

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Settlement”) is made and entered into between Plaintiff Sonia Franco (“Plaintiff”), acting in her capacity as private attorney general, and Defendants CareMore Health Plan (erroneously sued as both CareMore Health Plan and CareMore Health Plan, Inc.), CareMore Health System (erroneously sued as CareMore Health Systems, Inc.), Anthem, Inc., The Anthem Companies of California, Inc. (erroneously sued as Anthem Companies of California), and The Anthem Companies, Inc. (collectively, “Defendants”).

I. DEFINITIONS

The following terms, when used in this Settlement, shall have the following meanings:

1. **“PAGA Action”** means the matter entitled *Sonia Franco v. CareMore Health Plan, Inc. et al.*, Los Angeles Superior Court Case No. 20STCV30072, including any complaint or amended complaint filed in this action and specifically the PAGA Amended Complaint.
2. **“Class Action”** means the matter entitled *Sonia Franco v. CareMore Health Plan, Inc. et al.*, Los Angeles Superior Court Case No. 20STCV2430, including any complaint or amended complaint filed in this action.
3. **“Class Action Dismissal”** means the dismissal of the Class Action, including dismissal of all of Plaintiff’s individual claims with prejudice and stipulation that Plaintiff has waived any and all class and collective claims.
4. **“Court”** means the Superior Court of California for the County of Los Angeles.
5. **“Defendants”** means CareMore Health Plan, CareMore Health System, Inc., Anthem, Inc., The Anthem Companies of California, Inc., and The Anthem Companies, Inc.
6. **“Defense Counsel”** means Constangy, Brooks, Smith & Prophete, LLP.
7. **“Effective Date”** means the date when the Settlement becomes final, which is sixty (60) days after the date when the Court enters an Order approving the Settlement and Judgment thereon, unless there is an appeal. If there is an appeal, the Effective Date will be the date on which (a) all such appeals have been dismissed; or (b) the appropriate Court of Appeals has entered a final judgment affirming the approval Order and Judgment, which (i) is no longer subject to any further appellate challenge, or (ii) has been affirmed by the California Supreme Court, whichever is earlier. If the Effective Date falls on a non-court day (i.e., a weekend or holiday), the Effective Date will be designated as the next court day. Settlement is expressly conditioned on and not effective until the Court’s approval of this Settlement, JAMS Arbitration Dismissal, and Class Action Dismissal.
8. **“Gross Settlement Amount”** is the non-reversionary sum of Eight Hundred Twenty-Five Thousand Dollars and Zero Cents (\$825,000.00), which represents the maximum total amount payable under this Settlement by Defendants, including,

without limitation, Individual Settlement Payments to all PAGA Group Members, payment to the LWDA, payment of Plaintiff's attorneys' fees and costs, payment of Plaintiff's incentive award, and payment to the Settlement Administrator for settlement administration costs.

9. **"Individual Settlement Payment"** means the amount to be paid to each PAGA Group Member based on the formula described herein.
10. **"JAMS Arbitration"** means the pending arbitration before JAMS titled *Franco v. CareMore Health Plan, Inc., et al.*, JAMS Ref. No.: 5220000078, including any demand or amended demand filed in this arbitration.
11. **"JAMS Arbitration Dismissal"** means the dismissal of the JAMS Arbitration, including dismissal of all of Plaintiff's individual claims with prejudice and stipulation that Plaintiff has waived any and all class and collective claims.
12. **"LWDA"** means the California Labor and Workforce Development Agency.
13. **"Net Settlement Amount"** is the amount remaining to distribute to the LWDA and PAGA Group Members after the following amounts (subject to Court approval) are subtracted from the Gross Settlement Amount: (a) Plaintiff's attorneys' fees up to Thirty-Three percent (33.33%) of the Gross Settlement Amount, or Two Hundred Seventy-Four Thousand Nine Hundred Seventy-Two Dollars and Fifty Cents (\$274,972.50); (b) Plaintiff's reasonable verified litigation costs up to Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00); (c) representative incentive award of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) to Plaintiff; and (d) reasonable third-party settlement administration costs estimated at Eight Thousand Dollars and Zero Cents (\$8,000.00).
14. **"PAGA"** means the California Labor Code Private Attorneys General Act, California Labor Code section 2698, *et seq.*
15. **"PAGA Group Members"** means all non-exempt California employees who worked for CareMore Health Plan at any time from April 14, 2019 through the date of Approval of the Settlement, or April 12, 2022, whichever is earlier.
16. **"PAGA Letters"** means Plaintiff's correspondence to the LWDA dated April 14, 2020, Case No. LWDA-CM-783270-20 alleging California Labor Code and IWC Wage Order violations against CareMore Health Plan, Inc., Sachin Jain, Karen Schulte, and Michael Plumb; and Plaintiff's correspondence to the LWDA dated August 5, 2020, Case No. LWDA-CM-801639-20 alleging California Labor Code and IWC Wage Order violations against Anthem, Inc., The Anthem Companies, Inc., Anthem Companies of California, WellPoint, Inc., The WellPoint Companies, CareMore Health System, Inc., CareMore Health Group, Inc., and CareMore Health Plan; and any amendments thereto, including the Amended PAGA Letter.
17. **"PAGA Released Claims"** mean any and all demands, rights, liabilities, claims, and/or causes of action under the PAGA including but not limited to any claims alleged by Plaintiff in the PAGA Action and PAGA Letters or that could have been

alleged based on the facts or underlying claims in the PAGA Action, PAGA Letters, Class Action, and JAMS Arbitration during the Settlement Period, including all claims that are based on or related to: the purported payment or nonpayment of compensation (including, but not limited to, wages, minimum wage, rate of pay, straight time, overtime, and/or premium pay); failure to pay meal or rest period premiums or penalties; failure to pay for all hours worked; failure to timely pay all wages earned, including final wages; failure to provide compliant meal and rest periods; failure to reimburse business expenses; failure to provide timely and compliant wage statements; improper recordkeeping; violations of California Labor Code sections 200-204, 210, 218, 218.5, 218.6, 221-223, 226, 226(a), 226(e), 226.3, 226.7, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 2802, 2810.5, 2699, 2699.3, and any applicable IWC Wage Orders.

18. **“Parties”** means Plaintiff and Defendants.
19. **“Plaintiff”** means Sonia Franco.
20. **“Plaintiff’s Counsel”** means Ronald W. Makarem, Esq. and Cameron A. Stewart, Esq. of Makarem & Associates, APLC.
21. **“Released Parties”** means Defendants, Sachin H. Jain, Karen Schulte, Michael Plumb, WellPoint Health Networks, Inc., WellPoint, Inc., The WellPoint Companies, Inc., The WellPoint Companies of California, Inc., CareMore Health Group, Inc., and each of their past and present parent companies, sister companies, subsidiaries, divisions, related or affiliated companies or entities, shareholders, affiliates, owners, partners, members, clients, lessors, lessees, contractors, joint employers, joint venturers, investors, affiliated partnerships, trustees, administrators, representatives, officers, directors, current and former employees, agents, attorneys, insurers, predecessors, successors and assigns, as well as any other individual or entity that could be liable for any of the PAGA Released Claims, and Defense Counsel and all other affiliated entities.
22. **“Settlement Administrator”** means CPT Group, Inc..
23. **“Settlement Period”** means the time period from April 14, 2019 through the date of Approval of the Settlement, or April 12, 2022, whichever is earlier.

II. RECITALS

1. On April 14, 2020, Plaintiff provided written notice of her intent to file a claim for civil penalties under PAGA to the LWDA against CareMore Health Plan, Inc.”), Sachin Jain, Karen Schulte, and Michael Plumb. On August 5, 2020, Plaintiff provided written notice of her intent to file a claim for civil penalties under PAGA to the LWDA against Anthem, Inc., The Anthem Companies, Inc., Anthem Companies of California, WellPoint, Inc., The WellPoint Companies, CareMore Health Systems, Inc., CareMore Health Group, Inc., and CareMore Health Plan.

2. On August 7, 2020, Plaintiff filed the PAGA Action against CareMore Health Plan, Inc. asserting a single cause of action for civil penalties under PAGA. On November 24, 2020,

Plaintiff filed the First Amended Complaint in the PAGA Action, naming CareMore Health Plan, Inc., Anthem, Inc., The Anthem Companies, Inc., Anthem Companies of California, CareMore Health System, Inc., and CareMore Health Plan as defendants in the Action.

3. On June 24, 2020, Plaintiff filed the Class Action against CareMore Health Plan, Inc. and Sachin H. Jain asserting causes of action for: (1) failure to pay overtime wages; (2) failure to provide meal periods; (3) failure to provide rest periods; (4) failure to furnish accurate wage statements; (5) failure to pay all wages earned; (6) failure to maintain required records; (7) failure to pay earned wages upon termination; (8) failure to indemnify to necessary business expenses; and (9) unfair competition in violation of Business & Professions Code section 17200. On August 10, 2020, Plaintiff filed a first amended complaint naming CareMore Health Plan, Inc., Anthem, Inc., The Anthem Companies, Inc., Anthem Companies of California, WellPoint, Inc., The WellPoint Companies, CareMore Health Systems, Inc., CareMore Health Group, Inc., and Sachin H. Jain as defendants in the Class Action.

4. On January 20, 2021, Defendants filed a motion to compel arbitration in the Class Action, and on October 15, 2021, the court ordered Plaintiff's individual claims to arbitration using JAMS and dismissed the class claims. On November 16, 2021, Plaintiff submitted a demand for the JAMS Arbitration asserting the same causes of action and naming the same defendants as the first amended complaint in the Class Action.

5. In response to Plaintiff's Counsel's informal discovery requests made pursuant to mediation, Defendants provided Plaintiff's Counsel with information and documents pertaining to Plaintiff and other PAGA Group Members in order for Plaintiff's Counsel to investigate Plaintiff's allegations and value the PAGA claim. This was in addition to the formal discovery which was also conducted, including the exchange of formal written discovery requests, responses thereto, and document productions, as well as multiple meet and confer sessions regarding the same.

6. On August 2, 2021, the Parties participated in a full-day mediation with Steven J. Serratore, Esq. The Parties were unable to reach an informal resolution at the August 2, 2021 mediation. However, with the assistance of Mr. Serratore in the following months, the Parties were able to eventually agree to resolve the claims fully and finally.

III. OPERATIVE TERMS OF SETTLEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement shall be construed to be an admission by Defendants of any liability or wrongdoing as to Plaintiff, PAGA Group Members, or any other person, and Defendants specifically disclaim any such liability or wrongdoing. 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 evidence of liability, and may not be cited or admitted as such.

2. **Gross Settlement Amount.** Defendants shall pay Eight Hundred Twenty-Five Dollars and Zero Cents (\$825,000.00) as the maximum non-reversionary Gross Settlement Amount. The Gross Settlement Amount shall be used to satisfy all of Defendants' liabilities arising from the Settlement, including (a) the payment of PAGA penalties, 75% of which shall be paid to the LWDA and 25% of which shall be distributed to the PAGA Group Members in the form of

Individual Settlement Payments, (b) the Settlement Administrator's costs, (c) Plaintiff's attorneys' fees and costs, and (d) the incentive award for Plaintiff. Defendants will not pay more than the Gross Settlement Amount. No later than twenty (20) calendar days after the Effective Date in the PAGA Action, the JAMS Arbitration Dismissal, and/or Class Action Dismissal, whichever date is latest, Defendants shall deposit the Gross Settlement Amount with the Settlement Administrator.

3. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to be distributed to the LWDA and PAGA Group Members:

a. **Plaintiff's Attorneys' Fees and Costs.** Defendants will not oppose Plaintiff's request for attorneys' fees in the amount of up to and not to exceed Thirty-Three percent (33.33%) of the Gross Settlement Amount, or Two Hundred Seventy-Four Thousand Nine Hundred Seventy-Two Dollars and Fifty Cents (\$274,972.50) and actual costs incurred in prosecuting this Action, up to Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount. The Settlement Administrator will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. **Plaintiff's Incentive Award.** Defendants will not oppose Plaintiff's request for an incentive award in the amount of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) for her service to the State of California and the PAGA Group Members, the risk she undertook by attaching her name to the PAGA Action, and the general release of all claims, including but not limited to, a release of the underlying Labor Code claims being provided by Plaintiff, including claims alleged in the PAGA Action, PAGA Letters, Class Action and JAMS Arbitration. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount. The Settlement Administrator will report this payment on IRS Form 1099 issued to Plaintiff.

c. **Administration Costs.** Defendants will not oppose the Settlement Administrator's costs estimated to be in the amount of Eight Thousand Dollars and Zero Cents (\$8,000.00) for administering the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. The Settlement Administrator will report this payment on IRS Form 1099 issued to the Settlement Administrator.

4. **Allocation of Net Settlement Amount.** The Net Settlement Amount shall be distributed 75% to the LWDA and 25% to the PAGA Group Members, pursuant to Labor Code section 2699(i). The 25% portion to be paid to PAGA Group Members shall be paid to all PAGA Group Members.

Individual Settlement Payments to PAGA Group Members shall be calculated and distributed based on their proportionate number of pay periods worked or dates of employment during the Settlement Period, by multiplying the 25% portion of the Net Settlement Amount allocated to Individual Settlement Payments by a fraction, the numerator of which is each respective PAGA Group Member's pay periods worked during the Settlement Period, and the denominator of which is the total number of pay periods worked by all PAGA Group Members during the Settlement Period.

5. **PAGA Released Claims.** Plaintiff agrees that upon the Effective Date and full funding of the Gross Settlement Amount (whichever is later), Plaintiff, on behalf of the State of California, shall be deemed to have forever released, acquitted, and discharged the PAGA Released Claims against the Released Parties. The Parties agree that there shall be no right for any PAGA Group Member to opt out or otherwise exclude himself or herself from the release of PAGA Released Claims. The Parties intend and agree that the entry of the Order approving the Settlement and Judgment entered thereon shall have *res judicata* and preclusive effect to the fullest extent allowed by law.

Prior to seeking approval of this Settlement from the court, Plaintiff's Counsel shall amend the Complaint ("Amended PAGA Complaint"), attached as Exhibit 1, and submit an amended PAGA Letter to the LWDA ("Amended PAGA Letter"), attached as Exhibit 2, to the extent necessary to effectuate the release of all PAGA Released Claims identified in this Settlement.

Upon the Effective Date, this Agreement shall be effective to adjudicate and release the claims and/or rights of the LWDA to recover civil penalties against the Released Parties for the PAGA Released Claims (*i.e.*, the Judgment on this Settlement will have *res judicata* and preclusive effect as to those claims of the LWDA, whether pursued directly by the LWDA or by a representative pursuant to the PAGA).

6. **Dismissal of Class Action and JAMS Arbitration.** Plaintiff agrees to dismiss with prejudice the JAMS Arbitration, including dismissal of her individual claims with prejudice and stipulation that she has waived any and all class and collective claims. Plaintiff shall dismiss the JAMS Arbitration with prejudice and enter into such stipulation at the same time Plaintiff files her motion for approval of the Settlement.

Plaintiff further agrees that within thirty (30) days after the date when the Court enters an Order approving the Settlement and Judgment thereon in the PAGA Action, Plaintiff will notify the Court in the Class Action of the dismissal of the JAMS Arbitration with prejudice and take all steps to dismiss the Class Action, including dismissal of her individual claims with prejudice and stipulation that she waived any and all class and collective claims.

Settlement is expressly conditioned on the Court's approval of this Settlement, JAMS Arbitration Dismissal, and Class Action Dismissal. If the Court in the PAGA Action does not approve this settlement or the JAMS Arbitration and/or Class Action are not dismissed, the Parties shall meet and confer to make reasonable efforts to address any issues raised either by this Court, JAMS, and/or the court in the Class Action in order to obtain the approval of this Settlement and the dismissals of both the JAMS Arbitration and Class Action, except that Defendants shall not be required under any circumstance to increase or pay more than the Gross Settlement Amount in the PAGA Action. If the Parties cannot obtain judicial approval of this Settlement and the dismissals of both the JAMS Arbitration and Class Action, then the Parties shall be restored to the litigation positions as of January 11, 2022, and this Agreement shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used in the PAGA Action or any other legal proceeding. In such circumstance, the Settlement Administration Costs reasonably incurred by the Settlement Administrator, if any, shall be paid equally by Plaintiff, on the one hand, and Defendants on the other hand.

7. **General Release by Plaintiff.** In light of the incentive award described above for Plaintiff, Plaintiff agrees to release, in addition to the PAGA Released Claims, all claims, losses, demands, rights, liabilities, penalties, damages, causes of action and other legal responsibilities, of any form whatsoever against the Released Parties, whether based on federal, state, local, statutory or common law, or any other law, rule, regulation, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, that could have been asserted in any forum by Plaintiff or her heirs, successors and/or assigns, whether directly or indirectly, representatively, derivatively or in any other capacity, including, but not limited to, any and all known or unknown claims, which in any way relate to Plaintiff's employment with Defendants, to the fullest extent permitted by law. Plaintiff acknowledges that the general release of claims will deprive her of standing to pursue any claim as an aggrieved employee under the California Private Attorneys General Act or as a class or collective representative in any class or collective action against the Released Parties from all claims and damages, known and unknown, including those which exist or can arise out her employment by Defendants to the fullest extent permitted by law. Plaintiff further understands that this release includes unknown claims and that she is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

Notwithstanding the above nor anything else in this Agreement, this waiver and release by Plaintiff does not apply to: (i) those rights as a matter of law that cannot be waived, including, but not limited to, workers' compensation claims; (ii) rights or claims arising out of this Agreement after the date this Agreement is executed by Plaintiff; and (iii) rights or claims arising out of this Agreement. The Agreement in no way affects the entitlement and/or benefits to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation. Plaintiff also agrees to release any and all individual, class and collective claims and certifies that she lacks standing to bring class and collective claims against Released Parties. Plaintiff also covenants not to pursue, initiate or participate in any action or proceeding, individually or as a member of a class or collective action, against Released Parties.

8. **Covenants and Representations by Plaintiff.**

a. Plaintiff represents and warrants that she has not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement.

b. Plaintiff acknowledges that she has read this Agreement, that she fully understands her rights, privileges and duties under the Agreement, and that she enters into this Agreement freely and voluntarily. Plaintiff further acknowledges that she had the opportunity to consult with her attorneys to explain the terms of this Settlement and the consequences of signing this Settlement.

9. **Confidentiality.** Except as provided below, to the extent necessary to effectuate the Settlement or as required by court or legal process, Plaintiff and her counsel warrant that prior to the filing of the motion for approval of this Settlement by the Court they will not disclose,

disseminate and/or publicize, cause or permit to be disclosed, disseminated or publicized, any of the terms of this Settlement directly or indirectly, specifically or generally, to any person, corporation, association, governmental agency, or other entity except: (1) to their attorneys, accountants, or spouses, all of whom will also be instructed to keep this Settlement confidential; (2) to the extent necessary to report income to appropriate taxing authorities; (3) in response to an order of a court of competent jurisdiction or a subpoena issued under the authority thereof; or (4) in response to an inquiry or subpoena issued by a state or federal governmental agency. It is understood and agreed that notice of receipt by Plaintiff of any such judicial or agency order, inquiry or subpoena shall immediately be communicated by the recipient to counsel for Defendants telephonically, and then confirmed immediately thereafter in writing, so that Defendants will have an opportunity to intervene to assert what rights it may have to non-disclosure prior to responses to said order, inquiry or subpoena. Plaintiff specifically warrants that she will not directly or indirectly initiate any conversation or other communication with any person regarding this Settlement, or the matters giving rise to this Settlement prior to the filing of the motion for approval of this Settlement by the Court. If asked about this Settlement or the matters giving rise to this Settlement, Plaintiff shall respond by stating only that “the matter was resolved,” or words to that effect.

10. **Notice of Settlement to Court and LWDA.** To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiff’s Counsel will file the Settlement with the Court. Plaintiff shall seek approval of the Settlement from the Court by filing a motion pursuant to Labor Code § 2699(1)(2). Plaintiff shall serve a copy of this Settlement and Plaintiff’s motion for approval of the Settlement on the LWDA as to both PAGA Letters (Case No. LWDA-CM-783270-20 and Case No. LWDA-CM-801639-20) at the same time as they are submitted to the Court, as required by Labor Code section 2699(1)(2). Plaintiff’s Counsel shall move for Plaintiff’s Counsel’s Fees at the same time that Plaintiff’s Counsel seeks approval of this Settlement. The Parties agree that the Court’s approval of Plaintiff’s Counsel’s fees is not a material condition of the Settlement and should be considered by the Court separate and apart from the fairness, reasonableness, and adequacy of the Settlement on behalf of all Aggrieved Employees.

11. **Publicity.** Neither side shall publicize the Settlement, including but not limited to communications through any social media, unless so ordered by the Court.

12. **Judgment.** As part of the motion to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the PAGA Action in accordance with the terms of the Settlement and which retains jurisdiction of the Court over the PAGA Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement. Should the Court require any revisions, amendments and/or changes necessary to enforce and/or approve the Settlement, the Parties and their counsel will cooperate with each other and use their best efforts to make the necessary changes to affect the implementation of the Settlement. If they are unable to reach agreement on the form or content of any document needed to implement the Settlement and/or the judgment, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Steven Serratore, Esq. to resolve such disagreement. The Parties agree to reasonably cooperate in preparing any other filings required by the Court for the approval of this Settlement.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Parties agree to use CPT Group, Inc. to handle the administration of this Settlement.

2. **Provision of Information for PAGA Group Members.** Within ten (10) calendar days after the Effective Date, Defendants shall provide the Settlement Administrator with information for PAGA Group Members. Specifically, Defendants will, in good faith, compile from its records a list of PAGA Group Members that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each PAGA Group Member's full name, last known mailing address, last known telephone number, number of pay periods or dates of employment during the Settlement Period, and Social Security numbers. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement.

Within five (5) calendar days of receiving the PAGA Group Members' information from Defendants, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual Settlement Payments to each PAGA Group Member and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel for the Parties of the calculations before mailing Individual Settlement Payments.

3. **Individual Settlement Payments.** Upon receipt of the information for PAGA Group Members, the Settlement Administrator will perform a search on the National Change of Address database to update the PAGA Group Members' addresses, as applicable.

Within twenty (20) calendar days after the Gross Settlement Amount is deposited, the Settlement Administrator shall mail the Individual Settlement Payments to all PAGA Group Members via First-Class U.S. Mail.

The Parties agree that there is no statutory right for any PAGA Group Member to opt out or otherwise exclude himself or herself from the Settlement.

Each Individual Settlement Payment shall be deemed penalties and reported on an IRS Form 1099.

Checks will remain negotiable for one hundred eighty (180) days from the date they are mailed by the Settlement Administrator. Any check that is not negotiated within one hundred eighty (180) days of mailing to a PAGA Group Member shall be transferred to the Controller of the State of California per California's Unclaimed Property Law to be held in the name of the PAGA Group Member, and shall be deemed unpaid residuals pursuant to California Code of Civil Procedure Section 384(a). The Parties agree to avoid any potential interest obligation under California Civil Procedure sections 382-384, *et seq.*

4. **Undeliverable Individual Settlement Payments.** Any Individual Settlement Payments returned to the Settlement Administrator as non-delivered shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Individual Settlement Payment. If an updated mailing address is identified, the Settlement Administrator shall resend the Individual Settlement Payment to the PAGA Group Member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement

Administrator as the current mailing address shall be presumed to be the best mailing address for each PAGA Group Member.

Defendants fully discharge its obligations to those PAGA Group Members to whom Defendants will pay an Individual Settlement Payment through the Settlement Administrator's initial mailing of a check, regardless of whether such checks are actually received and/or negotiated by PAGA Group Members.

5. **Payment of Remainder.** Within twenty (20) calendar days after the Gross Settlement Amount is deposited, the Settlement Administrator will mail the following payments: (1) the 75% share of the Net Settlement Fund to the LWDA; (2) Court-approved attorneys' fees and costs to Plaintiff's Counsel; (3) Court-approved incentive payment to Plaintiff; and (4) Court-approved administration costs to the Settlement Administrator.

6. **Accounting.** The Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement as soon as practicable after the check cashing deadline described in Section IV.3.

7. **Tax Consequences.** Individual Settlement Payments made under this Settlement will be attributed 100% as penalties and paid via IRS Form 1099 issued to each PAGA Group Member. The PAGA Group Members shall be responsible for paying all applicable state, local and federal income taxes on amounts received pursuant to this Settlement and they shall not seek indemnification from Defendants in this regard. Neither Plaintiff nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement.

V. MISCELLANEOUS PROVISIONS

1. **Successors.** This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

2. **Governing Law.** This Settlement shall be construed under and governed by the laws of the State of California, without regard to choice of law principles. All questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement, it shall be brought in the State of California, County of Los Angeles.

3. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement has been made to them and acknowledge and represent that this Settlement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA Action. This Settlement cannot be amended or modified except by a writing signed by the Parties hereto.

4. **Nullification of Settlement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

5. **Judgment and Continued Jurisdiction.** After approval of this Settlement, the Court will have continuing jurisdiction per California Code of Civil Procedure section 664.6 solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement; (ii) settlement administration matters; and (iii) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement.

6. **Authorization to Enter into Settlement.** Counsel for the Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If they 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 Steven Serratore, Esq. to resolve such disagreement.

7. **Execution and Counterparts.** This Settlement is subject only to the execution of the Parties. However, the Settlement 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.

8. **Acknowledgement that the Settlement Is Fair and Reasonable.** The Parties believe this Settlement is a fair, adequate and reasonable settlement of the PAGA Action, and have arrived at this Settlement after arm's length negotiations by experienced counsel. 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.

9. **Invalidity of Any Provision.** Before declaring any provision of this Settlement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement valid and enforceable.

10. **Severability.** If any term or provision of this Settlement is held to be invalid or unenforceable, the remaining portions of this Settlement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement, to the extent necessary to permit the enforceability or validation of the term or provision.

11. **Waiver.** No waiver of any condition or covenant contained in this Settlement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

12. **Enforcement Action.** In the event that one or more of the Parties to the PAGA Action institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the

successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

13. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. Accordingly, this Settlement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

14. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement has been executed with the consent and advice of counsel and reviewed in full.

15. **Cooperation and Execution of Necessary Documents.** The Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement. The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to seek the Court's approval of this Settlement are timely filed. Plaintiff agrees to provide Defendants with a draft of their approval motion and supporting documents five (5) court days prior to filing for Defendants' review.

16. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement 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.

IN WITNESS THEREOF, the Parties to this Settlement each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

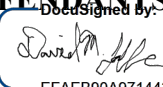
SONIA FRANCO

Date: April 14, 2022

By: 
Sonia Franco

DEFENDANTS

Date: April _____, 2022
4/14/2022

By: 
EFAEB90A9714437...

Name: David M. Jaffe

Title: VP & Legal Counsel - Human Resources
On behalf of Defendants

APPROVED AS TO FORM AND CONTENT:

MAKAREM & ASSOCIATES, APLC

Date: April 15, 2022

By: *Ron Makarem*
Ronald W. Makarem, Esq.
Cameron A. Stewart, Esq.
Attorneys for Sonia Franco

**CONSTANGY, BROOKS, SMITH &
PROPHETE, LLP**

Date: April , 2022
4/14/2022

DocuSigned by:
Barbara Antonucci
B96B4778A22D480
Barbara I. Antonucci, Esq.
Lisa Yumi Mitchell, Esq.
Oscar E. Peralta, Esq.
Attorneys for Defendants
CareMore Health Plan, CareMore Health
System, Anthem, Inc., The Anthem
Companies of California, Inc., and The
Anthem Companies, Inc. `

EXHIBIT 1

MAKAREM & ASSOCIATES APLC
 Ronald W. Makarem, Esq. (SB#180442)
 Cameron A. Stewart, Esq. (SB#140300)
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 Los Angeles, California 90025-1760
 Phone: (310) 312-0299; Fax: (310) 312-0296

Attorneys for Plaintiff SONIA FRANCO,
 on behalf of all other aggrieved employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF LOS ANGELES**

SONIA FRANCO, individually, and on behalf of all
 all other aggrieved employees,

Plaintiff,

vs.

CAREMORE HEALTH PLAN, INC., ANTHEM
 INC., THE ANTHEM COMPANIES, INC.,
 ANTHEM COMPANIES OF CALIFORNIA,
 CAREMORE HEALTH SYSTEMS, INC.,
 CAREMORE HEALTH PLAN, and DOES 1
 through 20, inclusive.

Defendants.

Case No.: 20STCV30072

**SECOND-AMENDED PAGA
 REPRESENTATIVE ACTION
 COMPLAINT PURSUANT TO THE
 PRIVATE ATTORNEYS GENERAL
 ACT (LABOR CODE §§2698 *et seq*)**

[DEMAND FOR JURY TRIAL]

Complaint Filed: August 7, 2020
 FAC Filed: November 24, 2020
 Trial Date: September 26, 2022

COMES NOW Plaintiff SONIA FRANCO ("Plaintiff"), on behalf of the general public
 and all non-exempt aggrieved employees, acting on behalf of the California Attorney General as
 private attorney general, and asserts claims against Defendants CAREMORE HEALTH PLAN,
 INC., ANTHEM INC., THE ANTHEM COMPANIES, INC., ANTHEM COMPANIES OF
 CALIFORNIA, CAREMORE HEALTH SYSTEMS, INC., and CAREMORE HEALTH PLAN,
 and Does 1-20, inclusive (collectively "Defendants") as follows:

I. INTRODUCTION

1. This is a representative action for recovery of penalties under the Private Attorneys General Act of 2004 (“PAGA”), Cal. Lab. Code sections 2698 *et seq.* PAGA permits “aggrieved employees” to bring a lawsuit as a representative action on behalf of the general public as private attorney general and all other current and former aggrieved employees, to recover civil penalties and address an employer’s violations of the California Labor Code.

2. In this case, Defendants violated various provisions of the California Labor Code. As set forth below, Defendants implemented policies and practices which led to unpaid wages resulting from Defendants’: (a) failure to accurately pay overtime wages; (b) failure to pay minimum wages; (c) failure to provide compliant meal periods and failure to pay an additional hour’s of pay in lieu of providing a compliant meal period; (d) failure to authorize and permit compliant rest breaks for every four hours or major fraction thereof worked and failure to pay an additional hour’s of pay in lieu of providing a compliant rest period; (e) failure to pay all wages earned for the pay period corresponding to the payday; (f) failing to pay all wages earned and owed upon separation from Defendant’s employ; (f) failing to provide accurate itemized wage statements; (h) knowingly and intentionally failing to maintain accurate and complete records; and (i) failure to reimburse for business related expenses. As a result, Plaintiff seeks penalties under Labor Code 2698, *et. seq.* on behalf of the general public as private attorney general and all other aggrieved employees.

II. JURISDICTION AND VENUE

3. The California Superior Court has jurisdiction over this action pursuant to California Constitution Article VI, Section 10, which grants the Superior Court “original jurisdiction in all cases except those given by statute to other trial courts.” The statutes under which this action is brought do not give jurisdiction to any other court.

4. This Court has jurisdiction over Defendants because, upon information and belief, each Defendant either has sufficient minimum contacts in Los County California, or otherwise intentionally avails itself of the California market so as to render the exercise of jurisdiction over it by the California Courts consistent with traditional notions of fair play and substantial justice.

1 5. Venue as to each Defendant is proper in this judicial district pursuant to Code of Civil
2 Procedure section 395. Defendants, and each of them, including Does 1 through 20, are operating
3 and doing business in, California – Los Angeles County, and each Defendant is within the
4 jurisdiction of this Court for service of process purposes. The unlawful acts alleged herein have a
5 direct effect on Plaintiff and all other aggrieved employees within the State of California and within
6 Los Angeles County and elsewhere in California.

7 6. On information and belief, Defendants have conducted business within the State of
8 California during the purported liability period and continue to conduct business in the State of
9 California. The unlawful acts alleged herein have had a direct effect on Plaintiff, and the similarly
10 situated non-exempt aggrieved employees within Los Angeles County and the State of California.

11 7. The California Superior Court also has jurisdiction in this matter because on
12 information and belief there are no federal questions at issue, as the issues herein are based solely
13 on California statutes and law, including the California Labor Code, the IWC Wage Orders, the
14 California Code of Civil Procedure, the California Civil Code, and the California Business and
15 Professions Code.

16 8. On information and belief, during the statutory liability period and continuing to the
17 present ("liability period"), Defendants consistently maintained and enforced against Defendants'
18 Non-Exempt Employees ("Aggrieved Employees"), among others, the following unlawful practices
19 and policies, in violation of California state wage and hour laws (a) failure to accurately pay overtime
20 wages; (b) failure to pay minimum wages; (c) failure to provide compliant meal periods and failure
21 to pay an additional hour's of pay in lieu of providing a compliant meal period; (d) failure to authorize
22 and permit compliant rest breaks for every four hours or major fraction thereof worked and failure to
23 pay an additional hour's of pay in lieu of providing a compliant rest period; (e) failure to pay all
24 wages earned for the pay period corresponding to the payday; (f) failing to pay all wages earned,
25 and per pay period; (g) failure to pay all wages owed upon separation from Defendants' employ; (h)
26 failing to provide accurate itemized wage statements; (i) knowingly or intentionally failing to
27 maintain accurate and complete records; and (j) failure to reimburse for business related expenses.
28

1 9. On information and belief, during the statutory liability period and continuing to the
2 present, Defendants have had a consistent policy of failing to provide its Non-Exempt Employees
3 within the State of California, including Plaintiff unfettered, uninterrupted, duty free rest breaks of
4 at least (10) minutes per four (4) hours worked or major fraction thereof and failing to pay such
5 employees one (1) hour of pay at the employees regular rate of compensation for each workday that
6 the rest was untimely, interrupted and/or not provided, as required by California state wage and hour
7 laws.

8 10. On information and belief, during the statutory liability period and continuing to the
9 present, Defendants have had a consistent policy of failing to accurately pay overtime for hours
10 worked in excess of forty hours in a workweek or more than 8 hours in a workday.

11 11. On information and belief, during the statutory liability period and continuing to the
12 present, Defendants have had a consistent policy of failing to pay minimum wages and overtime
13 wages for hours worked while subject to the control of Defendants and per pay period.

14 12. On information and belief, during the statutory liability period and continuing to the
15 present, Defendants have had a consistent policy of requiring its Non-Exempt Employees within the
16 State of California, including Plaintiff, to work at least five (5) and or ten (10) hours without a meal
17 period and failing to pay such employees one (1) hour of pay at the employees regular rate of
18 compensation for each workday that the meal period was untimely, interrupted and/or not provided,
19 as required by California state wage and hour laws.

20 13. On information and belief, as a result of these unlawful acts, Defendants failed to pay
21 the required meal and rest period premiums on days such Non-Exempt Employees worked 3.5
22 hours, six hours, or more than ten hours in a work shift.

23 14. On information and belief, during the statutory liability period and continuing to the
24 present, Defendants have had a consistent policy of failing to timely pay wages upon separation,
25 and paying all wages earned for the pay period corresponding to the payday.

26 15. On information and belief, during the statutory liability period and continuing to the
27 present, Defendants have had a consistent policy of failing to provide accurate itemized wage
28 statements.

17. On information and belief, during the statutory liability period and continuing to the present, Defendants have had a consistent policy of knowingly and intentionally failing to maintain accurate and complete records.

18. Plaintiff on behalf of the general public as private attorney general and all other aggrieved employees brings this action pursuant to Labor Code 2698, et. seq. for violations enumerated under 2699.5 as follows: sections 201-203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1197, 1197.1, and 2802 seeking penalties, interest, attorneys' fees and costs.

A. Plaintiff

19. Plaintiff, SONIA FRANCO, was at all times relevant to this action, a resident of Los Angeles County, California. Plaintiff was employed by Defendants for approximately five (5) years as a Non-Exempt Employee working as a medical assistant until her separation from Defendants' employ in approximately January 2020.

20. As Defendants' employee, Plaintiff, and all other aggrieved employees were regularly required to and subsequently suffered:

- (a) work in excess of eight (8) hours per day, and/or forty (40) hours per week; all in violation of California labor laws, regulations, and the Industrial Welfare Commission Wage Orders (“IWC”);
- (b) perform work subject to the control of the employer without being compensated at least minimum wages, all in violation of California labor laws, regulations, and the Industrial Welfare Commission Wage Order (“IWC”);
- (c) work without being permitted or authorized a compliant minimum ten-minute rest period for every four hours or major fraction thereof worked and not compensated one (1) hour of pay at her regular rate of

1 compensation for each workday that a compliant rest period was not
 2 provided, all in violation of California labor laws, regulations, and the
 3 Industrial Welfare Commission Wage Orders ("IWC");

4 (d) work in excess of five hours per day without being provided compliant meal
 5 periods and not compensated one (1) hour of pay at the regular rate of
 6 compensation for each workday that a compliant meal period was not
 7 provided, all in violation of California labor laws, regulations, and the
 8 Industrial Welfare Commission Wage Orders ("IWC");

9 (e) not paid all wages upon separation from Defendant's employment ("IWC");

10 (f) not reimbursed for business expenses; and

11 (g) not provided accurate itemized wage statements.

12 21. Plaintiff seeks penalties under Labor Code 2698, *et. seq.* on behalf of the
 13 general public as private attorney general and all other aggrieved employees.

14 **B. Defendants**

15 22. Defendant CareMore Health Plan Inc. is a healthcare provider in Los Angeles
 16 County, California with multiple locations including 3513 E. First Street, Los Angeles, California
 17 90063 where Plaintiff was assigned. Plaintiff estimates there are in excess of 200 aggrieved
 18 employees who work or have worked for Defendant over the last year.

19 23. On information and belief, Defendant Anthem Inc., is a California corporation and/or
 20 authorized to conduct business in California. At all relevant times alleged herein, Defendant Anthem
 21 Inc. was doing business in California including Los Angeles County. Based on information and belief,
 22 Anthem Inc., is a health benefits company and through its numerous affiliated health plans, provides
 23 health care and other related services.

24 24. On information and belief, Defendant The Anthem Companies, Inc., is a California
 25 corporation and/or authorized to conduct business in California. At all relevant times alleged herein,
 26 Defendant The Anthem Companies, Inc., was doing business in California including Los Angeles
 27 County. Based on information and belief, The Anthem Companies, Inc., delivers products and
 28 health care services to its members through individual and/or group plans.

1 25. On information and belief, Defendant the Anthem Companies of California, is a
2 California corporation and/or authorized to conduct business in California. At all relevant times
3 alleged herein, Defendant the Anthem Companies of California, was doing business in California
4 including Los Angeles County. Based on information and belief, the Anthem Companies of
5 California provides benefits and health care services to its members through individual and/or group
6 plans.

7 26. On information and belief, Defendant CareMore Health Systems, Inc., is a subsidiary
8 of Anthem Inc., and a California corporation doing business in California. CareMore Health
9 Systems, Inc. is an integrated health plan and care delivery provider which provides health plan
10 solutions to people over the age 65. Plaintiff is informed and believes that Defendant CareMore
11 Health Systems, Inc. operates various locations throughout California and employs numerous non-
12 exempt employees at each of these locations.

13 27. On information and belief, Defendant CareMore Health Plan is a subsidiary of Anthem
14 Inc., and a California corporation doing business in California. CareMore Health Plan is an
15 integrated health plan and care delivery provider which provides health plan solutions to its
16 members. Plaintiff is informed and believes that Defendant, CareMore Health Plan operates various
17 locations throughout California and employs numerous non-exempt employees at each of these
18 locations.

19 28. Other than identified herein, Plaintiff is unaware of the true names, capacities,
20 relationships and extent of participation in the conduct alleged herein, of the defendants sued as
21 DOES 1 through 20, but is informed and believes and thereon alleges that said defendants are
22 legally responsible for the wrongful conduct alleged herein and therefore sues these defendants by
23 such fictitious names. Plaintiff will amend this complaint when their true names and capabilities
24 are ascertained.

25 29. Plaintiff is informed and believes and thereon alleges that each Defendant, directly
26 or indirectly, or through agents or other persons, employed Plaintiff and other members of the
27 Representative Group, and exercised control over their wages, hours, and working conditions.
28 Plaintiff is informed and believes and thereon alleges that each defendant acted in all respects

1 pertinent to this action as the agent of the other defendants, carried out a joint scheme, business plan
2 or policy in all respects pertinent hereto, and the acts of each defendant are legally attributable to
3 the other defendants.

4 **IV. GENERAL ALLEGATIONS**

5 30. Plaintiff is informed and believes, and based thereon alleges that Defendants employ
6 or employed Non-Exempt Employees in California, including in Los Angeles County, during the
7 liability period. Plaintiff and all other aggrieved employees were compensated based upon an hourly
8 rate and have at all times pertinent hereto been non-exempt within the meaning of the California Labor
9 Code and the implementing rules and regulations of the IWC California Wage Orders.

10 31. On information and belief, and during the relevant time frame, all aggrieved
11 employees are residents of California and citizens of the United States.

12 32. On information and belief, and during the relevant time frame, Defendants
13 implemented a uniform set of policies and practices to all aggrieved employees throughout
14 California, including in Los Angeles County, as all aggrieved employees engaged in the job duties
15 of servicing high-risk Medicare and Medicaid patients.

16 33. On information and belief, during the relevant time frame, Plaintiff and Aggrieved
17 Employees frequently worked well over eight (8) hours in a day and forty (40) hours in a work week.

18 34. On information and belief, during the relevant time frame, Plaintiff and Aggrieved
19 Employees typically worked three to ten days per week with shifts that were 7.5 to 10 hours per day.

20 35. Plaintiff is informed and believes that Plaintiff and Aggrieved Employees were not
21 compensated for all time worked as Defendants would regularly suffer and permit Plaintiff and
22 Aggrieved Employees to work off the clock including overtime, but Plaintiff and Aggrieved
23 Employees were not compensated for hours worked off the clock. For example, Defendants did not
24 compensate Plaintiff and Aggrieved Employees for time spent working before or after their shift(s)
25 began and/or ended. This policy resulted in Plaintiff and Aggrieved Employees being subjected to
26 Defendants' unlawful policy of not compensating Plaintiff and Aggrieved Employees for all hours
27 worked including overtime while under the control of Defendants. Defendants' unlawful off the
28

1 clock policy over time resulted in a large and disproportionate underpayment of wages including
2 overtime wages to Plaintiff and Aggrieved Employees.

3 36. Plaintiff is informed and believes that Plaintiff and Aggrieved Employees were
4 caused to endure unprovided, untimely, or interrupted meal periods of less than at least thirty (30)
5 minutes for many of the work days such employees worked more than six hours (6) hours, were not
6 provided uninterrupted second meal periods of at least thirty (30) minutes for any work days such
7 employees worked more than ten (10) hours, and were not paid one (1) hour of wages by Defendants
8 in lieu thereof, all in violation of the California Labor Code.

9 37. Plaintiff is informed and believes that Plaintiff and Aggrieved Employees were
10 regularly required to work in excess of six (6) hours per day without Defendants providing them a
11 timely, uninterrupted (30) minute meal period as mandated under the California Labor Code and the
12 implementing rules and regulations of the IWC California Wage Orders as Plaintiffs and Aggrieved
13 Employees were required to take shortened meal periods or not at all because Lakeview Center was
14 too busy and/or no one was scheduled to cover for them to take a timely, uninterrupted (30) minute
15 meal period. Accordingly, Plaintiff and Aggrieved Employees were not provided lawful meal periods
16 and were not provided with one hour of wages in lieu thereof under Defendants' policies and practices,
17 which included work schedules placed upon the Aggrieved Employees from Defendants' management
18 and supervisors to perform work at the expense of their meal periods and Defendants' implementation
19 of a shift schedule and workload requirements that denied Aggrieved Employees all of their authorized
20 meal periods, including second meal periods on shifts when they worked over ten (10) hours in a day.
21 Plaintiff and the Aggrieved Employees did not waive any of their authorized and required meal periods,
22 nor did they receive one hour of regular pay for each day Defendants failed to provide a lawful meal
23 period.

24 38. Plaintiff is informed and believes that during the liability period, Plaintiff and
25 Aggrieved Employees were consistently required to work in excess of four (4) hours (or major fraction
26 thereof) without receiving lawful ten (10) minute rest periods. On information and belief, Defendants'
27 management would push Plaintiffs and Aggrieved Employees to stay at their work stations based on
28 the volume of customers, and as a result would often have to take their breaks late

1 or be forced to skip their breaks. The Aggrieved Employees were also not provided with one hour
2 wages in lieu thereof. Defendants' policies and practices included Defendants' implementation of a
3 work schedule and workload requirements that denied and failed to provide the Aggrieved
4 Employees all of their authorized rest periods, including first rest periods of at least ten (10) minutes
5 for every shift worked of at least three and a half (3 1/2) to four (4) hours, a first and second rest
6 period of at least ten (10) minutes for every shift worked greater than six (6) hours, and a third rest
7 period of at least ten (10) minutes for every shift worked in excess of ten (10) hours.

8 39. Defendants did not fully compensate Plaintiff and the Aggrieved Employees for
9 hourly wages during the liability period, including by virtue of the fact that Defendants did not
10 compensate Plaintiff and Aggrieved Employees with one extra hour of pay for Defendants' failure
11 to provide such Non-Exempt Employees with each of their authorized rest periods and meal periods
12 during the rest and meal period liability period.

13 40. On information and belief, Defendants also failed to accurately pay overtime wages
14 owed to Plaintiff and Aggrieved Employees by failing to compensate them for off the clock work
15 and hours worked over eight hours in a workday or over 40 hours in the workweek at one and one-
16 half times the Aggrieved Employees regular rate of pay. Defendants also failed to include all forms
17 of compensation in the regular rate of pay, including but not limited to incentive compensation, non-
18 discretionary bonuses and shift differentials.

19 41. Upon information and belief, Defendants failed to provide accurate itemized wage
20 statements to Plaintiff and Aggrieved Employees as the wage statements provided failed to list all
21 of the items required in Labor Code section 226 including, but not limited to: gross wages earned;
22 total hours worked (not required for salaried exempt employees); the number of piece-rate units
23 earned and any applicable piece rate if the employee is paid on a piece rate basis; all deductions (all
24 deductions made on written orders of the employee may be aggregated and shown as one item); net
25 wages earned; the inclusive dates of the period for which the employee is paid; the name of the
26 employee and the last four digits of his or her social security number or an employee identification
27 number other than a social security number; the name and address of the legal entity that is the
28 employer, and if the employer is a farm labor contractor, the name and address of the legal entity

1 that secured the services of the employer; and all applicable hourly rates in effect during the pay
2 period, and the corresponding number of hours worked at each hourly rate by the employee.

3 42. Further, Defendants, among other things, to accurately account for all hours worked,
4 and failed to pay all wages earned in the corresponding payday. Further, Defendants failed to
5 provide accurate wage statements as Defendants' wage statements do not identify premium pay as
6 required by Labor Code § 226.

7 43. Upon information and belief, Defendants failed to reimburse and/or indemnify
8 Plaintiff and Aggrieved Employees for all necessary expenditures incurred; and

9 44. Upon information and belief, Defendants failed to keep accurate records pursuant to
10 Labor Code § 1174.5.

11 45. Upon information and belief, Defendants knew and or should have known that it is
12 improper to implement policies and commit unlawful acts such as:

- 13 (a) requiring employees to work over eight (8) hours in a day and forty (40)
14 hours in a work week without being provided the required overtime pay;
- 15 (b) requiring employees to perform work subject to the control of the Defendant
16 without being compensated at least minimum wages;
- 17 (c) requiring employees to work four (4) hours or a major fraction thereof
18 without being provided a minimum ten (10) minute rest period and
19 without compensating the employees with one (1) hour of pay at the
20 employees' regular rate of compensation for each workday that a rest
21 period was not provided;
- 22 (d) requiring employees to work in excess of five (5) hours or ten (10) hours per
23 day without being provided an uninterrupted thirty- minute meal period
24 and/or a second meal period, and without compensating employees with one
25 (1) hour of pay at the regular rate of compensation for each workday that
26 such a meal period was not provided;
- 27 (e) failing to pay all wages earned upon separation from Defendant's
28 employ; and;

1 (f) failing to provide accurate itemized wage statements.

2 45. In addition to the violations above, and on information and belief, Defendants knew
3 they had a duty to compensate Plaintiff and Aggrieved Employees for the allegations asserted
4 herein, and that Defendants had the financial ability to pay such compensation, but willfully,
5 knowingly, recklessly, and/or intentionally failed to do so.

6 **V. REPRESENTATIVE CLAIMS**

7 **THE PRIVATE ATTORNEYS GENERAL ACT- LABOR CODE §§ 2698 *et seq.***

8 46. Plaintiff incorporates by reference and re-alleges each and every allegation contained
9 above, as though fully set forth herein.

10 47. On or about April 14, 2020 and August 5, 2020, Plaintiff complied with notice
11 requirements pursuant to Labor Code section 2699.3. A copy of Plaintiff's submissions to the Labor
12 Workforce Development Agency ("LWDA") and letter to Defendants indicating that they were put
13 on notice of the claims alleged herein and that the notice requirement has been satisfied. Sixty-five
14 days have passed and the LWDA has not indicated intent to investigate the claims. Therefore,
15 Plaintiff may proceed with this action in a representative capacity. The substance and violations set
16 forth in this Complaint of which the LWDA was provided timely notice, Plaintiff has also sent a
17 copy of this PAGA Representative Action Complaint to the LWDA. An amended letter was sent to
18 the LWDA and Defendants on or about April 15, 2022.

19 48. Plaintiff is an aggrieved employee as defined in Labor Code Section 2699(a).
20 Plaintiff brings this cause of action on behalf the general public and all non-exempt aggrieved
21 employees, acting on behalf of the California Attorney General as private attorney general.

22 49. Pursuant to Labor Code section 2699(a) Plaintiff seeks to recover civil penalties due
23 and owing for which Defendants are liable due to numerous Labor Code violations as set forth in
24 this Complaint, including without limitation Labor Code section 201-203, 204, 226, 266.3, 226.7,
25 510, 512, 558, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 2802, and 2698 *et seq.*, applicable IWC
26 Wage Orders and California Code of Regulations, Title 8, section 11000 *et. seq.*

27 50. At all times relevant, Plaintiff and all other aggrieved employees regularly
28 performed non-exempt work in excess of 50% of the time, and thus, were subject to the meal and

1 rest break requirements of the applicable IWC wage order and the Labor Code.

2 51. Defendants violated Labor Code section 510, 558, and 1194 by failing to accurately
3 pay overtime wages as discussed above due to Defendants' unlawful off the clock policy and failure
4 to pay all hours worked in excess of eight hours in a day and/or 40 hours in a workweek. Therefore,
5 Defendants violated section 510, 558 and 1194 by not compensating its Non- Exempt Employees
6 for work performed in excess of eight hours (8) in a day or forty hours in a work week (40). Section
7 510 of the Labor Code codifies the right to overtime compensation at the rate of one and one-half
8 times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or forty (40)
9 hours in a work week and to overtime compensation twice the regular rate of pay for hours worked
10 in excess of twelve (12) hours in a day or in excess of eight (8) hours in a day on the seventh day of
11 work in a particular work week.

12 52. Defendants also violated Labor Codes sections 200, 1194, and 1197 for failing to pay
13 minimum wages as described above. Labor Code §1197 provides that employees are to be paid
14 minimum wage for each hour worked, and cannot be averaged the minimum and the payment of a
15 lesser wage than the established is unlawful.

16 53. Defendants violated Labor Code sections 512 and 226.7 for failing to provide timely,
17 uninterrupted meal periods and requiring unlawful on duty meal periods, or compensation in lieu
18 thereof. Pursuant to Labor Code section 512, no employer shall employ an employee for a work
19 period of more than five (5) hours without providing a meal break of not less than thirty (30) minutes
20 in which the employee is relieved of all of his or her duties. An employer may not employ an
21 employee for a work period of more than ten (10) hours per day without providing the employee
22 with a second meal period of not less than thirty (30) minutes, except that if the total hours worked
23 is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the
24 employer and the employee only if the first meal period was not waived.

25 54. Defendants failed to provide Plaintiff and all other aggrieved employees
26 uninterrupted duty free first meal periods of not less than thirty (30) minutes. Defendants
27 implemented and enforced policies of on duty meal period practices which required employees to
28 work during their meal periods, to forego their meal periods, and/or to return to work from meal

1 periods prior to thirty (30) uninterrupted minutes. As a proximate result of the aforementioned
2 violations, Plaintiff and all other Aggrieved Employees have been damaged in an amount according
3 to proof at time of trial.

4 55. Plaintiff, and on information and belief, all aggrieved employees, were systematically
5 not permitted or authorized to take one ten-minute rest period for every four hours worked or major
6 fraction thereof, which is a violation of the Labor Code and IWC wage order 4-2001, section 12. On
7 shifts where Plaintiff worked in excess of three and half hours they were routinely not permitted and
8 authorized to take lawful rest periods. Plaintiff and on information and belief, aggrieved employees,
9 were not compensated with one hour of wages for every day in which a rest period was missed,
10 untimely or cut short as a result of Defendants' policies, practices, or work demands. By failing to
11 authorize and permit a ten-minute rest period for every four hours or major fraction thereof worked per
12 day, and by failing to provide compensation for such unprovided rest periods as alleged above,
13 Defendants willfully violated the provisions of Labor Code sections 226.7, 512 and the applicable IWC
14 Wage Order.

15 56. Plaintiff, and on information and belief, all aggrieved employees, were required to
16 purchase certain clothing items consistent with adherence to Defendants' "uniform policy" and/or other
17 business expenses such as cell phone and Internet for which they were not reimbursed. By failure to
18 reimburse and/or indemnify as alleged above, Defendants willfully violated the provisions of Labor
19 Code section 2802.

20 57. On information and belief, Defendants failed to provide accurate itemized wage
21 statements pursuant to Labor Code section 226 which failed to include, all hours worked, including off
22 the clock, overtime and the accurate overtime rate, and the lawful meal and rest period premiums
23 earned, which are due and owing to Plaintiffs and the aggrieved employees. As a result, Plaintiff and
24 Aggrieved Employees were harmed as they are unable to determine if they were appropriately
25 compensated for all hours worked and within the corresponding pay period pursuant to Labor Code
26 section 204.

27 58. Defendants failed to provide compliant wage statements because they did not reflect all
28 of the items required by Labor Code section 226, including but not limited to the name and address of

1 the legal entity that is the employer and hours worked at regular and overtime pay nor and the meal and
2 rest period premiums that were owed to Plaintiff and Aggrieved Employees.

3 59. On information and belief, Defendants failed to maintain accurate records as required
4 by Labor Code section 1174.5.

5 60. As a result of Defendants' unlawful conduct, Plaintiff and Aggrieved employees are
6 entitled to penalties to the extent they were not paid at the prevailing wage rate for all hours worked.

7 61. Plaintiff and the Representative Aggrieved Employees are entitled to recover Penalties
8 and attorneys' fees and costs under Labor Code section 2698, et. seq.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, Plaintiff prays for judgment against Defendants, as follows:

- 11 1. For penalties according to proof, pursuant to Labor Code §§ 2698 et seq.;
- 12 2. For reasonable attorneys' fees and costs; and
- 13 3. For such other and further relief as the Court deems proper.

14 **DEMAND FOR JURY TRIAL**

15 Plaintiff and Aggrieved Employees request a jury trial in this matter.

16

17

18 Dated: _____, 2022

MAKAREM & ASSOCIATES, APLC

21 By: _____

Ronald W. Makarem
Cameron A. Stewart
Attorneys for Plaintiff, individually and
on behalf of all other aggrieved
employees

EXHIBIT 2



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April , 2022

FILED ONLINE WITH THE LWDA

Department of Industrial Relations
 Accounting Unit
 455 Golden Gate Avenue, 10th Floor
 San Francisco, CA 94102

Re: *Sonia Franco v. Anthem Inc., The Anthem Companies, Inc., et al.*
 Notice of Labor Code Violations Pursuant to Labor Code section 2699.3(a)(1)
 Case Nos. LWDA-CM-783270-20 & LWDA-CM-801639-20

Dear PAGA Administrator:

This amended letter shall constitute the required written notification under Labor Code section 2699.3(a)(1) of Labor Code violations alleged against *Anthem Inc., The Anthem Companies, Inc., Anthem Companies of California, WellPoint, Inc., The WellPoint Companies, CareMore Health Systems, Inc., CareMore Health Group, Inc.,* and *CareMore Health Plan* (collectively, “Employer”). Our client, **Sonia Franco, and other similarly situated aggrieved employees** (together, “Claimant”), worked as non-exempt employees for Employer in California. Claimant hereby issues this Notice to both the LWDA and Employer in compliance with the notice requirements of Labor Code section 2699.3(a)(1).

Claimant hereby gives Notice of the following specific provisions of the Labor Code that have been violated and the facts and theories to support the alleged violations:

Violation	Facts and Theories
Labor Code sections 204 & 1194	Labor Code section 204 provides that covered employees are entitled to receive all wages earned for the pay period corresponding to the payday. Here, Employer regularly failed to pay Claimant all wages earned for labor performed each pay period. Employer failed to record and maintain accurate records of hours worked for pay periods, as a result, Claimant was not compensated for labor performed on a daily basis. Employer also failed to provide the requisite one hour of pay at the regular rate of compensation for missed meal and rest periods. Accordingly, Employer violated the above code sections.

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Labor Code section 1194	Labor Code section 1194 provides that any employee receiving less than the legal minimum wage is entitled to recover the unpaid balance at the minimum wage rate for all hours worked. Here, Employer failed to compensate Claimant at the minimum wage for all hours worked, including but not limited to any and all off-the-clock time spent under the control of the employer whether pre-shift, post-shift or during meal and rest periods.
Labor Code sections 510 & 1194	Labor Code section 510 provides that covered employees are entitled to overtime wages payable at the rate of at least one and one-half times their regular rate of pay for all overtime hours worked and at the rate of at least twice the regular rate of pay for all double-time hours worked. The Labor Code also provides that employees are entitled to overtime wages for hours worked on the seventh consecutive day of work in a workweek and double-time pay for hours worked in excess of twelve hours on the seventh consecutive day of work in a workweek. Here, Employer regularly failed to pay Claimant all wages earned for overtime labor performed each pay period. Specifically, Claimant performed work in excess of 8 hours a day in a given workday, for which she was not compensated with a rate of at least one and one-half times the regular rate of pay by Employer. Employer failed to include all forms of compensation in the regular rate of pay including but not limited to incentive compensation, non-discretionary bonuses and shift differentials. Accordingly, Employer violated the above code sections.
Labor Code sections 226.7 & 512	Labor Code sections 226.7 and 512 provide that no employer shall employ any person for a work period of more than five (5) hours without an uninterrupted duty-free meal period of not less than 30 minutes. Under these provisions, a first meal period is required no later than the end of an employee's fifth hour of work, and a second meal period no later than the end of an employee's 10th hour of work. If an employer fails to provide an employee meal periods in accordance with this law, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided. Here, Claimant worked at least 8 hours in one workday and often more than 10 hours in one workday, but did not receive compliant and timely thirty-minute meal periods. Employer failed to relieve Claimant of her work duties to permit Claimant to take uninterrupted duty-free meal periods and failed to provide the requisite one hour of pay at the regular rate of compensation for each meal period violation. In addition, Claimant was required to attend meetings and work through her meal period at least twice per month, and Employer failed to provide the requisite one hour of pay at the regular rate of compensation for each meal period violation. Accordingly, Employer violated the above code sections.

Labor Code section 226.7 & 512	Labor Code section 226.7 provides that employers shall authorize and permit employees to take uninterrupted rest periods of (10) minutes net rest time per four (4) hours of work, or major fraction thereof. This means that an employer must provide 10 minutes net rest time for each four- hour period worked by employees. If an employer fails to provide an employee rest periods in accordance with this law, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided. Here, Employer routinely failed to authorize and permit Claimant to take uninterrupted ten (10) minute rest periods for each four (4) hours she worked. Nor did Employer provide the requisite one hour of pay at the regular rate of compensation on these occasions. Accordingly, Claimant is entitled to one (1) hour of pay at the Claimant's regular rate of compensation for each non-compliant rest period.
Labor Code section 2802(a)	Labor Code section 2802(a) requires an employer to indemnify an employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer. Here, Employer failed to indemnify Claimant for expenses, including but not limited to, expenses for clothing, phones and Internet necessary to complete her job duties, in violation of Labor Code section 2802.
Labor Code section 226	Labor Code section 226 provides that an employer shall semimonthly, or at the time of each payment, furnish each employee with an itemized statement showing: • Gross wages earned; • Total hours worked (not required for salaried exempt employees); • The number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece rate basis; • All deductions (all deductions made on written orders of the employee may be aggregated and shown as one item); • Net wages earned; • The inclusive dates of the period for which the employee is paid; • The name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number; • The name and address of the legal entity that is the employer, and if the employer is a farm labor contractor, the name and

	address of the legal entity that secured the services of the employer; and • All applicable hourly rates in effect during the pay period, and the corresponding number of hours worked at each hourly rate by the employee. Here, Employer failed to provide compliant wage statements because they did not reflect all of the items above, including but not limited to the name and address of the legal entity that is the employer and hours worked at regular and overtime pay and the meal and rest period premiums that were owed to Claimant.
Labor Code section 226 & 1174	Labor Code section 1174 provides that employers shall keep payroll records showing the hours worked and wages paid to each employee. These records are to be kept in accordance with rules established by the commission, but must be kept on file for a minimum of three (3) years. Here, Employer knowingly and intentionally failed to maintain records, including but not limited to all hours worked by Claimant, overtime, meal and rest periods, and accurate itemized wages statements that contain all of the items required by Labor Code section 226, including but not limited to those listed above. Employer failed to verify actual hours worked by Claimant and as a result, Claimant's payroll hours and wages were often incomplete. Accordingly, Employer violated the above code sections.
Labor Code sections 201, 202, and 203	Labor Code section 201 states that if an employer discharges an employee, earned but unpaid wages at the time of discharge are due and payable immediately. Similarly, Labor Code section 202 provides "[i]f an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting." Under section 203, if an employer willfully fails to pay in accordance with sections 201 or 202, any wages of an employee who is discharged or quits shall continue as a penalty. Here, as a result of the unpaid wages, overtime, meal break, and rest period violations, Employer failed to pay all earned and overtime wages, and wages for missed meal and rest periods to employees who quit or were discharged, in violation of sections 201 and 202. Nor has Employer paid any of the continuation wages or waiting time penalties under section 203.

Page 5

Please notify us within the required time period whether or not the Labor and Workforce Development Agency intends to investigate these alleged violations. If notice is not received within 60 calendar days of the postmark date of this letter, we will proceed with a civil action for penalties pursuant to Labor Code section 2699 for Labor Code violations, including without limitation, Labor Code section 201-203, 204, 226, 266.3, 226.7, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 2802, and 2698 *et seq.*, applicable IWC Wage Orders and California Code of Regulations, Title 8, section 11000 *et. seq.* This civil action will be pursued on behalf of Claimant and similarly situated employees. Please send the Notice to our office located at 11601 Wilshire Blvd., Suite 2440, Los Angeles, California 90025.

Thank you for your attention to this matter.

Respectfully,

MAKAREM & ASSOCIATES, APLC

By: 
Cameron A. Stewart

Cc via Certified Mail:

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Cerritos, CA 90703

Anthem Inc.
The Anthem Companies, Inc.
Anthem Companies of California
WellPoint, Inc.
The WellPoint Companies
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