

Eric K. Yaeckel [CSB No. 274608]
yaeckel@sullivanlawgroupapc.com
Ryan T. Kuhn [CSB No. 324538]
ryan@sullivanlawgroupapc.com
Karoline D. Kitlowski [CSB No. 347692]
karoline@sullivanlawgroupapc.com
SULLIVAN & YAECKEL LAW GROUP, APC
2330 Third Avenue
San Diego, California 92101
(619) 702-6760 * (619) 702-6761 FAX

Attorneys for Plaintiff DAMON COFFEY, Individually, and on behalf of other members of the general public similarly situated

Additional Counsel Listed on Following Page

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

DAMON COFFEY and BRANDIE
LUKOFNAK, individually, and on behalf of
other members of the public similarly
situated,

Plaintiff

v.

SOUTHERN CALIFORNIA
PERMANENTE MEDICAL GROUP, INC.,
a California Corporation and DOES 1-10,
inclusive,

Defendants

CASE NO. 37-2020-00029409-CU-OE-CTL

CLASS ACTION & REPRESENTATIVE
ACTION

**DECLARATION OF RYAN T. KUHN IN
SUPPORT OF PLAINTIFF'S UNOPPOSED
MOTION FOR CONDITIONAL
CERTIFICATION OF SETTLEMENT
CLASS AND PRELIMINARY APPROVAL
OF GOOD FAITH DETERMINATION OF
CLASS ACTION SETTLEMENT**

Date: January 26, 2024

Time: 8:30 a.m.

Judge: Hon. Keri G. Katz

Dept.: C-74

1 **BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP**

2 Norman B. Blumenthal (State Bar #068687)

3 Kyle R. Nordrehaug (State Bar #205975)

4 Aparajit Bhowmik (State Bar #248066)

5 Nicholas J. De Blouw (State Bar #280922)

6 2255 Calle Clara

7 La Jolla, CA 92037

8 Telephone: (858)551-1223

9 Facsimile: (858) 551-1232

10 Website: www.bamlawca.com

11 Attorneys for Plaintiff BRANDIE LUKOFNAK, Individually, and on behalf of other members of
12 the general public similarly situated
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 I, Ryan T. Kuhn, hereby declare as follows:

2 1. I am an attorney licensed to practice law before this Court and am employed with the law firm
3 of Sullivan & Yaeckel Law Group, APC, attorneys of record for DAMON COFFEY,
4 individually, and on behalf of other members of the public similarly situated in the
5 above-captioned matter. I make this declaration in support of Plaintiff's Unopposed Motion
6 for Conditional Certification of Settlement Class and Preliminary Approval of Good Faith
7 Determination of Class Action Settlement.

8 2. I am personally familiar with the facts set forth in this declaration, and if called to testify as a
9 witness I could and would do so.

10 **Background and Investigation**

11 3. On August 21, 2021, Plaintiff Coffey filed the Complaint in this matter. The original
12 Complaint alleged representative California Private Attorney General Act ("PAGA") claims,
13 under the California Labor code involving, *inter alia*, (1) Meal and Rest Period violations; (2)
14 Minimum wage violations; (3) Overtime violations; (4) Wage statement violations; (5) Failure
15 to reimburse business expenses; and (6) Failure to pay wages upon separation.

16 4. On August 27, 2021, Plaintiff filed a First Amended Complaint, to clarify certain issues related
17 to Defendant's entity status.

18 5. On April 22, 2021, Plaintiff filed a Second Amended Complaint, which added class action
19 claims based on same underlying Labor Code violations in the original Complaint.

20 6. As part of settlement, the parties have agreed to allow Plaintiff filed a Third Amended
21 Complaint, which has "merged" the related *Lukofnak* matter into this matter. The Third
22 Amended Complaint is the operative pleading for purposes of this proposed settlement. The
23 Third Amended Complaint will be filed by separate stipulation.

24 7. On January 11, 2020, Plaintiff propounded discovery requests on Defendants, including
25 requests for admission, special interrogatories, requests for production of documents, and
26 general and employment form interrogatories. Through these requests, Plaintiff sought, among
27 other information and documents, the identities of putative class members, Defendants'
28

1 compensation policies, meal and rest period policies, employee handbooks, wage statements,
2 payroll records, time records, job descriptions, and reimbursement policies.

3 8. Defendants provided discovery responses, documents, and objections to Plaintiff's requests.
4 After a lengthy meet and confer process, Defendant produced, *inter alia*, Plaintiff's time and
5 wage records, copies of the relevant employee handbooks, copies of all other relevant
6 employee policies, and the contents of Plaintiff's employee file. After the dissemination of
7 *Belaire-West* Notice, Defendant produced a large sampling of non-exempt employee Time
8 Records and Wage Statements.

9 9. Defendant also propounded several sets of written discovery on Plaintiff. In total it appears
10 there were at least 12 sets of written discovery exchanged between the parties. Additionally,
11 Plaintiff Coffey appeared for two full days of deposition. SCPMG also produced its "Persons
12 Most Knowledgeable" for a full day of deposition.

13 10. Following substantive discovery, Defendant (through its counsel), reached out to attempt to
14 explore early resolution of this matter. As part of the settlement discussions, Defendants agreed
15 to voluntarily produce and verify thousands of pages of documents. The production included
16 all relevant policies and procedures. It also included large electronic sampling of other class
17 members' time and wage data.

18 11. Plaintiffs also requested Defendant provide additional informal discovery so that the parties
19 could experience a meaningful mediation. Defendant provided informal discovery which
20 consisted of, *inter alia*, the number of current and former employees who worked for
21 Defendants during the limitations period, the number of "pay periods" and "work weeks" at
22 issue, meal and rest period premiums paid, a redacted sampling of employee time records and
23 wage statements, as well as confirmation that various policies and agreements were standard
24 as to the class.

25 12. On January 27, 2023, the Parties attended a full day mediation before the experienced "Wage
26 and Hour" mediator, David Rotman. Prior to the mediation, counsel for both parties agreed to
27

1 the informal exchange of information pertinent to a class-wide settlement. Both parties
2 prepared and exchanged detailed mediation briefs. At the conclusion of mediation, the parties
3 were unable to reach an agreement to settle this matter.

- 4 13. Subsequent to the January 27, 2023 Mediation, the Parties continued to litigate the case. To
5 wit, the Parties fully briefed the Motion for Class Certification. However, the Parties also
6 continued settlement discussions between counsel, and through the Mediator. Through these
7 discussions, the Parties agreed on key terms of a settlement that would globally resolve all
8 class and representative “Wage and Hour” claims asserted in the operative Complaint in this
9 Action. On January 3, 2023, the parties agreed on all key terms of the settlement via a
10 “Memorandum of Understanding.” The parties will be submitting a brief supplement to the
11 motion that contains the fully executed Joint Stipulation of Class and PAGA Action Settlement
12 (the "Agreement") once the parties obtain all signatures. The parties seek the Court’s
13 preliminary approval of the Agreement.

14 **Terms of the Agreement**

- 15 14. The parties agreed to use Rust Consulting, as the “Settlement Administrator” for purposes of
16 providing the Notice to Settlement Class Members, issuing payments pursuant to the
17 Agreement, and to administer the claims. Rust Consulting’s sole business has been the
18 administration of class action settlements and class action notices, an area in which it has
19 extensive experience.
- 20 15. Class Members will be entitled to an average share of approximately **\$109.63**. I calculated this
21 number by taking the total settlement amount, subtracting all contingent costs as proposed on
22 page one of the memorandum, and dividing by the estimate of 50,000 Class Members. This is
23 an estimate only as the actual share will depend on the amount of pay periods they were
24 employed during the limitations period.
- 25 16. A true and correct copy of the proposed Class Notice is attached as **Exhibit A**. Please note that
26 Defendant SCPMG has yet to return its comments on the notice. An updated (and final) draft
27

will be submitted with the supplemental brief.

17. Defendant also agrees to pay Plaintiffs Coffey and Lukofnak Ten Thousand Dollars (\$10,000.00) each, as an enhancement award in consideration for their services as Class Representatives. The enhancement awards were decided pursuant to good faith negotiations and is intended to recognize that it was the class representatives who initiated the lawsuit, initiated the PAGA claims, provided critical documents and witnesses to their attorneys, and worked with their attorneys to propound and prepare written discovery, all in an effort to obtain moneys allegedly owed not only to themselves, but to thousands of other employees.

Claims Analysis and Potential Recovery

18. Our office submits this settlement provides class members with a guaranteed recovery of a large portion of their “potential” damages as set forth below. As set forth above, the “average” recovery (before taxes) will be approximately **\$109.63** per class member.
19. Based on the damage calculations and relevant case law below, my office submits the likely “best case” recovery for an average class member would have been approximately **\$6,496.99**. A “worst case” scenario (in the event of a denial of class certification or a defense verdict) would have been a **zero dollar** recovery.
20. As part of our analysis I also have to consider the fact that Defendants were willing to stipulate to class certification on all claims as a result of the settlement, ensuring a monetary recovery to all participating class members. Accordingly, I believe that warrants a further reduction from any potential maximum recovery.

Damage Calculations

21. The following estimated damage calculations were completed after review of the sampling of class member time and wage records, and after interviews with Plaintiff, and other class members. The breakdown of the damage and penalties calculation is as follows:

Unpaid Compensation Violations: \$45.62 (average hourly rate) x **50,000** (number of employees) x **3.5** (years at issue in limitations period) x **8** (approximate unpaid hours per year)

1 = \$63,868,000.00.

2 **Meal Period Policy Violations:** \$45.62(average hourly rate) x 50,000 (number of employee
3 positions) x 3.5 (years at issue in limitations period) x 10 (approximate meal period violations
4 per employee in a year) = \$79,835,000.00.

5 **Rest Period Policy Violations:** \$45.62 (average hourly rate) x 50,000 (number of employee
6 positions) x 3.5 (years at issue in limitations period) x 10 (approximate rest period violations
7 per employee in a year) = \$79,835,000.00.

8 **Labor Code § 226 Penalties:** 50,000 (number of employees) x \$50 (per violation) x 36 (pay
9 periods in one year limitations period) x .40 (approximate rate of violations per pay period)
10 = \$36,000,000.00.

11 **Labor Code §2802 Penalties:** 50,000 (total number of employees) x \$10 (estimated average
12 amount of reimbursement due per employee) = \$500,000.00

13 **Labor Code § 203 Penalties:** \$45.62 (average hourly rate) x 6.0 (hours, per day) x 30 (days,
14 per Labor Code section 203) x 6,062(number of former employees) = \$8,296,453.20

15 **“PAGA” Violations:** 6 (separate Labor Code violations based on the above claims) x 50,000
16 (number of employees) x \$50 (per violation) x 36 (pay periods in one year limitations period)
17 = \$540,000,000.00. The aggrieved employees are only entitled to s 25% share of this amount,
18 which is \$135,000,000.00.

19 **The “FLSA Sub-Class” Claims:** The release for the Sub-Class Members is limited, as this
20 subclass includes individuals who were class members in a prior class action settlement, *Leyva*
21 *v SCPMG*. The limited sub-class release is related to paid sick leave, under the Healthy
22 Workplaces Healthy Families Act, and claims for reimbursement for business expenses. All
23 other claims alleged by the Class were already released via the *Leyva* Settlement. Given the
24 limited nature of these claims, the parties negotiated a separate “per-person” payment in the
25 amount of \$15 a person will be made to the sub-class members. Based on the “Sub-Class
26 Size,” this results in a total estimated amount of \$657,600.00.
27
28

22. Based on the above, a best case recovery (which would be admittedly highly unlikely, given the factors set forth below) would be a total judgment of \$403,334,453.20.

Relevant Case Law Supports a Further Reduction on any Recovery

23. It is my opinion that it would be *highly* unlikely to ever be awarded any amount approaching the maximum damages set forth above. To wit, the majority of the damages above are “derivative” penalties under PAGA, Labor Code § 203 and Labor Code § 226.

24. Please see the analysis of the relevant caselaw cited in the memorandum (pp. 12-13) which allows significant mitigation of PAGA penalties, which prohibits stacking of multiple penalties for the same underlying conduct and declines to automatically award §§ 203 and 226 penalties for meal and rest break violations without a further evidentiary showing.

25. Our office believes a mitigation of the damages and potential PAGA penalties would be warranted here. Defendants immediately stepped up to discuss early resolution. Defendants also committed to make changes to the challenged timekeeping and meal and rest period policies after receiving notice of this lawsuit. Also, as in the *Carrington* case (which was handled by this office), there is evidence that Defendant attempted to provide meal and rest periods *in practice*, even where the breaks were missed. Given this, it is likely that any violations by Defendant were not “willful.” Finally, given the defenses raised by Defendant to maintaining this matter as a class or representative action, there was a significant risk that many of the claims would not have even been able to survive to a trial.

26. As to the ex-employee claim pursuant to Labor Code § 203, the parties agree the failure to pay “ex-employees” claim is derivative of the other claims. As Defendants are able to assert a “good faith dispute” for withholding any unpaid wages, it would be difficult to establish any liability for a “willful” failure to pay wages owed.

27. Based on the above, it would be likely that PAGA penalties would be reduced to approximately \$5 per violation and the Court would find no basis for imposing Labor Code §§ 203 or 226 penalties, or separate FLSA damages.

28. If this happened, the realistic anticipated “best case” judgment following trial would be approximately \$54,000,000.00. Discounting 40% for contingent costs (fees and costs award, enhancement bonus, administration, etc.), the average class member’s share of this recovery would be \$432.00 (\$21,600,000.00 divided by 50,000 class members). Given our office’s analysis, I submit this number is the most likely “best case” recovery per class member. Given all the risks on each claim the estimated **\$109.63** average recovery secured via this settlement, is a reasonable compromise and is in the best interests of the class given all the risks of continued litigation.

Analysis of Risk on Each Potential Claim

29. Each of the primary claims also had risks to obtaining both class certification and liability. If Defendant’s asserted defenses were successful, the class would not receive anything.

30. Plaintiffs' unpaid wages (and unpaid overtime) claims were based on the allegation that employees were performing unpaid work due to the SCPMG standard timekeeping system, which “rounded” employee time entries and caused other loses due to (1) the “grace period” policy, and (2) certain alleged “transitional math errors” caused by the payroll system. Plaintiffs alleged this resulted in regular time and overtime pay being owed where Defendants were on notice of work being performed without pay. Defendants argued that rounding of total hours worked has been recognized under California law. Defendants also denied that any unpaid work occurred, and even if some did occur, SCPMG claimed it was not on notice of these alleged Labor Code violations and had a strict written prohibition against off-the-clock work and a mandate that all time worked must be recorded accurately. SCPMG asserted proof of these alleged violations would require individualized inquiries, which could preclude class certification and make any PAGA claims unmanageable.

31. As to meal and rest period claims, Plaintiffs were able to identify thousands of examples of missing or late meal periods without the provision of a meal period penalty payment. However, SCPMG argued that these records do not conclusively show whether (1) SCPMG actually failed to provide the meal period, (2) there was a voluntary waiver, (3) employees forgot to

1 clock out, or (4) employees voluntarily chose to skip or take them late even though they were
2 provided. Additionally, in light of SCPMG's written meal period policy and the wide variations
3 in alleged violations and departments at the hospital, Defendants contended there was no
4 uniform policy or practice, requiring individualized inquiries that would preclude class
5 certification and make any PAGA claims unmanageable.

6 32. Plaintiffs also alleged the SCPMG written policies improperly restricted class members from
7 leaving the premises during their rest breaks. Defendants pointed out that the policy contained
8 no such restriction and argued that witness testimony would demonstrate that in practice, no
9 such "leave the premises" restriction was ever enforced. Defendants also contended
10 individualized inquiries will abound as to why individual employees may have failed to take
11 appropriate meal periods or rest breaks.

12 33. As to the wage statement claims, Plaintiffs acknowledge that these claims are largely
13 derivative, in that both the gross and net wages could be found to be inaccurate, due to the
14 above-referenced claims. SCPMG argued that the failure to list gross and net wages are
15 derivative of other claims that may ultimately fail and as a result there is no "knowing and
16 intentional failure" to list information, which triggers liability under Labor Code §226(e).
17 Defendants (as with the underlying meal and rest period claims) maintained individualized
18 inquiries would abound as to why breaks were missed and whether meal period premiums
19 should have been paid in the first place, requiring individualized inquiries that would preclude
20 class certification and make any PAGA claims unmanageable.

21 34. Plaintiffs contend that SCPMG violated Labor Code section 2802 by failing to reimburse its
22 employees for certain costs, including cellular phone costs, work supplies and mileage.
23 SCPMG countered that it has a comprehensive written policy for expense reimbursements in
24 its employee handbook. The majority of SCPMG employees were not able to do remote work
25 due the nature of the work involving direct patient care. SCPMG further contended that
26 Plaintiffs'(and others') positions did not require the use of a cell phone.

27 35. Based on all of the above, my experience, and all the information within the moving papers,
28

1 I submit that this proposed Settlement is fair, adequate and reasonable. I also submit it is well
2 within the accepted range of recoveries for similar wage and hour class actions.

3 **Certification of the Proposed Settlement Class is Appropriate**

4 36. Here, Defendant's records show that approximately **50,000 class members** worked for the
5 company during the limitations period. The proposed class in this case is sufficiently cohesive
6 because, for purposes of the Settlement only, the parties have stipulated that all class
7 certification elements are met.

8 37. Here, for purposes of the Settlement, the parties agree the claims of Class Members all involve
9 the same questions of law and fact. Namely, all class members were subject to the same
10 employment policies and practices of Defendant.

11 38. The proposed class representatives have no adverse interests to the class. Plaintiffs are paid
12 based on the same formula as other class members and have claims substantially the same as
13 all the other Class Members.

14 39. Additionally, any Class Member who wishes to "opt out" of the Settlement may do so and
15 retain all of their individual rights. Therefore there is no conflict of interest between the Class
16 Representatives and the Class Members. Thus, at least for settlement purposes, we submit the
17 adequacy prong is met.

18 40. Given that there are 50,000 individuals, it would be preferable to resolve all of the Class
19 Members' claims by means of a class-wide settlement than to require each Class Member to
20 litigate his or her individual claims.

21 41. When negotiating the settlement, both sides took into account the strengths and weaknesses
22 of their opponent's positions as pointed out by David Rotman, the data available to evaluate
23 liability and damages, the lack of data or evidence on certain issues, and the substantial and
24 evolving law applicable to the merits of the claims. The Agreement was only agreed to after
25 extensive arms-length negotiations resulting in a unique compromise that permits all parties
26 to move forward and bring this action to close. In spite of a mutual desire to resolve this
27 action, the negotiations remained at all times adversarial.
28

1 42. I believe this settlement is in the best interest of the class as it provides (1) a guaranteed
2 favorable result; (2) guaranteed monetary recovery over a reasonably short period of time, as
3 opposed to possibly waiting additional years for a potentially worse result; and (3) significant
4 savings in attorneys' fees and costs, which would have increased had the case progressed
5 through trial and possible appeals.

6 43. Without entering into the Agreement, there existed a significant chance that Defendant would
7 prevail on the merits of some or all claims and that Class Members would receive nothing.
8 Through the Agreement, participating Class Members receive guaranteed cash, and this action
9 has also been the catalyst for programmatic relief.

10 44. If the litigation were to proceed in lieu of settlement, additional and substantial attorneys fees
11 and costs, expert witnesses fees would quickly accumulate. Given the numerous claims being
12 litigated, the parties may be required to hire multiple experts each (as many as 8 total). This
13 would result in not only the production of eight expert reports, but eight depositions as well.
14 And, based on previous discussions between counsel regarding the remaining claims (including
15 the PAGA claims), the parties anticipated at least one motion to compel, a motion for class
16 certification and two dueling motions for summary judgment / adjudication (one from each
17 side).

18 45. Importantly, even after engaging in all of the potential continued and protracted litigation set
19 forth above, the putative class would continue to have no guarantee of success on any of the
20 claims advanced in this case. Thus, the parties and our office believes in good faith that the
21 proposed resolution is a fair, reasonable, and adequate compromise.

22 46. Our office had filed a Motion for Class Certification at the time of settlement. However,
23 Defendant presented multiple different defenses to certification not only during mediation, but
24 also through its opposition to the Motion for Class Certification. Even assuming Plaintiff did
25 obtain class certification of the claims, each claim is subject to substantial risk of a Defense
26 verdict at trial.

27 47. Our office has interviewed at least 12 Class Members in the course of investigating and
28

litigating this matter. We have also reviewed thousands of pages of documents produced by Defendants, Plaintiffs, and Class Members.

48. Our office has considerable experience in wage and hour and class action litigation. Trial Attorney, William Sullivan has over 29 years of experience, 28 years of which has been devoted to both prosecuting and defending class action litigation. Mr. Yaeckel has over 13 years of experience all of which have been dedicated primarily to class action and representative action (PAGA) litigation. I have over 5 years of experience in class action litigation. I am aware counsel for Defendant also has extensive experience handling class action and representative action litigation.

49. Based on this experience, and all other relevant factors addressed above, our firm believes the Agreement to represent a fair, adequate and reasonable settlement that is well within the accepted range of recoveries for similar wage and hour class actions. We further believe the Agreement is in the best interests of the Settlement Class Members.

50. Based on this experience, we also believe the \$300,000 allocation towards the PAGA claims is a fair, reasonable, and adequate allocation, especially given the risks of mitigation identified above.

51. Prior to preliminary approval, what can be said of the reaction the class members is limited. However, our office has spoken to some Class Members since the parties reached a proposed settlement agreement, and all were in favor of the settlement.

Contingent Costs

52. Defendant will agree to pay \$3,323,333.33 in attorneys' fees, which is thirty-three and one-third (33 1/3%) of the total settlement, and up to Sixty Five Thousand and Dollars (\$65,000.00) in litigation costs.

53. For costs incurred in administrating the settlement, Defendant will pay the actual costs, currently estimated at One Hundred and Twenty Three Thousand Dollars (\$123,000.00). Attached hereto as **Exhibit B** is a true and correct copy of the bid from Rust Consulting.

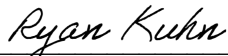
54. Defendant also agrees to allocate Three Hundred Thousand Dollars (\$300,000.00) to Plaintiffs'

PAGA claims with 75% of the amount, or \$225,000.00, being paid to the LWDA, and 25%, or \$75,000.00, being distributed amongst the class members.

55. After deduction from the total “Settlement Amount” of the projected costs of administration, proposed class representative service awards, potential attorney fees and costs, the “Net Settlement Amount (“NSA”) will be distributed to all Class Members who do not file a request for exclusion. Participating Class Members will receive their share of the NSA based on the total amount of time they worked during the Class and PAGA Period.

56. Additionally, the “Sub-Class” Members (an extremely limited claim) will receive a separate “per person” payment of \$15.00.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 3rd day of January, 2024 at San Diego, California.



Ryan T. Kuhn

EXHIBIT A



**Settlement Administration Estimate
Coffey v. Southern California Permanente Med.
December 29, 2023**

**Prepared by:
Andrew Meyer
Business Development Consultant
612-987-8835
ameyer@rustconsulting.com**

EXPERIENCE

With experience on approximately 3,500 labor and employment cases, we are the nation's largest labor and employment settlement administrator. We have managed employment settlements with class sizes ranging from dozens to multi-million class members. In fact, we've been trusted to administer many of the nation's largest settlements, including the nation's top wage-and-hour cases in recent years.

DATA SECURITY

Our internal data security practices meet or exceed today's exacting industry standards. Our enterprise-class data security measures are founded on standard business processes including a vigorous employee screening program, ongoing employee security training and a hardened production data center hosted at a Tier 1 network carrier, all designed for ensuring data integrity and security.

DEDICATED SPECIALISTS

Our labor and employment case team is strictly dedicated to managing settlement administration for cases involving matters such as wage-and-hour, FLSA, discrimination and ERISA. They're specialists, not generalists, with an industry reputation for responsiveness and expertise in relevant areas such as the applicable banking and tax regulations. We are confident that Rust is the best choice for the administration of your settlement.

Project Summary

Estimated Class Size	43,480
<u>Project Cost</u>	
Mailed Notice	\$ 46,228
Telephone Support	\$ 12,392
Website, Processing and Administration	\$ 2,670
Fund Distribution & Tax Reporting	\$ 49,893
Project Management	\$ 13,870
Other Out-of-pocket Expenses	\$ 1,250
Total Project Cost	\$ 126,302
Client Discount	\$ (4,500)
Total Project Cost w/ Discount	\$ 121,802
Total Not to Exceed (assumes scope within)	\$123,000.00

Key Assumptions

**Notice Mailing w/Spanish translation
180 payment void date
Telephone Support included
*Static Website
One state tax ID
Uncashed Pmts to Cy Pres or State Controller's Office
(tbd)**

**Not Included: Dynamic Website, Email, claims
processing, reminder postcards**

Thank you for considering Rust Consulting, Inc. as your administrator -- we appreciate the opportunity to submit this estimate.



Settlement Administration Estimate
Coffey v. Southern California Permanente Med.
December 29, 2023

Prepared by:
Andrew Meyer
Business Development Consultant
612-987-8835
ameyer@rustconsulting.com

Key Assumptions Used to Prepare this Estimate

Class Size	43,480		Standard Hourly Rates*
Initial Mailed Notice:			SVP \$175-\$275
Mailed Notice	43,480	100.0%	Program Manager \$160-\$180
Forwarded Notices	1,087	2.5%	Project Manager \$100-\$140
Undeliverable Notices	6,522	15.0%	Technical Consultant \$110-\$180
Re-Mailed Notices after Trace	5,218	80.0%	Call Center Manager \$125
Telephone Support:			CSR \$ 43-\$ 50
Number of Telephone Contacts	4,348	10.0%	Processor \$ 43-\$ 50
Connect Minutes per Call - CSRs	5.0		Other \$ 43-\$125
Claimant Communications:			<i>*Subject to change</i>
Exclusions Received	217	0.5%	
Payments	43,263	100.0%	

Additional Administration Assumptions Used to Prepare this Estimate:

Database Development: Receive and Process Database assumes that the data provided is complete with respect to the data components needed to mail and calculate settlement payments. Data that includes multiple records for individuals or work history that needs to be accumulated and totaled by individual generally requires additional efforts to bring to a point where it is final settlement data. These additional efforts can take a significant amount of time and should be considered when setting key settlement dates, especially the mailed notice deadline. Data must be provided in a complete, consistent, standardized electronic format. Rust's standard format is ASCII fixed width complete with field layout. Other formats may be accepted at Rust's discretion. Resources used to enhance or further develop non-standardized data will be billed on a time and materials basis according to Rust's Current Standard Hourly Rates.

CASS/NCOA/LACS: CASS - Coding Accuracy Support System; NCOA - National Change of Address; LACS - Locatable Address Conversion System.

Notice Package: Print and Mail per unit price is estimated. Actual prices will be provided after form is finalized prior to mailing. Notice package includes notice and exclusion form.

Telephone Support IS included.

Processing & Administration: Receipt and Process Forms includes open, date stamp, label and data capture a 1-page form with up to five fields.

Project Management: Project Management fees are estimated and will be billed on actual time expended based on the rates found in the Current Standard Hourly Rates section above. The rates included in the estimate are a blended estimate of the rates listed above.

Out of Pocket Expenses: Includes post office box rental, overnight shipments, postage, labels, travel, long distance and other miscellaneous charges and expenses.

Pricing good for 90 days.



Settlement Administration Estimate
Coffey v. Southern California Permanente Med.
December 29, 2023

Prepared by:
Andrew Meyer
 Business Development Consultant
 612-987-8835
 ameyer@rustconsulting.com

Administrative Task	Estimated Quantity		Per Unit	Task Amount	Total
Database Development					
Receive and Process Database	6 Hours @		\$ 175.00	\$ 1,050	\$ 1,050
Additional Efforts to Finalize Settlement Data				<i>As Incurred</i>	
Initial Mailed Notice					
CASS / NCOA / LACS Processing				\$ 750	
Spanish translation				\$ 1,000	
Print and Mail Notice Package	43,480 Notices @		\$ 0.19	\$ 8,261	
Postage - 1 Ounce First Class	43,480 Notices @		\$ 0.53	\$ 23,088	\$ 33,099
Follow-up to Initial Notice					
Receive Undeliverable Notices and Update Database	6,522 Notices @		\$ 0.40	\$ 2,609	
Address Trace	6,522 Traces @		\$ 0.35	\$ 2,283	
Remail Notice Package	6,305 Notices @		\$ 0.50	\$ 3,152	
Remail Postage - 1 Ounce First Class	6,305 Notices @		\$ 0.64	\$ 4,035	\$ 12,079
Telephone Support					
Telephone Support	4,348 Calls @		2.25	\$ 9,783	
800# Charges	21,740 Minutes @		\$ 0.12	\$ 2,609	\$ 12,392
Processing and Administration					
Receipt, Process, and Validate Forms	217 Forms @		\$ 4.00	\$ 870	\$ 870
Additional Administrative Services Requested by Client					<i>As Incurred</i>
Website (notice - distribution)					
Static website created/set-up	6 Hours @		\$ 175	\$ 1,050	
Monthly Hosting and Maintenance	10 Months @		\$ 75	\$ 750	\$ 1,800
Fund Distribution					
Print and Mail Payments	43,263 Payments @		\$ 0.25	\$ 10,816	
Postage - 1 Ounce First Class	43,263 Payments @		\$ 0.53	\$ 22,972	
Check Processing	43,263 Payments @		\$ 0.22	\$ 9,518	
FDIC Charges				\$ 2,187	
Monthly Bank Account Fee (open - uncashed funds sent)	7 Months @		\$ 200	\$ 1,400	\$ 46,893
Tax Reporting					
Annual Fee -Qualified Settlement Fund	1 Year @		\$ 2,000	\$ 2,000	
Individual Income Tax Reporting (W2 & 1099)	1 Year @		\$ 1,000	\$ 1,000	\$ 3,000
Project Management					
Senior Vice President	2 Hours @		\$ 225	<i>waived</i>	
Project Management	56 Hours @		\$ 175	\$ 9,800	
Technical Consulting	22 Hours @		\$ 185	\$ 4,070	\$ 13,870
Other Charges and Out-of-pocket Costs					
					\$ 1,250
Total Settlement Administration Estimate					\$ 126,302



Settlement Administration Estimate
Coffey v. Southern California Permanente Med.
December 29, 2023

Prepared by:
Andrew Meyer
Business Development Consultant
612-987-8835
ameyer@rustconsulting.com

Terms and Conditions

All claims administration services to be provided by Rust Consulting to Customer shall be subject to the following terms and conditions:

1. **Services.** Subject to the terms hereof, Rust Consulting agrees to provide the Customer with claims administration services (hereinafter, "Claims Services") as specified in the Proposal provided to Customer to which these Terms and Conditions are attached.
2. **Term.** The terms of this agreement will remain in effect until completion of the Claims Services, unless earlier terminated in accordance with Section 10 hereof.
3. **Charges for Services.** Charges to the Customer for Claims Services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Customer to Rust Consulting. Actual fees charged by Rust Consulting to Customer may be greater or less than such estimate, and Customer shall be responsible for the payment of all such charges and expenses in accordance with Section 4 hereof. Furthermore, Customer will be responsible for payment of all state and local sales and use taxes, if any, levied upon the charges payable by the Customer hereunder. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Customer to the extent that funds are received from the taxing authorities offset these charges. Rust Consulting may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.
4. **Payment of Charges.** Payment by Customer of Rust Consulting's monthly invoices shall be due upon receipt thereof. Amounts unpaid after thirty (30) days are subject to a service charge at the rate of 1.5% per month or, if less, the highest rate permitted by law. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Customer's liability to Rust Consulting for payment of Claims Services. Claims Services are not provided on a contingency fee basis.
5. **Confidentiality.** Rust Consulting agrees to implement and maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Customer data provided to Rust Consulting by Customer in connection herewith. Should Rust Consulting ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Customer, Rust Consulting will promptly notify the Customer, unless prohibited by applicable law. The Customer shall have the option to (1) provide legal representation at the Customer's expense to avoid such access or (2) promptly reimburse Rust Consulting for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If Rust Consulting is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, Rust Consulting will not be liable for breach of said obligation.
6. **Standard Banking Procedures.** In accordance with Rust Consulting's standard banking procedures, Rust Consulting will establish a demand deposit checking account (i.e. non-interest bearing) for funds received related to a distribution, unless directed otherwise in writing by the parties or unless the settlement agreement stipulates otherwise. When directed to invest funds in an interest bearing or investment accounts, Rust Consulting intends to invest all funds in U.S. government backed securities, unless directed by the parties in writing or the settlement agreement or distribution plan to invest in other types of securities; however, even in cases where funds are temporarily placed in interest bearing or investment accounts, funds will eventually be migrated to a demand deposit checking account prior to a fund distribution.
7. **Rights in Data.** Rust Consulting does not convey nor does the Customer obtain any right in the programs, system data, or materials utilized or provided by Rust Consulting in the ordinary course of business in the performance of this Agreement.
8. **Document Retention.** Unless directed otherwise in writing by Customer, Rust Consulting will destroy undeliverable notice mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. Rust will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later. Rust Consulting will retain all bank and tax documents for such period of time as it determines is required to maintain compliance with various federal and state requirements.
9. **Limitation of Liability; Disclaimer of Warranty.** Rust Consulting warrants that our services will be performed with reasonable care in a diligent and competent matter. Our sole obligation will be to correct any non-conformance with this warranty. Rust Consulting shall not be liable, whether under theories of contract, negligence or other tort, statutory duty or other theories of liability in an amount exceeding the total charges to the Customer for the specific work affected by the error or omission. Rust Consulting will not be liable for any incidental, special, indirect, consequential or exemplary damages of any kind; or for any lost profits, lost opportunities, business interruption or for any liability incurred by the Customer or others to any third party. **THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR USE FOR PARTICULAR PURPOSE.**
10. **Termination.** The Claims Services to be provided under this Agreement may be terminated, at will by the Customer upon at least 30 calendar days' prior written notice to Rust Consulting. The Customer's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. Rust Consulting may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Customer is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Customer.
11. **Notice.** Any notice required or permitted hereunder shall be in writing and shall be delivered personally, by, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of Rust Consulting or the Customer, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.
12. **Force Majeure.** To the extent performance by Rust Consulting of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond Rust Consulting's reasonable control, then such performance shall be excused and this Agreement, at Rust Consulting's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.
13. **Nonwaiver of Rights.** No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.
14. **Jurisdiction.** The parties hereto irrevocably and unconditionally submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding in the Court.
15. **Survival.** All accrued payment obligations hereunder, any remedies for breach of this Agreement, this Section and the following Sections will survive any expiration or termination of this Agreement: Section 7 (Rights in Data); Section 5 (Confidentiality), Section 9 (Limitation of Liability; Disclaimer of Warranty), and Section 14 (Jurisdiction).
16. **Entire Agreement.** These Terms and Conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

NOTICE OF CLASS ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

DAMON COFFEY and BRANDIE LUKOFNAK,
individually, and on behalf of other members of the
public similarly situated,

Plaintiffs,

vs.

SOUTHERN CALIFORNIA PERMANENTE
MEDICAL GROUP, a California partnership and
DOES 1-10, inclusive,

Defendants

CASE No. 37-2020-00029409-CU-OE-CTL

JUDGE: Honorable Keri Katz

DEPARTMENT: C-74

NOTICE OF CLASS ACTION SETTLEMENT

I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the case entitled *Damon Coffey and Brandie Lukofnak v. Southern California Permanente Medical Group*, Case No. 37-2020-00029409-CU-OE-CTL (the “Action”).

This notice is to inform you of the proposed Settlement of the Action. The notice is also intended to (i) describe the Settlement, including how the Settlement monies will be allocated and how the Settlement may affect you; and (ii) advise you of your rights and options with respect to the Settlement.

You are receiving this notice by order of the Court because the records of Southern California Permanente Medical Group (hereinafter “SCPMG”), indicate that you are a current or former non-exempt employee of SCPMG, who worked in California during the time period of August 1, 2016 to the present. As a result, **you are eligible to receive a portion of the settlement amount.**

This is **not** a notice of a lawsuit against you. **You are not being sued.**

II. WHAT IS THE CLASS ACTION LAWSUIT ABOUT?

In August, 2020, a former SCPMG employee in California filed a lawsuit in which he sought penalties for alleged violations of California wage-and-hour laws as to himself and other alleged “aggrieved employees.” In January 2021, Plaintiff amended his complaint to add claims on behalf of a class of all current and former non-exempt employees of SCPMG in California.

The Class Action alleges that the class members were not paid regular, minimum, or overtime wages or final wages upon separation from employment, as required by California law; were not provided meal and rest periods under the California Labor Code and Wage Orders; were not reimbursed for all business-related expenses; and, were not provided pay statements with information specified in the California Labor Code. The lawsuit also seeks penalties under California’s Private Attorneys General Act (“PAGA”) set forth in California Labor Code §§ 2699 *et seq.*

The individuals who are suing SCPMG are referred to in this document as “Plaintiffs.” Plaintiff’s attorneys, Sullivan & Yaeckel Law Group, APC, have been litigating the Action in State Court prior to this settlement.

SCPMG claims that class members have been paid all monies that were due to them, maintains that it has complied

with California's wage-and-hour laws, and denies all wrongdoing.

The Court has not ruled on whether Plaintiff's allegations have any merit. However, in order to avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, Plaintiffs and SCPMG have negotiated a settlement whereby SCPMG has agreed to pay up to **\$9,970,000.00** to resolve the matter. As a Class Member and Aggrieved Employee, you are eligible to receive a portion of this amount.

This settlement is **not** an admission by SCPMG of any liability.

III. WHO IS INCLUDED IN THIS CLASS ACTION?

All non-exempt persons who were employed by Defendant in the State of California at any time during the Class Period (defined as July 8, 2020 through the earlier of preliminary approval or February 13, 2024) ("Class Members") (the "Class Members").

All non-exempt persons who were employed by Defendant in the State of California at any time during the Sub-Class Period (defined as August 21, 2016 through July 7, 2020) (The "Sub-Class Members").

All non-exempt persons who were employed by Defendant in the State of California at any time from July 8, 2020 through the earlier of the date of preliminary approval or February 13, 2024 (the "Aggrieved Employees").

The "PAGA Sub-Class Members" consist of all non-exempt persons who were employed by Defendant in the State of California at any time from June 23, 2019 through July 7, 2020 (the "PAGA Sub-Class Period").

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

Under the terms of the Parties' proposed settlement, the following will occur if the settlement is given final approval by the Court:

A. SCPMG will pay up to **Nine Million Nine Hundred and Seventy Thousand Dollars** (\$9,970,000.00) to settle the claims of all Class Members and Aggrieved Employees.

B. A claims administrator has been appointed by the Court to administer the settlement. The claims administrator will pay from the \$9,970,000.00 settlement the following amounts: (1) Plaintiffs' counsel's attorneys' fees, up to one-third of the settlement value (or \$3,323,333.33); (2) Plaintiffs' counsel's costs of litigation, up to the amount of \$65,000.00; (3) The expenses of administering the settlement, up to the amount of \$123,000.00; (4) An enhancement award of up to \$20,000.00 (\$10,000.00 to each Plaintiff) for their role in pursuing the litigation; (5) A payment of \$225,000.00 to the California Labor & Workforce Development Agency, representing 75% of the \$300,000.00 allocated to the settlement of the claim for civil penalties under PAGA; and (6) A payment of \$75,000.00 to Aggrieved Employees, representing 25% of the \$300,000.00 allocated to the settlement of the claim for civil penalties under PAGA. The remainder of the \$9,970,000.00 will be paid to the Class Members in settlement of their individual claims (the "Class Payment").

C. The Class Payment will be divided among all Class Members based on the estimated number of weeks worked for SCPMG in California by each Class Member. That is, the Class Payment will be divided by the number of aggregate qualified weeks worked by all Class Members during the Class Period to produce a "Weekly Settlement Value." A "qualified week" is any week in which a Class Member was employed by and performed worked for SCPMG in California during the Class Period (December 1, 2016 to [insert date of preliminary approval] as a non-exempt employee. If you do not opt out of the settlement, you will be eligible to receive a settlement payment in the amount of the total number of qualified weeks you worked for SCPMG during the Class Period multiplied by the Weekly Settlement Value, less applicable withholdings.

D. The PAGA Payment will be allocated among Aggrieved Employees who performed work for SCPMG in California between July 8, 2020 and [the date of preliminary approval of the Settlement] as a non-

exempt employee. Additionally, the PAGA Sub-Class payment will be allocated among PAGA Sub-Class Aggrieved employees who were employed by Defendant in the State of California at any time from June 23, 2019 through July 7, 2020.

As with the Class Payment, each individual's share of the PAGA payment will be determined based on the number of aggregate qualified weeks worked by Aggrieved Employees during the PAGA Period (Dec. 10, 2017 – [date of preliminary approval]). Aggrieved employees cannot opt out of the PAGA Payment or release of PAGA claims.

E. Corresponding to SCPMG's records, you worked for SCPMG in the State of California as a non-exempt employee for approximately [INSERT NUMBER OF weeks] weeks during the Class Period, and [REDACTED] weeks during the PAGA Period. Your portion of the Settlement Payment will be based on the above information. If you believe the information above is incorrect, you may dispute this information by sending your corrections and any supporting documentation to the Claims Administrator via U.S. Mail, at _____. Please be advised that the information listed above is presumed to be correct unless you prove otherwise.

The estimated value of each workweek for purposes of calculating Settlement Payments to all Class Members is approximately: <<AMOUNT>>. Your settlement amount will be calculated by multiplying this amount by your number of weeks you worked for SCPMG during the Class Period. The estimated value of each workweek for purposes of calculating Settlement Payments to all Aggrieved Employees is approximately: <<AMOUNT>>.

Your estimated total settlement amount is <<AMOUNT>>. This is only an estimate. Your actual share may change depending on the Court's final ruling and the final number of participating Class Members.

F. If the Court grants final approval of the settlement agreement and you do not opt out of the settlement, then you will be deemed to have fully, finally, and forever released SCPMG and its current and former direct and indirect affiliates, other related business entities, parents, shareholders, and equity holders, and each of their respective divisions, subsidiaries, joint ventures, customers, partners, actual or alleged joint employers, officers, directors, employees, contractors, agents, principals, representatives, accountants, auditors, consultants, attorneys, insurers and reinsurers, other representatives or persons or entities acting by, through, under or in concert with any of forgoing, and each of forgoing's successors, predecessors, heirs, employee welfare benefit plans and pension, equity incentive, or deferred compensation plans under Section 401 of the Internal Revenue Code of 1954, as amended, and their trustees, administrators and other fiduciaries, and all persons acting by, through, under, or in concert with them, or any of them and any other persons that could be jointly liable with Defendant for any of the Released Claims ("Releasees") from any and all claims or causes of action, whether known or unknown, that are pled, or that could have been pled, based on the facts alleged in the Complaint, while employed in California as an hourly, non-exempt employee of SCPMG during the Class Period, including but not limited to any and all claims, rights, demands, liabilities, and causes of action of every nature and description, whether known or unknown, arising from August 1, 2016 through January 26, 2024, including, statutory, constitutional, contractual, or common law claims for wages, damages, unpaid costs, statutory penalties, civil penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, which constitute or relate to any one or more of the following categories of claims: (a) failure to pay and/or appropriately calculate minimum, straight time, overtime, double time, or any other types of wages; (b) failure to provide compliant meal/rest periods and/or pay complaint meal/rest period premiums; (c) failure to provide accurate wage statements; (d) waiting time penalties; (e) failure to compensate for all hours worked; (f) employment of a longer workday than is allowed by law; (g) failure to maintain accurate records; (h) failure to pay at the appropriate rate of pay; and (i) failure to reimburse business expenses ("Class Members' Released Claims"). The Class Members' Released Claims include all claims that arise under the California Labor Code, including under California Labor Code §§ 201-203, 226, 226.3, 226.7, 351, 510, 512, 1174, 1194, 1197, 1198, and 2802; the Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* ("PAGA"), any applicable California Industrial Welfare Commission Wage Order; and any similar statutes, regulations, ordinances, and laws, to the extent such claims were pled, or could arise out of the facts pled, as part of this action. You will be barred from prosecuting any of the Class Member Released Claims against the Releasees.

G. If the Court grants final approval of the settlement agreement, Aggrieved Employees will be deemed to have fully, finally, and forever released SCPMG and Releasees from any and all claims for recovery of civil penalties under PAGA, whether known or unknown, to recover wages, damages, penalties, attorneys' fees, litigation costs, restitution, or equitable relief, which Plaintiff and/or the PAGA Settlement Class had, or may claim to have, that were alleged or could have been alleged in Plaintiff's letters to the LWDA, and the Operative Complaint from August 2, 2016 through January 26, 2024.

H. Please Note: Individuals who fall within the definition of the Class may choose to request exclusion or "opt-out" of the Class under such procedures specified herein. Any such persons who opt-out of the Class ("Opt-Outs") will not receive an Individual Class Payment. However, you may not opt-out of the portion of the Settlement relating to the settlement of claims under the PAGA. Even if a Class Member opts-out, he/she will still receive an Individual PAGA Payment. You will be bound by the PAGA portion of the release whether or not you cash the check for your portion of the PAGA penalties before it becomes void. Class Members who opt-out will only be bound by the release of the PAGA claims and will retain all other rights in their individual capacity.

V. WHAT ARE MY OPTIONS?

A. *You may accept your share of the \$9,970,000.00 settlement and be bound by the release of all claims described above.* Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the claims administrator. Your check will remain valid and negotiable for one hundred eighty (180) days from the date on which it is issued. After those one hundred eighty (180) days expire, the check will become void, and the funds will be placed in your name with the California State Unclaimed Property Fund;

OR

B. *You may exclude yourself from the settlement, in which case you will not receive a share of the Class Payment and you will not be bound by the Settlement as to the release of class claims.* If you choose to be excluded, by no later than _____ (30 calendar days after mailing of this Notice) (plus an additional 14 days if this Notice was re-mailed to you), you must send a written request for exclusion, by mail or email, to the claims administrator, _____, located at _____. In order to be considered valid, your request for exclusion *must* include your name, your address, and a request for exclusion.

OR

C. *You may object to the settlement.* The procedures for objecting to the settlement are described below in Section VIII of this form.

VI. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The claims administrator will calculate your share of the settlement and will issue you a check.

B. Thirty-three percent (33%) of your share of the class settlement will be considered wages from which ordinary tax withholdings will be deducted. No tax deductions shall be made from the remaining sixty-seven percent (67%) of the class settlement. You will be given IRS tax forms for each of these amounts. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

C. One-hundred percent (100%) of your share of the PAGA penalties will be considered non-wages. You will be given an IRS tax form for this amount.

D. It is important for the parties to have your current address in order to be able to send you other mailings regarding the Action. You should contact the claims administrator to report any change of your address after you receive this Notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

VII. HEARING ON PROPOSED SETTLEMENT

A final fairness hearing will be held before the Court on _____, 2024, at _____ a.m., in Department C-65 of the San Diego County Superior Court, located at the Hall of Justice, 330 West Broadway, San Diego, California

92101, to decide whether or not the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you. You are not required to attend the hearing. Sullivan & Yaeckel Law Group, APC (contact information below), counsel for Plaintiffs and the Class, will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. Remote appearances at the hearing may be allowed, but the procedures are subject to change. Current procedures are posted on the Court's website at: <https://www.sdcourt.ca.gov/virtualhearings>. You should check the Court website for up to date information before attempting to make a remote appearance.

VIII. PROCEDURES FOR OBJECTING TO SETTLEMENT

You have the option of objecting to the Settlement and telling the Court that you do not agree with the Settlement or some part of it. The Court will consider your views. To object, you may send a letter, which you must sign, saying that you object to the settlement of *Damon Coffey and Brandie Lukofnak v. Southern California Permanente Medical Group*, Case No. 37-2020-00029409-CU-OE-CTL. Be sure to include the case name and case number (as shown in the preceding sentence), your name, the last four digits of your Social Security Number and/or your SCPMG employee ID number (if known), your address, the specific reasons you object to the terms of the Settlement, and your signature. Mail the objection to the Settlement Administrator address at [REDACTED] or fax to [REDACTED] on or before [REDACTED], 2024 (30 calendar days after mailing of this Notice, plus an additional 14 days if your class notice). A written objection is optional. You may also appear at the Final Approval Hearing, as described in Section VII, above, to have any objections heard by the Court.

IX. EXAMINATION OF COURT PAPERS AND QUESTIONS

This Notice summarizes the Settlement. For more detailed information, you may view a complete copy of the settlement agreement, and any papers filed in the Action, which are on file with the Clerk of the Court, case number 37-2020-00029409-CU-OE-CTL. The pleadings and all other records from this litigation may be examined by inspecting the Court file in the at the filing department of the San Diego County Superior Court, located at Hall of Justice, 330 West Broadway, San Diego, California 92101. You may also review the settlement agreement, along with other court records regarding this case, on the Court's website, <https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords>, through the link to the "Register of Actions."

If you have any questions, you can call the Claims Administrator at [REDACTED] or any of Class Counsel (see below for phone numbers.)

ATTORNEYS REPRESENTING PLAINTIFF AND THE CLASS

SULLIVAN & YAECKEL LAW GROUP, APC
Eric K. Yaeckel [yaeckel@sullivanlawgroupapc.com]
Ryan T. Kuhn [ryan@sullivanlawgroupapc.com]
2330 Third Avenue
San Diego, California 92101
(619) 702-6760 * (619) 702-6761 FAX

**BLUMENTHAL NORDREHAUG
BHOWMIK DE BLOUW LLP**
Norman B. Blumenthal
Kyle R. Nordrehaug
Aparajit Bhowmik
Nicholas J. De Blouw
2255 Calle Clara
La Jolla, CA 92037
Telephone: (858)551-1223
Facsimile: (858) 551-1232

ATTORNEYS REPRESENTING DEFENDANT SCPMG

SEYFARTH SHAW LLP
Christian J. Rowley
Kerry M. Friedrichs
Parnian Vafaenia

560 Mission Street, 31st Floor
San Francisco, California 94105
Telephone: (415) 397-2823
Facsimile: (415) 397-8549

**PLEASE DO NOT CALL THE COURT, SCPMG, OR SCPMG'S CORPORATE
OFFICE OR MANAGERS REGARDING THIS SETTLEMENT.**
