; (l) all claims under PAGA that could have been premised on
8 the claims, causes of action or legal theories described above (m) all claims for unfair business
9 practices under California Business & Professions Code Section 17200 *et seq.* that could have been
10 premised on the claims, causes of action or legal theories of relief described above. This Release
11 shall include, claims that were raised, or that reasonably could have been raised based on the facts
12 alleged in the Complaint or First Amended Complaint for the alleged violations of the applicable
13 Wage Orders and California Labor Code provisions, including Labor Code §§ 201, 202, 203, 204,
14 226, 226.3, 226.6, 226.7, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et*
15 *seq.*, 2800, and/or 2802. (collectively, the “Released Claims”).

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17 29. “Released Claims Period” means the period from February 14, 2015 to April 7,
18 2020.

19 30. “Released Parties” means Defendant and any of its former and present parents,
20 subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and
21 assigns, as well as all past and present officers, directors, employees, partners, shareholders and
22 agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any.

23 31. “Request for Exclusion” means a valid and timely written statement submitted by
24 a Class Member requesting to be excluded from the settlement of the class claims. To be effective
25 the request for exclusion must contain (a) the Settlement Class Member’s name, address, telephone
26 number, and the last four digits of the Settlement Class Member’s Social Security number and/or
27 the Employee ID number and (b) a clear statement requesting to be excluded from the settlement
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1 of the class claims similar to the following: “I wish to exclude myself from the settlement reached
2 in the matter of *Palmerin v. Golden State Medical Supply*. I understand that by excluding myself,
3 I will not receive money from the settlement of my individual claims.” To be effective, the Request
4 for Exclusion must be post-marked by the Response Deadline and received by the Settlement
5 Administrator. The request for exclusion shall not be effective as to the release of claims arising
6 under the Private Attorney’s General Act.

7 32. “Response Deadline” means the date forty-five (45) days after the Settlement
8 Administrator mails Notice to Class Members and the last date on which Class Members may
9 submit Requests for Exclusion, Objections to the Settlement, or Workweek Disputes. In the event
10 the 45th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the
11 next day on which the U.S. Postal Service is open. The Response Deadline for Requests for
12 Exclusion or objections will be extended fifteen (15) calendar days for any Class Member who is
13 re-mailed a Notice Packet by the Settlement Administrator, unless the 15th day falls on a Sunday
14 or Federal holiday, in which case the Response Deadline will be extended to the next day on which
15 the U.S. Postal Service is open. The Response Deadline may also be extended by express
16 agreement between Class Counsel and Defendant. Under no circumstances, however, will the
17 Settlement Administrator have the authority to unilaterally extend the deadline for Class Members
18 to submit a Request for Exclusion or objection to the settlement.

19 33. “Settlement” means the disposition of the Action pursuant to this Agreement.

20 34. “Settlement Administrator” means ILYM Group, Inc. or any other third-party class
21 action Settlement Administrator agreed to by the Parties and approved by the Court for the
22 purposes of administering this settlement. The Parties each represent that they do not have any
23 financial interest in the Settlement Administrator or otherwise have a relationship with the
24 Settlement Administrator that could create a conflict of interest.

25 35. “Settlement Administration Costs” mean the costs payable from the Gross
26 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
27 but not limited to, printing, distributing, and tracking documents for this Settlement, calculating
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1 estimated amounts per Class Member, tax reporting, distributing the Gross Settlement Amount,
2 and providing necessary reports and declarations, and other duties and responsibilities set forth
3 herein to process this Settlement, and as requested by the Parties. The Settlement Administration
4 Costs will be paid from the Gross Settlement Amount, including, if necessary, any such costs in
5 excess of the amount represented by the Settlement Administrator as being the maximum costs
6 necessary to administer the settlement. The Settlement Administration Costs are currently
7 estimated to be Ten Thousand Dollars and Zero Cents (\$10,000.00). To the extent actual
8 Settlement Administrations Costs are greater than Ten Thousand Dollars and Zero Cents
9 (\$10,000.00) such excess amount will be deducted from the Gross Settlement Amount. To the
10 extent Settlement Administration costs are less than Ten Thousand Dollars and Zero Cents
11 (\$10,000.00) the difference between this amount and the actual costs of settlement administration
12 shall be included in the Net Settlement Amount.

13 36. “Workweeks” means the total number of workweeks during which Settlement
14 Class Members worked for Defendant during the Class Period based on Defendant’s Records.

15 **TERMS OF AGREEMENT**

16 37. Settlement Consideration. Defendant shall fund the Gross Settlement Amount
17 following Final Approval by the Court and the occurrence of the Effective Date. The following
18 will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments,
19 the Class Representative Enhancement Payment, the Attorney’s Fees and Costs, the PAGA
20 Payment, and the Settlement Administration Costs, as specified in this Agreement and approved
21 by the Court. Except for any employer-side taxes due on the Individual Settlement Payments,
22 Defendant shall not be required to pay more than the Gross Settlement Amount. The Gross
23 Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will return to
24 Defendant.

25 38. Potential Increases to the Gross Settlement Amount Defendant has represented
26 there are approximately 28,500 Compensable Workweeks within the Class Period. Should the
27 actual number of Compensable Workweeks increase following preliminary approval by more than
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ten percent (10%) (*i.e.* by more than two thousand eight hundred and fifty (2,850) Compensable Workweeks) the Gross Settlement Amount shall increase by a percentage equal to the percentage by which the number of Compensable workweeks is more than ten percent (10%) higher than Defendant's estimate of 28,500. If, for example, the actual number of Compensable Workweeks is twelve percent (12%) higher than 28,500, the Gross Settlement Amount would increase by two percent (2% = 12% - 10%).

39. Funding and Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days after the Effective Date of the Settlement, Defendant will make a one-time deposit of all Court approved and claimed amounts from the Gross Settlement Amount into a Qualified Settlement Account ("QSF") to be established by the Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue payments to: (a) Participating Class Members/PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and (d) Plaintiff's Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the settlement.

40. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Plaintiff's Counsel for attorneys' fees of not more than Two Hundred Ninety-Seven Thousand Five Hundred Dollars and Zero Cents (\$297,500.00) plus the reimbursement of costs and expenses associated with Plaintiff's Counsel's litigation and settlement of the Action, not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), both of which will be paid from the Gross Settlement Amount. Subject to Court approval, Class Counsel will decide the allocation of attorneys' fees and costs among Plaintiff's Counsel. Any portion of the requested fees or costs that is not awarded to the Class Representative shall be part of the Net Settlement Amount and shall be distributed to Participating Class Members as provided in this Agreement.

41. Class Representative Enhancement Payment: Defendant agrees not to oppose or object to any application or motion by Plaintiff for a Class Representative Enhancement of up to

Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff. The Class Representative Enhancement is in exchange for the Released Claims, the General Release, and for Plaintiff's time, effort and risk in bringing and prosecuting the Action. Any portion of the requested Class Representative Enhancement that is not awarded to the Class Representative shall be part of the Net Settlement Amount and shall be distributed to Participating Class Members as provided in this Agreement.

42. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which are currently estimated to be Ten Thousand Dollars and Zero Cents (\$10,000.00). These costs, which will be paid from the Gross Settlement Amount, will include, inter alia, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing the Notice Packet calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

43. Acknowledgement of Potential Administration Costs Increases/Decreases. The Parties hereby acknowledge that the Settlement Administration Costs may increase above the current estimate of Ten Thousand Dollars and Zero Cents (\$10,000.00) and that any such additional Class Administration Costs that are approved by counsel for the Parties shall be taken out of the Gross Settlement Amount. Alternatively, should the actual costs of settlement administration be less than Ten Thousand Dollars and Zero Cents (\$10,000.00) the difference between Ten Thousand Dollars and Zero Cents (\$10,000.00) and actual settlement expenses shall be included in the Net Settlement Amount and distributed to Participating Class Members.

44. PAGA Payment: Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment, or Eighteen Thousand Seven-Hundred Fifty Dollars and Zero Cents (\$18,750.00), to the California Labor and Workforce Development Agency ("LWDA"). Six Thousand Two-Hundred Fifty Dollars and Zero Cents (\$6,250.00), will be distributed to PAGA Members as described in this Agreement.

45. Net Settlement Amount for Payment of Class Claims. The Net Settlement Amount will be used to satisfy the Class Portion of the Individual Settlement Payments to Participating Class Members in accordance with the terms of this Settlement. The Net Settlement Amount shall be the Gross Settlement Amount after subtracting approved Attorney's Fees and Costs, the Class Representative Enhancement Payment, the Costs of Settlement Administration, and the PAGA Payment. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	850,000.00
Class Representative Enhancement:	\$	5,000.00
Class Counsel's Fees:	\$	297,500.00
Class Counsel's Costs:	\$	25,000.00
PAGA Payment	\$	25,000.00 ¹
Settlement Administration Costs:	\$	10,000.00
Estimated Net Settlement Amount	\$	487,500.00

46. Individual Settlement Payment Calculations: Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount and employee portion of the PAGA Payment based on the number of Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations of Individual Settlement Payments will be made as follows:

46(a) The Defendant will calculate the total number of weeks actually worked by each Participating Class Member ("Individual Workweeks") and the total number of Workweeks actually worked by all Participating Class Members ("Class Workweeks") during the Settlement Class Period.

46(b) To determine the Class Portion each Class Member's Individual Settlement Payment, the Settlement Administrator will use the following formula: Class

¹ 75% of the PAGA Payment (\$18,750.00) shall be paid to the LWDA. 25% of the PAGA Payment (\$6,250.00) shall be distributed to PAGA Members who worked for Defendant during the PAGA Period.

1 Portion of Individual Settlement Payment = (Individual Workweeks ÷ Total
2 Workweeks of Participating Class Members) × Net Settlement Amount.

3 46(c) Each Class Member who worked during the PAGA Period (PAGA Member) is
4 eligible to receive the proportionate amount from the employee portion of the
5 PAGA Payment based on the number of Workweeks worked during the PAGA
6 Period.

7 46(d) To determine the PAGA Portion of each Class Member's Individual Settlement
8 Payment, the Settlement Administrator will use the following formula: PAGA
9 Portion of Individual Settlement Payment = (Individual Workweeks during
10 PAGA Period ÷ Total Workweeks of all PAGA Members during PAGA Period) x
11 employee portion of PAGA Payment.

12 46(e) The Class Portion and PAGA Portion (if applicable) shall be referenced
13 collectively as the Individual Settlement Payment.

14 46(f) Class Members who request to be excluded from the settlement shall have the
15 Class Portion of their Individual Settlement Payment remain part of the Net
16 Settlement Amount and shall proportionally increase each Participating Class
17 Member's final Individual Settlement Payment. PAGA Members shall receive the
18 PAGA Portion of their Individual Settlement Payment irrespective of their choice
19 to opt-out of the release of the class claims.

20 47. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
21 Participating Class Members under this Settlement, as well as any other payments made pursuant
22 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
23 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
24 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
25 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
26 affect any rights, contributions, or amounts to which any Class Members may be entitled under
27 any benefit plans.

28 48. Settlement Administration Process. The Parties agree to cooperate in the

administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement. The Settlement Administrator will provide the following services:

48(a) Establish and maintain a Qualified Settlement Account.

48(b) Calculate the Individual Settlement Payment each Class Member is eligible to receive.

48(c) Print and mail the Notice Packet.

48(d) Translate the Notice Packet from English to Spanish.

48(e) Conduct additional address searches for mailed Notice Packets that are returned as undeliverable.

48(f) Process Requests for Exclusion, calculate Participating Class Members' Individual Settlement Payment, field inquiries from Class Members, and administer of any Requests for Exclusion. This service will include settlement proceed calculation, printing and issuance of Settlement Payment Checks, and preparation of IRS W2 and 1099 Tax Forms. Basic accounting for and payment of employee tax withholdings will also be included as part of this service.

48(g) Inform Defendant of its employer-side tax liability.

48(h) Provide declarations and/or other information to this Court as requested by the Parties and/or the Court.

48(i) Provide weekly status reports to counsel for the Parties.

48(j) Posting a notice of final judgment online at Settlement Administrator's website.

49. Delivery of the Class List. Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

50. Notice by First-Class U.S. Mail. Within fourteen (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses

identified in the Class List.

51. Confirmation of Contact Information in the Class List. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark a Request for Exclusion, or an objection to the Settlement.

52. Notice. All Class Members will be mailed a Notice. Each Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class definition; (d) the total number of Workweeks each respective Class Member worked for Defendant during the Settlement Class Period; (e) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Settlement Class Period; (g) the deadlines by which the Class Member must postmark Requests for Exclusion or postmark Notices of Objection to the Settlement; (h) the claims to be released, as set forth herein; and (j) the date for the final approval hearing.

53. Disputed Information on Notice Packets. Class Members will have an opportunity to dispute the information provided in their Notice Packets. To the extent Class Members dispute the number of Workweeks to which they have been credited or the amount of their Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member produces

evidence to the contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class Member and the Parties will make the final decision as to the number of eligible Workweeks that should be applied and/or the Individual Settlement Payment to which the Class Member may be entitled. All such disputes are to be resolved not later than fourteen (14) calendar days after the Response Deadline.

54. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark a revised Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim, then the Settlement Administrator will have no further obligation to give notice of a need to cure. If the revised Request for Exclusion is not postmarked within that period, it will be deemed untimely.

55. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the Settlement Agreement must sign and postmark a written Request for Exclusion to the Settlement Administrator within the Response Deadline. The Request for Exclusion must include (a) the Settlement Class Member's name, address, telephone number, and the last four digits of the Settlement Class Member's Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the class claims similar to the following: "I wish to exclude myself from the settlement reached in the matter of *Palmerin v. Golden State Medical Supply*. I understand that by excluding myself, I will not receive money from the settlement of my individual claims. The date of the postmark on the return mailing envelope receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. The Request for Exclusion does not apply to

claims arising under the Private Attorney General Act (California Labor Code Sections 2698 *et seq*). Eligible PAGA Members who submit valid requests for exclusion will still receive a check for the PAGA Portion of their Individual Settlement Payment. All Class Members who do not request exclusion from the settlement will be bound by all terms of the Settlement Agreement if the settlement is granted final approval by the Court.

56. Defendant's Right to Rescind. If five percent (5%) or more of the Class Members elect not to participate in the Settlement, Defendant may, at its election, rescind the Settlement Agreement and all actions taken in furtherance of it will be thereby null and void. Defendant must exercise this right of rescissions, in writing, to Class Counsel within fourteen (14) calendar days after the Settlement Administrator notifies the Parties of the total number of opt-outs. If Defendant exercises its right to rescind, then Defendant will be responsible for all Settlement Administration Costs incurred to the date of rescission.

57. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement. All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged, any and all Released Claims arising under the Private Attorney General Act (California Labor Code Sections 2698 *et seq*) and the opt-out procedures do not apply to these claims.

58. Objection Procedures. To object to the Settlement Agreement, a Class Member must postmark a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline. The Notice of Objection must be signed by the Class Member and contain all information required by this Settlement Agreement including the employees full name, address, telephone number, the last four digits of your social security number and/or Employee ID number, the specific reason including any legal grounds for the class members objection. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. Class Members who fail to object in the specific and technical manner specified above will be

1 foreclosed from making a written objection, but shall still have a right to appear at the Final
2 Approval Hearing in order to have their objections heard by the Court. At no time will any of the
3 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written
4 objections to the Settlement Agreement or appeal from the Order and Judgment. Class Counsel
5 will not represent any Class Members with respect to any such objections to this Settlement.

6 59. Certification Reports Regarding Individual Settlement Payment Calculations. The
7 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report
8 which certifies: (a) the number of Participating Class Members from the Settlement Class who
9 have submitted valid Requests for Exclusion; (b) the Net Settlement Amount claimed by
10 Participating Class Members; and (c) whether any Class Member has submitted a challenge to any
11 information contained in their Notice Packet. Additionally, the Settlement Administrator will
12 provide to counsel for both Parties any updated reports regarding the administration of the
13 Settlement Agreement as needed or requested.

14 60. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator
15 to Participating Class Members will be negotiable for at least one hundred eighty (180) calendar
16 days. A Settlement Class Member does not cash his or her settlement check within 180 days, the
17 uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of
18 California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, *et*
19 *seq.* for the benefit of those Class Members who did not cash their checks until such time that they
20 claim their property. The Settling Parties agree that this disposition results in no "unpaid residue"
21 under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid
22 out to Class members, whether or not they all cash their Settlement Checks. Therefore, Defendant
23 will not be required to pay any interest on such amounts. The Settlement Awards provided to Class
24 Members shall prominently state the expiration date or a statement that the checks will expire in
25 one hundred eighty (180) days, or alternatively, such a statement may be made in a letter
26 accompanying the check. Expired Settlement Awards will not be reissued, except for good cause
27 and as mutually agreed by the Parties in writing. The parties agree no unclaimed funds will result
28 from the settlement.

1 61. Tax Treatment of Individual Settlement Payments. All Individual Settlement
2 Payments will be allocated as follows: twenty percent (20%) of each Individual Settlement
3 Payment will be allocated as wages and eighty percent (80%) will be allocated as non-wages for
4 interest and penalties. The portion allocated to wages will be reported on an IRS Form W-2 and
5 the portions allocated to non-wages will be reported on an IRS Form-1099 by the Settlement
6 Administrator.

7 62. Administration of Taxes by the Settlement Administrator. The Settlement
8 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and
9 Plaintiff's Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts
10 paid pursuant to this Settlement. The Settlement Administrator will also be responsible for
11 forwarding all payroll taxes and penalties to the appropriate government authorities.

12 63. Tax Liability. Defendant makes no representation as to the tax treatment or legal
13 effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not
14 relying on any statement, representation, or calculation by Defendant or by the Settlement
15 Administrator in this regard. Plaintiff and Participating Class Members understand and agree that
16 except for Defendant's payment of the employer's portion of any payroll taxes, they will be solely
17 responsible for the payment of any taxes and penalties assessed on the payments described herein.
18 Employer-side payroll taxes on the wage portion of Individual Settlement Payments shall be made
19 separately from and in addition to the Gross Settlement Amount.

20 64. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
21 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY
22 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER
23 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
24 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
25 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
26 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
27 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
28 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR

PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

65. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

66. Release by Participating Class Members, PAGA Members, the LWDA and the State of California. It is the desire of the Plaintiff, Participating Class Members, and Defendant to fully, finally, and forever settle, compromise, and discharge the claims asserted in the Action. Upon the Effective Date, in exchange for the consideration set forth in this Agreement, Participating Class Members shall fully release and discharge the Released Parties from any and all Released Claims for the entire Released Claims Period. This release shall be binding on all Class Members who have not timely submitted a valid and complete Request for Exclusion, including each of their respective attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released Parties, who

1 shall have no further or other liability or obligation to any Settlement Class Member with respect
2 to the Released Claims, except as expressly provided herein. All PAGA Members, regardless
3 whether they submit timely and valid Requests for Exclusion from the Settlement Class, will
4 release all claims under PAGA that could have been premised on the claims, causes of action or
5 legal theories described the Complaint, the First Amended Complaint and Plaintiff's March 24,
6 2020 PAGA Notice during the PAGA Period. The State of California and the LWDA will also
7 release all claims under PAGA that could have been premised on the claims, causes of action or
8 legal theories described the Complaint, the First Amended Complaint and Plaintiff's March 24,
9 2020 PAGA Notice.

10 67. Release of Additional Claims & Rights by Plaintiff. Upon the Effective Date, and
11 as a condition of receiving any portion of her Class Representative Enhancement Payment,
12 Plaintiff will agree to the additional following General Release: In consideration of Defendant's
13 promises and agreements as set forth herein, Plaintiff hereby fully releases the Released Parties
14 from any and all Released Claims and also generally release and discharge the Released Parties
15 from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind
16 which have been or could have been asserted against the Released Parties arising out of or relating
17 to Plaintiff's employment by Defendant or termination thereof, including but not limited to claims
18 for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful
19 termination of employment. This release specifically includes any and all claims, demands,
20 obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees
21 and costs (except provided by the Settlement Agreement) relating to or in any way connected with
22 the matters referred to herein, whether or not known or suspected to exist, and whether or not
23 specifically or particularly described herein. Specifically, Plaintiff waives all rights and benefits
24 afforded by California Civil Code Section 1542, which provides:

25 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
26 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
27 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
28 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE

1 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
2 DEBTOR OR RELEASED PARTY

3 68. Nullification of Settlement Agreement. In the event that: (a) the Court does not
4 finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any
5 material term of this Settlement Agreement; or (c) the Settlement does not become final as written
6 and agreed to by the Parties for any other reason, then this Settlement Agreement, and any
7 documents generated to bring it into effect, will be null and void, all amounts deposited into the
8 QSF will be returned to Defendant, and the Parties shall be returned to their original respective
9 positions. Any order or judgment entered by the Court in furtherance of this Settlement Agreement
10 will likewise be treated as void from the beginning.

11 69. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to
12 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
13 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes
14 only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a
15 Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the
16 Notice Packet to be sent to all Class Members as specified herein. In conjunction with the
17 Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth
18 the terms of this Settlement, and will include the proposed Notice attached as Exhibits A. Class
19 Counsel will be responsible for drafting all documents necessary to obtain preliminary approval.
20 Any failure by the Court to fully and completely approve the Settlement Agreement as to all of the
21 Action, or the entry of any Order by another Court with regard to any of the Action which has the
22 effect of preventing the full and complete approval of the Settlement Agreement as written and
23 agreed to by the Parties, will result in this Settlement Agreement and the Memorandum of
24 Understanding entered into by the Parties, and all obligations under this Settlement Agreement
25 and the Memorandum of Understanding being nullified and voided.

26 70. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
27 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with
28 the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to

determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the PAGA Payment; (c) the Attorneys' Fees and Costs; (d) the Class Representative Enhancement Payments; and (e) all Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at the final approval hearing. Any failure by the Court to fully and completely approve the Settlement Agreement as to all of the Action, or the entry of any Order by another Court with regard to any of the Action which has the effect of preventing the full and complete approval of the Settlement Agreement as written and agreed to by the Parties, will result in this Settlement Agreement and all obligations under this Agreement being null and void.

71. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

72. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

73. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

74. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

75. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such

Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

76. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

77. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

78. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

79. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement. In addition, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

80. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest

1 extent possible consistent with applicable precedents so as to define all provisions of this
2 Settlement Agreement valid and enforceable.

3 81. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
4 class certification for purposes of this Settlement only; except, however, that either party may
5 appeal any court order that materially alters the Settlement Agreement's terms.

6 82. Class Action Certification for Settlement Purposes Only. The Parties agree to
7 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
8 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
9 that certification for purposes of the Settlement is not an admission that class action certification
10 is proper under the standards applied to contested certification motions and that this Settlement
11 Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a class
12 action should be certified or (b) Defendant is liable to Plaintiff or any Class Member, other than
13 according to the Settlement's terms.

14 83. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
15 resolve the dispute that has arisen between them and to avoid the burden, expense and risk of
16 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
17 specifically denies, it has violated any federal, state, or local law; violated any regulations or
18 guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal
19 requirements; breached any contract; violated or breached any duty; engaged in any
20 misrepresentation or deception; or engaged in any other unlawful conduct with respect to their
21 employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the
22 negotiations connected with it, shall be construed as an admission or concession by Defendant of
23 any such violations or failures to comply with any applicable law. Except as necessary in a
24 proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its
25 terms and provisions shall not be offered or received as evidence in any action or proceeding to
26 establish any liability or admission on the part of Defendant or to establish the existence of any
27 condition constituting a violation of, or a non-compliance with, federal, state, local or other
28 applicable law.

1 84. Captions. The captions and section numbers in this Settlement Agreement are
2 inserted for the reader's convenience, and in no way define, limit, construe or describe the scope
3 or intent of the provisions of this Settlement Agreement.

4 85. Waiver. No waiver of any condition or covenant contained in this Settlement
5 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
6 to imply or constitute a further waiver by such party of the same or any other condition, covenant,
7 right or remedy.

8 86. Enforcement Action. In the event that one or more of the Parties institutes any legal
9 action or other proceeding against any other Party or Parties to enforce the provisions of this
10 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or
11 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees
12 and costs, including expert witness fees incurred in connection with any enforcement actions.

13 87. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
14 and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
15 construed more strictly against one party than another merely by virtue of the fact that it may have
16 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-
17 length negotiations between the Parties, all Parties have contributed to the preparation of this
18 Settlement Agreement.

19 88. Representation By Counsel. The Parties acknowledge that they have been
20 represented by counsel throughout all negotiations that preceded the execution of this Settlement
21 Agreement, and that this Settlement Agreement has been executed with the consent and advice of
22 counsel and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there
23 are no liens on the Settlement Agreement.

24 89. All Terms Subject to Final Court Approval. All amounts and procedures described
25 in this Settlement Agreement herein will be subject to final Court approval.

26 90. Cooperation and Execution of Necessary Documents. All Parties will cooperate in
27 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of
28 this Settlement Agreement.

91. Confidentiality. Plaintiff, Plaintiff's Counsel, Defendant and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the fact, amount or terms of the Settlement Agreement prior to Preliminary Approval. Nothing in this Settlement Agreement shall limit Defendant's ability to fulfill disclosure obligations reasonably required by law or in furtherance of business purposes, including the fulfillment of obligations stated in this Settlement Agreement

92. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

Dated: 04/20/2020

PLAINTIFF

By: Maria Palmerin
Maria Palmerin

Dated: 4/22/2020

PROTECTION LAW GROUP, LLP

By: 
Heather Davis, Esq.
Amir Nayebdadash, Esq.

Dated: 4/22/2020

LAWYERS *FOR* JUSTICE, PC

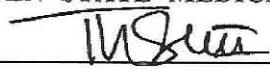
By: Edwin Aiwazian
Edwin Aiwazian, Esq.

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Dated: 4-17-20

DEFENDANT

GOLDEN STATE MEDICAL SUPPLY, INC.

By: 

Name: Thomas S. Wear III

Title: cfo

Dated: 4/17/2020

LITTLER MENDELSON

By: 

Carlos Jimenez
Attorneys for Defendant

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Palmerin v. Golden State Medical Supply, Inc. et al.

Ventura County Superior Court, Case No. 56-2019-00524873

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To:	All current and former hourly-paid, non-exempt employees who are or were employed by Golden State Medical Supply, Inc. in the State of California from February 14, 2015 to April 7, 2020.
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BASIC INFORMATION

1. What is this settlement about?

A lawsuit was commenced by Maria Palmerin (“Plaintiff”) a former employee of Golden State Medical Supply, Inc. (“Defendant”) on February 14, 2019. The case is currently pending in the Ventura County Superior Court, Case No. 56-2019-00524873.

The lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendant failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees overtime or pay minimum wages for all time worked, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The lawsuit claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties and restitution. Defendant denies all alleged violations and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case Maria Palmerin, also known as “Plaintiff”), sue on behalf of people who appear to have similar claims (in this case all individuals who were employed by Defendant Golden State Medical Supply, Inc. in the state of California as hourly-paid, non-exempt employees at any time from February 14, 2015 to April 7, 2020). All these people are referred to here as Class Members. In a class action one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Ventura County Superior Court is in charge of this class action.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or Defendant. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”).

On [DATE OF PRELIMINARY APPROVAL] the Court granted preliminary approval of the Settlement, appointed Plaintiff Maria Palmerin as the Class Representative, and appointed her attorneys at Lawyers for Justice and Protection Law Group as counsel for the Class (“Class Counsel”).

The Class Representative and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as an hourly-paid, non-exempt employee in the state of California at any time between February 14, 2015 and April 7, 2020.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of Eight Hundred and Fifty Thousand Dollars (\$850,000) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 35% of the Gross Settlement Amount or Two Hundred and Ninety-Seven Thousand Five Hundred Dollars (\$297,500);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Twenty-Five Thousand Dollars (\$25,000);
- C. **Enhancement Payment to the Class Representative** in an amount not to exceed Five Thousand Dollars (\$5,000);
- D. **Settlement Administration Costs** which are currently estimated to be Ten Thousand Dollars (\$10,000); and
- E. **PAGA Payment** in the amount of Twenty-Five Thousand Dollars (\$25,000) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$18,750) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$6,250) will be distributed to hourly-paid, non-exempt employees who worked for Defendant from February 14, 2018, to April 7, 2020 for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your “Estimated Settlement Share” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly-paid, non-exempt employee of Defendant from February 14, 2015 to April 7, 2020 (“Workweeks”). Your Estimated Settlement Share includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

Your Estimated Settlement Share will be apportioned as twenty percent (20%) wages and eighty percent (80%) penalties and interest. The wage portion of the Estimated Settlement Share will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member’s settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked XXX workweeks during the class period. Your Estimated Settlement Share is \$XXX.XX. The amount of the payment may change depending on the number of timely and valid requests for exclusions submitted in the Settlement, if any.

This Amount was determined based on Defendant's record of your employment between from February 14, 2015 and April 7, 2020, and is presumed correct. If you dispute the accuracy of Defendant's records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [DATE]. All disputes regarding your workweeks will be resolved and decided by the Parties after you submit evidence to the Settlement Administrator.. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]

[Address]

[Telephone No].

[Fax No.]

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the Effective Date, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion will release the "Released Parties" from the "Released Claims" for the "Released Claims Period."

The "Released Parties" include Defendant and any of its former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns, as well as all past and present officers, directors, employees, partners, shareholders and agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any.

The "Released Claims" include any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged, related to or that reasonably could have arisen out of the same facts alleged in Plaintiff's March 24, 2020 PAGA Notice, the Complaint or First Amended Complaint filed in the Action including, but not limited to claims for: (a) failure to provide meal periods and/or meal period premium or penalty pay; (b) failure to authorize and permit rest periods and/or rest period premium or penalty pay; (c) failure to pay minimum wages; (d) failure to pay overtime wages; (e) failure to pay for all hours worked; (f) unlawful rounding of work time; (g) failure to reimburse for business expenses; (h) failure to pay timely pay wages upon termination; (i) failure to timely pay wages during employment; (j) failure to provide accurate, itemized wage statements; (k) failure to keep complete or accurate payroll records; (l) all claims under PAGA that could have been premised on the claims, causes of action or legal theories described above (m) all claims for unfair business practices under California Business & Professions Code Section 17200 *et seq.* that could have been premised on the claims, causes of action or legal theories of relief described above. This Release shall include, claims that were raised, or that reasonably could have been raised based on the facts alleged in the Complaint or First Amended Complaint for the alleged violations of the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201, 202, 203, 204, 226, 226.3, 226.6, 226.7, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.*, 2800, and/or 2802

The "Released Claims Period" during which the release of Released Claims pertains is from February 14, 2015 to April 7, 2020.

All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released Claims arising under PAGA the with respect to all of the Released Parties

irrespective of whether a Class Member submits a request for exclusion.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Claims (other than those which arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*), then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Claims you must submit a written request for exclusion. You must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number. Your request for exclusion must also include a statement that you do not wish to be included in this action similar to the following: I wish to exclude myself from the settlement reached in the matter of *Palmerin v. Golden State Medical Supply*. I understand that by excluding myself, I will not receive money from the settlement of my individual claims.”

The written for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone.

[Settlement Administrator]

[Address]

[Telephone No.]

[Fax No.]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Claims (except for Released Claims that arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*)).

You may be able to sue Defendant and/or the Released Parties or continue any suit you have pending against Defendant or the Released Parties, regarding the Released Claims (except for Released Claims that arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*)).

9. If I don't exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and Released Parties for the Released Claims. If you have a pending lawsuit involving the Released Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

No. (except if you worked between February 14, 2018, to April 7, 2020 in which case you will still receive for money for Released Claims that arise under PAGA.). But if you submit a timely and valid request for exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against Released Parties for Released Claims (except for Released Claims that arise under PAGA).

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved PROTECTION LAW GROUP, LLP and LAWYERS *for* JUSTICE P.C. as Class Counsel. The firms' contact information is:

PROTECTION LAW GROUP LLP

Heather Davis, Esq.
Amir Nayebedadash, Esq.
136 Main Street, Suite A
El Segundo, California 90245
Telephone: (424) 290-3095
Facsimile: (866) 264-7880

LAWYERS *for* JUSTICE P.C.

Edwin Aiwazian, Esq.
410 Arden Ave, Suite 203
Glendale, CA 91203
Telephone: (818) 265-1020
Facsimile: (818) 265-1021

12. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees of up to \$297,500 and reimbursement of litigation cost/expenses of up to \$25,000. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

13. How do I tell the Court if I don't like the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

14. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

15. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at [REDACTED] a.m./p.m. on [REDACTED], 2020, at the Ventura County Superior Court located at 800 S Victoria Ave, Ventura, CA 93009 in Department 21.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

16. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf.

17. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at [www. \[REDACTED\] .com](http://www. [REDACTED] .com)

IF YOU DO NOTHING

18. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or Released Parties about the Released Claims, ever again.

GETTING MORE INFORMATION

19. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at [\[REDACTED\]](#) or by contacting the Settlement Administrator or Class Counsel.

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE