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

EVELYN MARTINEZ and SANDY ACOSTA, as
individuals and on behalf of all others similarly
situated, and as private attorneys general,

Plaintiffs,

vs.

CITY OF HOPE NATIONAL MEDICAL
CENTER, a California corporation; CITY OF
HOPE, a California corporation; CITY OF HOPE
MEDICAL FOUNDATION, a California
corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No. CIVDS2015729

[Hon. David Cohn, Department S26]

**DECLARATION OF LARRY W. LEE IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

*[Filed concurrently with Notice of Motion and
Motion for Preliminary Approval; Declaration of
Simon L. Yang; Declaration of Edwin Aiwazian;
Declaration of Evelyn Martinez; Declaration of
Sandy Acosta; [Proposed] Order]*

Date: June 21, 2022
Time: 10:00 a.m.
Department: S26

Complaint Filed: August 4, 2020
FAC Filed: September 28, 2021
SAC Filed: April 7, 2022

1 I, Larry W. Lee, declare as follows:

2 1. I am an attorney admitted to practice in the State of California and, with the law firm
3 Diversity Law Group, P.C., am counsel of record for Plaintiff, Evelyn Martinez. I make this declaration
4 on the basis of my own personal knowledge, except as to those matters stated on information and belief
5 and, as to those matters, I believe them to be true. If called as a witness, I could testify competently as to
6 the facts stated in this declaration.

7 2. From the inception of the case, Class Counsel has zealously represented the interests of
8 the Class. Class Counsel engaged in significant discussions with opposing counsel to obtain informal
9 data on behalf of the Class. The Stipulation of Class Action and PAGA Settlement (“Agreement”)
10 entered into in this matter was obtained for the benefit of the Class, as opposed to the individual Class
11 Representatives. Attached as **Exhibit 1** is a true and correct copy of the Agreement.

12 3. I have spent significant time researching and pursuing the claims that have been alleged
13 in this action. I served formal discovery, engaged in informal discovery in connection with mediation,
14 conducted the deposition of a corporate designee, and participated in the exchange of class data and
15 Defendants’ pertinent policies and practices. Although I am confident that litigation of the claims would
16 result in a classwide judgment against Defendants, I recognize the inherent risks in litigation, including
17 the specific risks that class certification could be denied, liability could not be established at trial, or the
18 applicable law could change, as well as the potential for appeals and the costs of pursuing litigation.
19 Based on my review of all the information, and based on my experience in class action litigation, I
20 believe this settlement to be fair, adequate, and reasonable.

21 4. I was retained based upon a contingency fee arrangement wherein Plaintiff’s counsel
22 agreed to advance all costs and receive no fee unless a recovery was accomplished. Specifically, had
23 Plaintiffs failed to prevail in this case, counsel for Plaintiffs would have spent a significant amount of
24 time, money, and other resources without any benefit or return. In addition, had Plaintiffs failed to
25 prevail in the present case, Defendant also would have been able to seek costs in connection with its
26 defense of the case.

27 5. I am one of the primary attorneys on this matter. My qualifications are as follows: I
28 received my J.D. from Arizona State University College of Law in 2003. During law school, I was a

1 summer associate at the law firm of Brobeck, Phleger & Harrison. I graduated cum laude from Arizona
2 State University College of Law in the top 10% of my class. While I was in law school, I was the
3 Associate Managing Editor of the Arizona State University College of Law, Law Journal. Upon
4 graduation, I practiced law as an associate at the Los Angeles County offices of Ogletree Deakins Nash
5 Smoak & Stewart, P.C., a national employment defense law firm that represents a significant number of
6 Fortune 500 companies.

7 6. My firm's primary focus is employment law. I have handled a number of wage and hour
8 matters including class actions and multiple-plaintiff actions. I have a practice that encompasses cases in
9 the Superior Courts of California for the Counties of Alameda, Los Angeles, Orange, Riverside,
10 Sacramento, San Bernardino, San Diego, San Francisco, Santa Barbara, and Santa Clara, among others,
11 as well as the United States District Courts for the Central, Eastern, Northern, and Southern Districts of
12 California.

13 7. I have been approved as Class Counsel in a number of class actions, including but not
14 limited to *Chan-Lanier v. Citibank* (Case No. CGC-050445143); *Hernandez v. CVS Pharmacy, Inc.*
15 (Judicial Council Coordination Proceeding No. 4539), *Tse v. Best Buy Co, Inc.* (Case Number BC
16 393717), *Orgeta v. AIG, Inc* (Case Number CV 06—196-RSWL (PJWx)), and *Castro v. UPS Freight,*
17 *Inc.* (Case Number CV 08-4898 ODW (CWx)), and *Chavez v. PVH* (Case No. C 13-01797 LHK).

18 8. In addition, I was certified as class counsel by the United States District Court, Central
19 District of California in the cases *Abdullah v. U.S. Security* (Case Number CV 09-09554 GHK), *Avilez*
20 *v. Pinkerton Government Services, Inc.* (Case Number SACV 11-0493-DOC), *Dynabursky v. Allied*
21 *Barton Security Services* (Case Number SACV 12-02210 JST); and *Pace v. Petsmart, Inc.* (Case
22 Number SACV 13-500-DOC); by the Northern District of California in the cases of *Harris v. Vector*
23 *Marketing Corp.,* (Case Number CV 08 5198 EMC), and *Lemus et al. v. H&R Block Enterprises, LLC*
24 (Case Number CV-09-03179-SI); and by the Superior Court of California, Orange County in the cases
25 of *De la Cruz v. Abercrombie & Fitch Co. et al.* (Case Number 30-2007-00036240) and *Wu v. General*
26 *Nutrition Corporation* (Case Number 30-2012-00593759), all as part of the Courts' orders granting class
27 certification pursuant to Rule 23 of the FRCP and California Code of Civil Procedure § 382. I served as
28 lead counsel on these cases.

1 9. My co-counsel and I will adequately represent the Class Members in this action.
2 Plaintiffs' Counsel have and will zealously represent Plaintiffs and the Class and pursue this lawsuit to
3 its conclusion. I have no conflicts with the Class.

4 I declare under penalty of perjury under the laws of the State of California that the foregoing is
5 true and correct. Executed this 7th day of April 2022, at Los Angeles, California.

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7 _____
Larry W. Lee

EXHIBIT 1

STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or “Settlement Agreement”) is reached by and between Plaintiffs Sandy Acosta (“Acosta”) and Evelyn Martinez (“Martinez”) (collectively “Plaintiffs”), individually and on behalf of all members of the Settlement Class (defined below) and the State of California on behalf of the PAGA Aggrieved Employees (defined below), on one hand, and Defendants City of Hope (“COH”), City of Hope National Medical Center (“COHNMC”) and City of Hope Medical Foundation (“COHMF”) (collectively “Defendants”), on the other hand. Plaintiffs and Defendants are referred to herein collectively as the “Parties” and individually as “Party.” Acosta is represented by Edwin Aiwasian, Arby Aiwasian, and Joanna Ghosh of Lawyers *for* Justice, PC. Martinez is represented by Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C. Plaintiffs’ counsels are collectively referred to as “Class Counsel.” Defendants are represented by Elizabeth (Lisa) A. Brown and Tara Duester of GBG LLP.

I. The Martinez Lawsuit

(a) On July 14, 2020 and July 26, 2021, Martinez submitted letters to the Labor and Workforce Development Agency (“LWDA”) and Defendant City of Hope National Medical Center, regarding her intent to seek civil penalties for violations of the California Labor Code and Industrial Welfare Commission Wage Orders, which was assigned LWDA Case Number LWDA-CM-796998-20 (together, “Martinez PAGA Notices”).

(b) On August 4, 2020, Martinez filed a Class and Representative Action Complaint against Defendant City of Hope National Medical Center in the San Bernardino County Superior Court, in the matter entitled *Evelyn Martinez v. City of Hope National Medical Center*, Case No. CIVDS2015729, alleging two causes of action for: failure to provide accurate wage statements under Labor Code section 226(a); and Civil Penalties and Wages Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor Code section 2698, *et seq.* On September 28, 2021, Martinez filed an Amended Class and Representative Action Complaint adding meal and rest period violations and unfair business practices under Business and Professions Code section 17200 *et seq.* (together with Martinez PAGA Notices, the “*Martinez Lawsuit*”). On February 4, 2022, Martinez filed a notice of settlement, indicating that in connection with the Settlement, she will file the Second Amended Complaint (as defined below).

II. The Acosta Class Lawsuit and Acosta PAGA Lawsuit

(a) On January 14, 2021, Acosta submitted a letter to the LWDA and Defendants, regarding her intent to seek civil penalties for violations of the California Labor Code and Industrial Welfare Commission Wage Orders, which was assigned LWDA Case Number LWDA-CM-818750-21 (“Acosta PAGA Notice”).

(b) On February 4, 2021, Acosta filed a Class Action Complaint for Damages against Defendants in the Los Angeles County Superior Court, Case No. 21STCV04440, in the matter entitled *Sandy Acosta v. City of Hope, et al.* (the “*Acosta Class Lawsuit*”), alleging nine (9) causes of action under the California Labor Code and one (1) cause of action under California Business and Professions Code section 17200 *et seq.*

(c) On March 22, 2021, Acosta filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, et Seq. against Defendants City of Hope Medical Foundation and City of Hope in the Los Angeles County Superior Court, Case No. 21BBCV00284, in the matter entitled *Sandy Acosta v. City of Hope Medical Foundation, et al.* (together with the Acosta PAGA Notice, the “Acosta PAGA Lawsuit”), alleging a single cause of action for civil penalties pursuant to PAGA for violations of the California Labor Code and Industrial Welfare Commission Wage Orders.

(d) On February 7, 2022, the Parties filed a Notice of Settlement in the *Acosta* Class Lawsuit and *Acosta* PAGA Lawsuit. To implement the Settlement, Parties will cooperate in continuing the stay of the Acosta Class Lawsuit and Acosta PAGA Lawsuit pending settlement approval, which the Parties agree will be sought in the *Martinez* Lawsuit.

(e) The *Acosta* Class Lawsuit, *Acosta* PAGA Lawsuit, and *Martinez* Lawsuit together shall be known as the “Lawsuits.” The Acosta PAGA Notice and Martinez PAGA Notices together shall be known as the “PAGA Notices.”

Collectively, given the uncertainty of litigation, Plaintiff Acosta and Plaintiff Martinez, after extensive investigation, litigation, evaluation, assessment, and mediation, have reached a settlement with Defendants of their allegations against Defendants in the Lawsuits and PAGA Notices, namely, that Defendants have allegedly violated the California Labor Code and Industrial Welfare Commission Wage Orders by engaging in a uniform practice and procedure, with respect to Plaintiff Acosta, Plaintiff Martinez, and non-exempt employees of Defendants who worked in California, of, *inter alia*, failing to properly pay regular, reporting time pay, overtime, and minimum wages for all hours worked (including and not limited to, arising from off-the-clock work (e.g., for alleged time spent in or on prior to clocking in and after clocking out, including and not limited to, COVID-19 screenings and/or donning and doffing), reporting time, rounding, and incorrect regular rate calculations), failing to provide a day of rest, failing to provide compliant meal period and rest periods and associated premium pay, failing to timely pay wages and associated waiting time penalties, failing to provide compliant wage statements, failing to keep requisite payroll records and produce personnel records, and failing to reimburse business expenses. As a result, they allege, Defendants also engaged in unfair business practices in violation of California Business and Professions Code section 17200 et seq. and conduct giving rise to civil penalties recoverable under PAGA. Accordingly, Plaintiffs and Defendants agree as follows:

1. Settlement Class. For the purposes of this Settlement Agreement only, Plaintiffs and Defendants stipulate to the certification of the following Settlement Class:

- (a) “Settlement Class Members”: All non-exempt employees of City of Hope, City of Hope National Medical Center, and City of Hope Medical Foundation who were employed at any time between July 23, 2016 to March 31, 2022 in the State of California. If the entire duration of an individual’s employment by Defendants during the period July 23, 2016 to March 31, 2022 is covered by the settlement in *Jordan A. Seper v. City of Hope National Medical Center*, Los Angeles Superior Court Case No. BC630925 (“*Seper* Settlement”), then, that individual shall not be included as a Settlement Class Member.

- (b) The “Settlement Class Members” are referred to as the “Settlement Class” and any member of the Settlement Class is referred to as a “Settlement Class Member.”
- (c) “Class Settlement Period” is defined as the time period of July 23, 2016 through March 31, 2022.
- (d) “Class Settlement” means the settlement and resolution of all Class Released Claims (defined below).
- (e) The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure or under Rule 23 of the Federal Rules of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in the Lawsuits or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. PAGA Aggrieved Employees. For the purposes of this Settlement Agreement only, Plaintiffs and Defendants stipulate to representative adjudication of the PAGA Released Claims with respect to employment of the following PAGA Aggrieved Employees:

- (a) “PAGA Aggrieved Employees”: All non-exempt employees of City of Hope, City of Hope National Medical Center and City of Hope Medical Foundation who were employed at any time between May 28, 2019 to March 31, 2022 in the State of California.
- (b) “PAGA Settlement Period” is defined as the time period of May 28, 2019 through March 31, 2022.
- (c) “PAGA Settlement” means the settlement and resolution of all PAGA Released Claims.

3. Amendment to the Complaint in the *Martinez* Lawsuit. Following the execution of this Settlement Agreement by all Parties, Martinez shall amend the operative pleading in the Martinez Lawsuit by filing a Second Amended Class and Representative Action Complaint (“Second Amended Complaint” or “Operative Complaint”) against Defendants, adding Acosta as a named plaintiff and to include the claims alleged in the *Acosta* Class Lawsuit and *Acosta* PAGA Lawsuit, and implement the Settlement. Plaintiffs shall provide a draft copy of the Second Amended Complaint to counsel for Defendants for review and comment at least ten (10) business days prior to its anticipated filing. Defendants will stipulate to this amendment as part of the settlement approval process. Plaintiffs will stipulate that Defendants are not required to respond to the Second Amended Complaint. Parties in the *Acosta* Class Lawsuit and *Acosta* PAGA Lawsuit will cooperate in obtaining a stay (or, as appropriate, continue the stay of) the actions, pending the settlement approval process and to dismiss the *Acosta* Class Lawsuit and *Acosta* PAGA Lawsuit with prejudice within five (5) days of the Effective Date of the Settlement, as defined below. In the event the Court does not grant approval of the PAGA Settlement or preliminary or final approval of the Class Settlement, or in the event said approval is reversed on appeal, the Second Amended Complaint shall be withdrawn and, unless otherwise specified in this Settlement Agreement, the Parties in all Lawsuits shall return to their respective positions that predate this Agreement. It is the Parties’ express understanding and agreement that approval of both the PAGA

Settlement and Class Settlement (both preliminary and final) are conditions precedent to the dismissal of claims and payment of funds under this Agreement.

4. Release by Participating Settlement Class Members, the State of California, PAGA Aggrieved Employees, and Plaintiffs. Plaintiffs, Participating Settlement Class Members (as defined in Paragraph 6(b) below), and PAGA Aggrieved Employees will fully release and discharge Defendants, and all of their past and present officers, directors, shareholders, employees, agents, principals, heirs, representatives, contractors, insurers, trustees, fiduciaries, accountants, auditors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, benefit and pension plans, and attorneys (collectively the “Released Parties”), as follows:

- (a) **Class Release:** All Participating Settlement Class Members will fully release and discharge Released Parties, of all causes of action, claims, demands, rights, charges, complaints, damages, penalties, liquidated damages, expenses, attorneys’ fees and costs, interest, obligations and liabilities of any and every kind alleged in the Second Amended Complaint or which could have been pled based on the factual allegations in the Second Amended Complaint arising between July 23, 2016 and the date of the entry of the order granting preliminary approval of the Settlement, including without limitation claims under the Industrial Welfare Commission Wage Orders and California Labor Code sections, including but not limited to California Labor Code sections 201, 202, 203, 204, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 432, 510, 512, 551, 552, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and Industrial Welfare Commission Wage Orders, including, *inter alia*, Wage Order Nos. 4-2001 and 5-2001, for failure to pay wages for all hours worked (including, and not limited to, regular, minimum, and overtime wages, wages for alleged failure to calculate regular rate of pay correctly, wages for alleged off the clock work (e.g., for alleged time spent in or on work activities prior to clocking in and after clocking out, including and not limited to, COVID-19 screenings and/or donning and doffing), wages unpaid due to rounding of time, and reporting time pay); failure to provide a day of rest; failure to provide compliant meal periods and/or to pay meal period premiums; failure to provide compliant rest periods and/or to pay rest period premiums; failure to pay meal and rest premiums at the correct rate; failure to provide compliant wage statements; failure to pay wages timely during employment; failure to pay wages timely upon termination of employment; failure to pay waiting time penalties; failure to keep complete and accurate payroll records; failure to provide and/or allow inspection and copying of personnel, payroll and/or wage records; failure to reimburse business expenses; and all claims for unfair business practices under the California Business & Professions Code that could have been premised on the facts, claims, causes of action or legal theories described above, as well as, for the Participating Settlement Class Members who negotiate their Individual Settlement Payment check, claims arising out of the facts alleged in the Lawsuits that could have been brought under the Fair Labor Standards Act (“FLSA”) (“Class Released Claims”).

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- (b) **PAGA Settlement Release:** Separate and apart from the Class Release specified above, all PAGA Aggrieved Employees and the State of California will fully release and discharge the Released Parties of all claims under the Private Attorneys General Act, California Labor Code section 2698 *et seq.* alleged in the Second Amended Complaint and the PAGA Notices or which could have been pled based on the factual allegations in the Second Amended Complaint and PAGA Notices, arising between May 28, 2019 and the date of entry of the order granting preliminary approval of the Settlement, including all claims for civil penalties under the PAGA, California Labor Code section 2698 *et seq.*, under the Industrial Welfare Commission Wage Orders and California Labor Code sections, including but not limited to California Labor Code sections 201, 202, 203, 204, 210, 218, 226, 226.3, 226.7, 432, 510, 512, 551, 552, 558, 1174, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and Industrial Welfare Commission Wage Orders, including, *inter alia*, Wage Order Nos. 4-2001 and 5-2001, failure to pay wages for all hours worked (including, and not limited to, regular, minimum, and overtime wages, wages for alleged failure to calculate regular rate of pay correctly, wages for alleged off the clock work (e.g., for alleged time spent in or on work activities prior to clocking in and after clocking out, including and not limited to, COVID-19 screenings and/or donning and doffing), wages unpaid due to rounding of time, and reporting time pay); failure to provide compliant meal periods and/or to pay meal period premiums; failure to provide compliant rest periods and/or to pay rest period premiums; failure to pay meal and rest premiums at the correct rate; failure to provide compliant wage statements; failure to pay wages timely during employment; failure to pay wages timely upon termination of employment; failure to pay waiting time penalties; failure to keep and to provide complete and accurate payroll records; failure to provide and/or allow inspection and copying of personnel, payroll and/or wage records; and failure to reimburse business expenses (“PAGA Released Claims”). PAGA Aggrieved Employees shall not have the right to opt out of the PAGA Settlement.
- (c) In consideration of the payments to be paid to them under the Settlement, Plaintiffs Acosta and Martinez each agree to release, in addition to the Class Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, under federal, state or local law against the Released Parties, including but not limited to all claims related to or arising out of their employment with Defendants and the termination thereof. The Parties understand and agree that Plaintiffs Acosta and Martinez are not, by way of this release, releasing any workers’ compensation claims nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiffs Acosta and Martinez each understand that this release includes unknown claims and that they are, 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 which 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.

5. Gross Settlement Amount. As consideration, Defendants agree to pay a “Gross Settlement Amount” of Five Million Five Hundred Thousand Dollars and Zero Cents (\$5,500,000.00) in full and complete settlement of the Lawsuits, as follows:

- (a) The Parties have agreed to a third-party administrator, Simpluris, Inc., to serve as the “Settlement Administrator” to administer this Settlement.
- (b) The Gross Settlement Amount and Employer Taxes shall be deposited with the Settlement Administrator within thirty (30) calendar days of the Effective Date (which, for this purpose, shall be defined as the later of (1) the last date on which any appeal might be filed (i.e., no later than 60 calendar days following entry of judgment) or (2) the successful resolution of any appeal(s), including expiration of any time to seek reconsideration or further review). The Settlement Administrator will establish an interest-bearing Qualified Settlement Fund (“QSF”), pursuant to Section 468B of the Internal Revenue Service for the purposes of administering the Settlement. The releases in Paragraphs 4(a), 4(b), and 4(c) shall be effective upon the Court’s entry of judgment pursuant to the Settlement.
- (c) The Gross Settlement Amount includes:
 - (1) All Individual Settlement Payments to the Participating Settlement Class Members, but excludes employer payroll taxes and contributions with respect to the wage portion of Individual Settlement Payments (“Employer Payroll Taxes”), which shall be paid by Defendants separately and in addition to the Gross Settlement Amount;
 - (2) All costs of the Settlement Administrator for settlement administration, which are anticipated to be no greater than \$37,500 (“Settlement Administration Costs”);
 - (3) Up to Fifteen Thousand Dollars (\$15,000) for each Plaintiff (for a total of \$30,000), in recognition of their contributions to the Lawsuits and their service to the Settlement Class Members, State of California, and PAGA Aggrieved Employees (“Class Representative Service Award(s)”). Even in the event that the Court reduces the Class Representative Service Awards (in which case the difference will become a part of the Net Settlement Amount) or does not approve the requested Class Representative Service Awards, Plaintiffs shall not have the right to revoke this Settlement Agreement and it will remain binding;

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- (4) Up to thirty-five percent (35%) of the Gross Settlement Amount in Class Counsel's attorneys' fees, which are currently estimated to be \$1,925,000 if the Gross Settlement Amount remains at \$5,500,000, plus actual costs and expenses incurred by Class Counsel related to the Lawsuits, not to exceed Eighty-Five Thousand Dollars and Zero Cents (\$85,000.00) as supported by declaration (together, "Attorneys' Fees and Costs"). In the event that the Court reduces the Attorneys' Fees and Costs (in which case the difference will become a part of the Net Settlement Amount) or does not approve the requested Attorneys' Fees and Costs, Class Counsel shall retain the right to appeal any such ruling, but shall not have the right to revoke this Settlement Agreement, and it will remain binding;
 - (5) Four Hundred Thousand Dollars and Zero Cents (\$400,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties ("PAGA Penalties"). Per Labor Code section 2699(i), seventy-five percent (75%) of the PAGA Penalties, or Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) will be payable to the LWDA ("LWDA Payment"), and the remaining twenty-five percent (25%), or One Hundred Thousand Dollars and Zero Cents (\$100,000.00), will be payable to PAGA Aggrieved Employees as the "Employee PAGA Amount", which amount will be distributed by way of Individual PAGA Payments as described below in Paragraph 6(c); and
 - (6) No portion of the Gross Settlement Amount will revert to, or be retained by, Defendants.
- (d) **Escalator Clause.** Defendants project that there were 6,462 Settlement Class Members who worked approximately 350,000 pay periods as of December 22, 2021. Five (5) court days before the hearing on the motion for preliminary approval, Defendants will provide to Plaintiffs a declaration confirming the total number of pay periods through December 22, 2021. If the total as of December 22, 2021, exceeds the stated total of 350,000 by more than 10% (i.e., 385,000), the Gross Settlement Amount shall be increased on a pro-rata basis for any pay periods in excess of 385,000.
- (e) **Blow Up Clause.** The Parties and their counsel agree that they will not solicit individuals to opt out of the Class Settlement or to assert or pursue objections to the Class Settlement. However, if more than five percent (5.00%) of the Settlement Class Members submit valid and timely Requests for Exclusion, Defendants shall have the exclusive right to void this Settlement at its option within fourteen (14) calendar days of notice from the Settlement Administrator that the number of Requests for Exclusion exceeds 5.0%. If Defendants exercise this right to rescind the Settlement, they shall pay all reasonable settlement administration costs incurred by the Settlement Administrator to that date.

6. Payments to the Participating Settlement Class Members and PAGA Aggrieved Employees. Settlement Class Members are not required to submit a claim form to receive a *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) from the Settlement nor are PAGA Aggrieved Employees required to submit a claim form to receive a *pro rata* share of the Employee PAGA Amount (“Individual PAGA Payment”). Individual Settlement Payments and Individual PAGA Payments will be determined and paid as follows:

- (a) The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Attorneys’ Fees and Costs, Class Representative Service Awards, Settlement Administration Costs, and PAGA Penalties. The remaining amount shall be known as the “Net Settlement Amount.”
- (b) Individual Settlement Payments. Each Settlement Class Member who does not submit a valid and timely Request for Exclusion as set forth in Paragraph 11(c) below (“Participating Settlement Class Member(s)”) shall receive an Individual Settlement Payment based upon the number of pay periods in which the Participating Settlement Class Member was employed by Defendants in the State of California during the Class Settlement Period but excluding pay periods covered by the *Seper* Settlement (“Pay Periods”), which will be calculated by Defendants and included in the Class Data. The Net Settlement Amount will be divided by a fraction, the numerator of which is the Participating Settlement Class Member’s individual number of Pay Periods during the Class Settlement Period and the denominator of which is the total number of Pay Periods for all Participating Settlement Class Members during the Class Settlement Period.
- (c) Individual PAGA Payments. Each PAGA Aggrieved Employee shall receive an Individual PAGA Payment based upon their number of Pay Periods worked during the PAGA Settlement Period. The PAGA Amount will be divided by a fraction, the numerator of which is the PAGA Aggrieved Employee’s individual number of Pay Periods during the PAGA Settlement Period and the denominator of which is the total number of Pay Periods for all PAGA Aggrieved Employees during the PAGA Settlement Period.
- (d) Payments to the Settlement Class Members and PAGA Aggrieved Employees pursuant to this Settlement Agreement are not intended by the Parties to be compensation for purposes of determining eligibility for or benefit calculations of any health and welfare benefit plan, retirement benefit plan, vacation benefit plan, unemployment compensation, including, without limitation, all plans, subject to Employee Retirement Income Security Act (“ERISA”). The Parties agree that the payments are not intended to represent any modification of any employee’s previously-credited hours of service or other eligibility criteria under any employee pension benefit plan, employee welfare benefit plan, or other program or policy.
- (e) Within five (5) business days following Defendants’ deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Individual Settlement Payments and Individual PAGA Payments and provide the same to the Parties’ counsel for review and approval.

Within five (5) business days of approval of the Settlement Administrator's payment calculations by the Parties' counsel, the Settlement Administrator will prepare and mail Individual Settlement Payments, less applicable taxes and withholdings on the wage portions of the Individual Settlement Payments, to Participating Settlement Class Members and Individual PAGA Payments to PAGA Aggrieved Employees. For the avoidance of doubt, Individual Settlement Payments and Individual PAGA Payments will be sent to Participating Settlement Class Members and PAGA Aggrieved Employees, even those for whom their Class Notice was returned undelivered and no new address could be ascertained. No Attorneys' Fees and Costs, Class Representative Service Awards, LWDA Payment, or Settlement Administration Costs are to be distributed by the Settlement Administrator before the Individual Settlement Payments and Individual PAGA Payments are initially distributed to Participating Settlement Class Members and PAGA Aggrieved Employees. The Settlement Administrator shall simultaneously pay the taxes and withholdings on the wage portions of the Individual Settlement Payments to the applicable authorities with the necessary reports, submitting copies to Defendants' counsel.

- (f) For purposes of calculating applicable taxes and withholdings, each Individual Settlement Payment shall be allocated as follows: Seventy-Five Percent (75%) as penalties, interest, and non-wage damages; and Twenty-Five Percent (25%) as wages. The Settlement Administrator will be responsible for issuing IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties, interest, and non-wage damages to Participating Settlement Class Members, as applicable. Notwithstanding the treatment of the payments to each Participating Settlement Class Member above, none of the payments called for by this Settlement Agreement, including the wage portion of the Individual Settlement Payment, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. All Individual PAGA Payments will be allocated as One Hundred Percent (100%) penalties, which will be reported on an IRS Form 1099 (if applicable).
- (g) Defendants shall fully discharge their obligations under this Settlement Agreement through the remittance of the Gross Settlement Amount and the Employer Taxes to the Settlement Administrator as set forth in Paragraph 5(b) (and provision of the information required by the Settlement Administrator to perform its obligations), regardless of whether checks representing Individual Settlement Payments and/or Individual PAGA Payments are actually received and/or negotiated by Participating Settlement Class Members and/or PAGA Aggrieved Employees. Once Defendants have complied with their obligations set forth in Paragraph 5(b), they will be deemed to have satisfied all terms and conditions under this Settlement Agreement, they and the Released Parties shall be entitled to all protections afforded to them under this Settlement Agreement, and they shall have no further obligations under the terms of the Settlement Agreement, regardless of what occurs with respect to the further administration of the Settlement. Without prejudice to any other remedies, the Settlement Administrator shall hold the Parties, Parties' counsel, and the Released Parties harmless from and against all liabilities, claims,

causes of action, costs, and expenses (including legal fees and expenses) arising out of the Settlement Administrator's failure to timely or properly distribute payments as provided for in this Settlement Agreement.

- (h) Before checks are mailed, the Settlement Administrator will update addresses of recipients using the National Change of Address Database ("NCOA"). For all checks returned to the Settlement Administrator within thirty (30) days of initial mailing, the Settlement Administrator must use skip trace or other usual means to ascertain a new address, and re-mail said check(s) to new addresses ascertained thereby within five (5) business days of the return of the check. The void date of all checks will be stated on the checks.
- (i) The Settlement Administrator shall have the option to combine an Individual Settlement Payment and Individual PAGA Payment into a single check or single mailing. Checks containing an Individual Settlement Payment must contain the following language: "I understand that by negotiating this check, I will be deemed to opt in to the release and settlement of claims arising under the Fair Labor Standards Act ("FLSA")". Each Individual Settlement Payment and/or Individual PAGA Payment check will be valid and negotiable for 180 days from issuance, and thereafter, shall be cancelled. Pursuant to California Code of Civil Procedure section 384, et seq., within twenty (20) business days after the check cashing deadline or such other deadline set by the Court, the Parties shall report to the Court the total amount that was actually paid to Participating Settlement Class Members and PAGA Aggrieved Employees and the total amount of funds leftover after the cancellation of checks. The Parties shall also file an amended proposed judgment that, if approved and entered by the Court, will operate to direct the Settlement Administrator to pay the sum of the leftover funds to California Rural Legal Assistance. The Parties represent that they do not have a connection to or a relationship with the cy pres beneficiary that could reasonably create the appearance of impropriety as between the selection of the cy pres beneficiary as the recipient of the unclaimed residuals.
- (j) Neither Plaintiffs nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.
- (k) Defendants, counsel for Defendants, Plaintiffs, and Class Counsel make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs, Settlement Class Members, and PAGA Aggrieved Employees are not relying on any statement, representation, or calculation by Defendants, Defendants' counsel, Plaintiffs, Class Counsel, or the Settlement Administrator in this regard. Plaintiffs, Settlement Class Members, and PAGA Aggrieved Employees understand and agree that except for Defendants' payment of the employer's portion of any payroll taxes on the wage portions of the Individual Settlement Payments, they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein.

7. Attorneys' Fees and Costs. Class Counsel will request a total award of attorneys' fees of up to thirty-five percent (35%) of the Gross Settlement Amount, which is currently estimated to be One Million Nine Hundred Twenty-Five Thousand Dollars (\$1,925,000.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Eighty-Five Thousand Dollars (\$85,000.00) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with the Lawsuits, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including and not limited to, responding to any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the Attorneys' Fees and Costs allowed by the Court. Even in the event that the Court reduces or does not approve the requested Attorneys' Fees and Costs, Plaintiffs and Class Counsel shall not have the right to revoke this Settlement, and it will remain binding. Settlement Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel, at the sole expense of Class Counsel. Any portion of the Attorneys' Fees and Costs which are not in fact awarded will be part of the Net Settlement Amount for the benefit of the Participating Settlement Class Members.

8. Class Representative Service Awards. Plaintiffs will request for Class Representative Service Awards up to Fifteen Thousand Dollars (\$15,000) for each Plaintiff for a total of Thirty Thousand Dollars (\$30,000) for their efforts in prosecuting the Lawsuits, and their services to the Settlement Class Members, State of California, and PAGA Aggrieved Employees. This award will be in addition to Plaintiffs' respective Individual Settlement Payment as a Settlement Class Member and Individual PAGA Payment as a PAGA Settlement Member (if applicable), and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested Class Representative Service Awards, Plaintiffs shall not have the right to revoke this Settlement, and it will remain binding. Any portion of the Class Representative Service Awards which are not in fact awarded will be part of the Net Settlement Amount for the benefit of the Participating Settlement Class Members.

9. Settlement Administration Costs. Plaintiffs will request up to \$37,500.00 for Settlement Administration Costs. The Settlement Administrator shall be responsible for mailing Class Notices, calculating Individual Settlement Payments and Individual PAGA Payments and preparing all checks and mailings, calculating Defendants' share of taxes payable on the wage portions of the Individual Settlement Payments, all IRS forms, notices and submissions related to payments under the Settlement, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount only after Individual Settlement Payments and Individual PAGA Payments have been mailed to all Participating Settlement Class Members and PAGA Aggrieved Employees. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact awarded or required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties will be part of the Net Settlement Amount for the benefit of the Participating Class Members.

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10. Preliminary Approval. At the same time that Class Counsel submits this Settlement Agreement to the Court for preliminary approval, Class Counsel shall also submit a copy of the Agreement to the LWDA. Within a reasonable time after execution of this Settlement Agreement by the Parties and after providing Defendants the opportunity to review the draft motion for preliminary approval papers at least five (5) business days prior to filing, Plaintiffs shall apply to the Court for the entry of an order:

- (a) Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- (b) Appointing Larry Lee and Simon Young of Diversity Law Group, P.C., and Edwin Aiwarzian, Arby Aiwarzian, and Joanna Ghosh of Lawyers *for* Justice, PC as Class Counsel for settlement purposes only;
- (c) Appointing Plaintiffs Acosta and Martinez as Class Representatives for the Settlement Class Members for settlement purposes only;
- (d) Appointing Simpluris, Inc. as the Settlement Administrator;
- (e) Preliminarily approving the Class Settlement as described in this Settlement Agreement and its terms as fair, reasonable, and adequate;
- (f) Approving the PAGA Settlement;
- (g) Approving the form and content of the Class Notice and directing the mailing of same;
- (h) Setting deadlines for the Settlement Administrator to mail the Class Notice, and for Settlement Class Members to opt out or object to the Class Settlement; and
- (i) Scheduling a hearing to determine whether to grant final approval of the Settlement and enter judgment based thereon (“Final Approval Hearing”).

11. Notice to Settlement Class. Following preliminary approval of this Settlement, the Settlement Class shall be notified as follows:

- (a) **Class Data transfer.** Within thirty (30) calendar days after entry of an order preliminarily approving this Settlement, Defendants will provide the Settlement Administrator with the following information for each Settlement Class Member: full name, last known mailing address, phone number, Social Security number, the start and end dates of employment as a non-exempt employee of Defendants in the State of California during the Class Settlement Period, the number of Pay Periods worked by Settlement Class Members during the Class Settlement Period, the number of Pay Periods worked by Settlement Class Members during the PAGA Settlement Period, and information sufficient for the Settlement Administrator to determine whether a given Pay Period is covered by the *Seper* Settlement in the case of a dispute by a Class Member (the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the

Settlement Administrator. The Class Data provided to the Settlement Administrator, along with any updated contact information identified by the Settlement Administrator, as explained below, shall be used solely to administer the notice payment distribution process described herein and shall remain confidential, and shall not be disclosed to anyone (including Class Counsel), except pursuant to the express written authorization of Defendants or the individual in question, by order of the Court, or to the extent necessary to fulfill the Settlement Administrator's reporting obligations hereunder.

- (b) Within ten (10) business days from receipt of the Class Data, the Settlement Administrator shall (i) run the names of all Settlement Class Members through the National Change of Address (NCOA) database to determine any updated addresses for Settlement Class Members; (ii) update the address of any Settlement Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class Member; (iv) calculate the estimated Individual PAGA Payment for each PAGA Aggrieved Employee; and (v) mail a Notice of Class Action Settlement ("Class Notice"), substantially in the form attached as "**Exhibit A**," to each Settlement Class Member and PAGA Aggrieved Employee at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- (c) **Requests for Exclusion from the Class Settlement.** Any Settlement Class Member who wishes to exclude themselves from the Class Settlement must submit a valid and timely letter indicating a request to be excluded from the Class Settlement ("Request for Exclusion") to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Class Notice (the "Response Deadline"). The Request for Exclusion must: (1) contain the case name and number of the *Martinez* Lawsuit; (2) contain the full name, address, signature, and the last four digits of the Social Security number of the Settlement Class Member requesting exclusion; (3) clearly state that the Settlement Class Member does not wish to be included in the Class Settlement; and (4) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. The Request for Exclusion will be deemed valid if the Settlement Administrator can ascertain the identity of the Settlement Class Member and ascertain that the Settlement Class Member wants to opt out of the Class Settlement. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who requests to be excluded from the Class Settlement will not be entitled to any Individual Settlement Payment and will not be bound by the terms of the Class Settlement or have any right to object, appeal or comment thereon.
- (d) PAGA Aggrieved Employees are bound to the PAGA Settlement whether or not they exclude themselves from the Class Settlement. PAGA Aggrieved Employees who submit a valid and timely Request for Exclusion from the Class Settlement shall still be entitled to their Individual PAGA Payment, and will release all PAGA Released Claims.

- (e) **Objections to the Class Settlement.** Settlement Class Members who do not submit a valid and timely Request for Exclusion (i.e., Participating Settlement Class Members) may object to the Class Settlement by submitting a completed and timely written objection (“Notice of Objection”) to the Settlement Administrator or by presenting an objection orally at the Final Approval Hearing. The Notice of Objection must: (1) contain the case name and number of the *Martinez* Lawsuit; (2) contain the full name, address, signature, and the last four (4) digits of the Social Security number of the objector; (3) contain the identification of any attorney that represents the objector with respect to the objection; (4) contain a written statement of all grounds for the objection; (5) attach copies of any papers, briefs, or other documents upon which the objection is based; and (6) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. Participating Settlement Class Members who fail to object by submitting a Notice of Objection by the Response Deadline or by presenting their objection at the Final Approval Hearing will be deemed to have waived all objections to the Class Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement. Defendants’ counsel and Class Counsel may file written responses to objections at least five (5) court days before the Final Approval Hearing and may respond orally to objections at the Final Approval Hearing.
- (f) **Pay Periods Disputes.** Each Class Notice shall disclose the Settlement Class Member’s individual number of Pay Periods and PAGA Settlement Pay Periods. Settlement Class Members will have the opportunity, should they disagree with the number of Pay Periods and/or PAGA Settlement Pay Periods to which they have been credited, to submit a written dispute letter (“Pay Periods Dispute”) to the Settlement Administrator. The Pay Periods Dispute must: (1) contain the case name and number of the *Martinez* Lawsuit; (2) contain the full name, address, signature, last four (4) digits of the Social Security number of the disputing Settlement Class Member; (3) clearly state that the Settlement Class Member disputes the number of Pay Periods and/or PAGA Settlement Pay Periods credited to him or her and what he or she contends is the correct number(s) to be credited to him or her; (4) include any supporting documentation demonstrating that the number of Pay Periods and/or PAGA Settlement Pay Periods that he or she contends should be credited to him or her are correct; and (5) be returned by mail, to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. In case of a dispute, after consideration with the Parties, the Settlement Administrator shall determine the appropriate number of Pay Periods and/or PAGA Settlement Pay Periods that should be credited to the Settlement Class Member and used to calculate any payments due to the Settlement Class Member under the terms of this Settlement Agreement. The Settlement Administrator’s determination in this regard shall be binding upon the Settlement Class Member and the Parties.

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- (g) Any Class Notices returned to the Settlement Administrator as non-delivered on or before the Response Deadline 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 Class Notice. If an updated mailing address is identified, the Settlement Administrator shall resend the Class Notice to the Settlement Class Member immediately, and in any event within three (3) 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 Settlement Class Member. It will be conclusively presumed that, if a Class Notice has not been returned within thirty (30) days of the mailing, the Settlement Class Member received the Class Notice. If a Settlement Class Member’s Class Notice is returned to the Settlement Administrator more than once as non-deliverable, then an additional Class Notice shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendants’ counsel to provide notice of the Settlement. In the event that a Class Notice is remailed to a Settlement Class Member, the Response Deadline for that Settlement Class Member shall be extended by fifteen (15) calendar days.

12. Final Approval. Following preliminary approval and the Response Deadline and after providing Defendants the opportunity to review the draft motion for final approval papers at least five (5) business days prior to filing, Plaintiffs shall apply to the Court for entry of an order and judgment:

- (a) Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate, and upon such final approval;
- (b) Approving Plaintiff’s and Class Counsel’s application for Attorneys’ Fees and Costs, Class Representative Service Awards, and Settlement Administration Costs, and approving distribution of all payments due (including previously-approved PAGA Penalties) under the Settlement; and
- (c) Entering judgment pursuant to California Rule of Court 3.769, which shall release and discharge the Released Parties from any and all liability with respect to the Class Released Claims and PAGA Released Claims.

Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY

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

13. Non-Admission of Liability. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to Federal Evidence Code Section 408 and California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If preliminary approval or final approval of the Settlement does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by Federal Evidence Code Section 408 and the California Evidence Code Section 1152.

14. Return to Status Quo Ante. In the event the Court does not grant preliminary approval or final approval of the Settlement, or if the Settlement approval is reversed on appeal, the Parties shall return to their respective positions in which they were on. The Second Amended Complaint contemplated to be filed in the *Martinez* Lawsuit to implement this Settlement will be *void ab initio*, and the First Amended Class and Representative Action Complaint shall be the operative complaint in the *Martinez* Lawsuit. The litigation of the *Acosta* Class Lawsuit will recommence and the litigation of the *Acosta* PAGA Lawsuit shall remain stayed pursuant to the prior Court order.

15. No Prior Assignments. Plaintiffs and Class Counsel represent, covenant, and warrant that they have not directly or indirectly encumbered, assigned, transferred, or otherwise given away any of the claims, demands, causes of actions, or rights that they are releasing by signing this Settlement Agreement, nor has any of them purported to do so.

16. Non-Disclosure and Non-Publication. Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class Members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel/settlement in other lawsuits, Class Counsel may disclose the names of the Parties in these Lawsuits, the venue/case number of the Lawsuits, and a general description of the Lawsuits and settlement (limited to the written court record), to a court in a declaration by Class Counsel.

17. Waiver and Amendment. Prior to the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by a written agreement signed by counsel for all of the Parties. After the filing of the motion for preliminary approval, the Parties may not amend or modify any provision of this Settlement Agreement except by a written agreement signed by counsel for all of the Parties and approved by the Court. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

18. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendants: Elizabeth (Lisa) A. Brown, Tara Duester, of GBG LLP, 633 West 5th Street, Suite 3330, Los Angeles, California 90071;
lisabrown@gbgllp.com, taraduester@gbgllp.com.

if to Plaintiffs: Larry W. Lee and Simon L. Yang, Diversity Law Group, P.C., 515 South Figueroa Street, Suite 1250, Los Angeles, California 90071;
lwlee@diversitylaw.com; sly@diversitylaw.com.

Edwin Aiwasian, Arby Aiwasian, and Joanna Ghosh, Lawyers for Justice, PC, 410 West Arden Avenue, Suite 203, Glendale, California, 91203; edwin@calljustice.com; arby@calljustice.com; joanna@calljustice.com.

19. Cooperation. The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

20. Entire Agreement. This Settlement Agreement contains the entire agreement between the Parties with respect to the Lawsuits contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof. Further, all terms of this Agreement and the exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

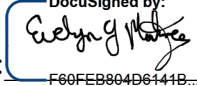
21. Counterparts. This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A signature by e-mail, facsimile, or other electronic or telephonic transmission on this Agreement shall be as legally binding as an original signature.

22. Discussions and Disclosures Protected by Law. Nothing in this Agreement is intended to prevent or restrict discussion or disclosure of factual information regarding sexual assault, sexual harassment, harassment, discrimination, unlawful acts in the workplace (e.g., harassment or discrimination or any other conduct for which there is reason to believe said conduct is unlawful), failure to prevent an act of workplace harassment or discrimination, and/or an act of retaliation against a person for reporting or opposing harassment or discrimination.

23. Enforcement. At the Final Approval Hearing, the Parties shall jointly request and reserve the Court's continuing jurisdiction over the construction, interpretation, implementation, and enforcement of this Settlement Agreement in accordance with its terms, and over the administration and distribution of the settlement proceeds pursuant to California Code of Civil Procedure Section 664.6. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement, or to declare rights and/or obligations under this Settlement Agreement, the prevailing Party or Parties shall be entitled to recover from the non-prevailing Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: 4/6/2022 _____

PLAINTIFF EVELYN MARTINEZ

By:  _____
F60FEB804D6441B...
Plaintiff and Settlement Class Representative

DATED: _____

PLAINTIFF SANDY ACOSTA

By: _____
Plaintiff and Settlement Class Representative

DATED: _____

DEFENDANTS, CITY OF HOPE, CITY OF HOPE
MEDICAL CENTER AND CITY OF HOPE
MEDICAL FOUNDATION

By: _____
Cristin O'Callahan, General Counsel

23. Enforcement. At the Final Approval Hearing, the Parties shall jointly request and reserve the Court's continuing jurisdiction over the construction, interpretation, implementation, and enforcement of this Settlement Agreement in accordance with its terms, and over the administration and distribution of the settlement proceeds pursuant to California Code of Civil Procedure Section 664.6. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement, or to declare rights and/or obligations under this Settlement Agreement, the prevailing Party or Parties shall be entitled to recover from the non-prevailing Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

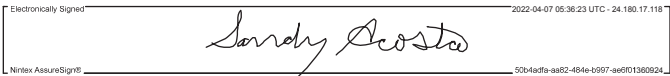
DATED: _____

PLAINTIFF EVELYN MARTINEZ

By: _____
Plaintiff and Settlement Class Representative

DATED: 4/06/2022

PLAINTIFF SANDY ACOSTA

By:  _____
Plaintiff and Settlement Class Representative

Electronically Signed: 2022-04-07 05:38:23 UTC - 24.180.17.118
Nitex AssureSign® 50b4adfa-a862-404e-b997-a60101360924

DATED: _____

DEFENDANTS, CITY OF HOPE, CITY OF HOPE
MEDICAL CENTER AND CITY OF HOPE
MEDICAL FOUNDATION

By: _____
Cristin O'Callahan, General Counsel

23. Enforcement. At the Final Approval Hearing, the Parties shall jointly request and reserve the Court's continuing jurisdiction over the construction, interpretation, implementation, and enforcement of this Settlement Agreement in accordance with its terms, and over the administration and distribution of the settlement proceeds pursuant to California Code of Civil Procedure Section 664.6. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement, or to declare rights and/or obligations under this Settlement Agreement, the prevailing Party or Parties shall be entitled to recover from the non-prevailing Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: _____

PLAINTIFF EVELYN MARTINEZ

By: _____
Plaintiff and Settlement Class Representative

DATED: _____

PLAINTIFF SANDY ACOSTA

By: _____
Plaintiff and Settlement Class Representative

DATED: 4/6/2022

DEFENDANTS, CITY OF HOPE, CITY OF HOPE
MEDICAL CENTER AND CITY OF HOPE
MEDICAL FOUNDATION

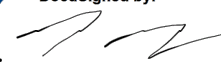
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By: _____
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Cristin O'Callahan, General Counsel

APPROVED AS TO FORM:

DATED: 4/6/2022

DIVERSITY LAW GROUP, P.C.

DocuSigned by:

By: _____
6589343CDA2D4A2...
Larry W. Lee
Attorneys for Plaintiff Evelyn Martinez

DATED: _____

LAWYERS *for* JUSTICE, PC

By: _____
Edwin Aiwarzian
Attorneys for Plaintiff Sandy Acosta

DATED: _____

GBG LLP

By: _____
Elizabeth (Lisa) A. Brown
Attorneys for Defendants
CITY OF HOPE, CITY OF HOPE MEDICAL
CENTER AND CITY OF HOPE MEDICAL
FOUNDATION

APPROVED AS TO FORM:

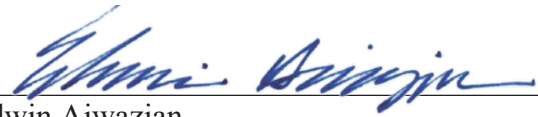
DATED: _____

DIVERSITY LAW GROUP, P.C.

By: _____
Larry W. Lee
Attorneys for Plaintiff Evelyn Martinez

DATED: 4/7/2022

LAWYERS *for* JUSTICE, PC

By:  _____
Edwin Aiwarzian
Attorneys for Plaintiff Sandy Acosta

DATED: _____

GBG LLP

By: _____
Elizabeth (Lisa) A. Brown
Attorneys for Defendants
CITY OF HOPE, CITY OF HOPE MEDICAL
CENTER AND CITY OF HOPE MEDICAL
FOUNDATION

APPROVED AS TO FORM:

DATED: _____

DIVERSITY LAW GROUP, P.C.

By: _____
Larry W. Lee
Attorneys for Plaintiff Evelyn Martinez

DATED: _____

LAWYERS *for* JUSTICE, PC

By: _____
Edwin Aiwarzian
Attorneys for Plaintiff Sandy Acosta

DATED: April 6, 2022

GBG LLP

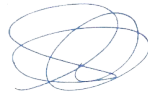
By:  _____
Elizabeth (Lisa) A. Brown
Attorneys for Defendants
CITY OF HOPE, CITY OF HOPE MEDICAL
CENTER AND CITY OF HOPE MEDICAL
FOUNDATION

EXHIBIT A

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN BERNARDINO**

EVELYN MARTINEZ and SANDY ACOSTA, as
individuals and on behalf of all others similarly situated, and
as private attorneys general,

Plaintiffs,

vs.

CITY OF HOPE NATIONAL MEDICAL CENTER, a
California corporation; CITY OF HOPE, a California
corporation; CITY OF HOPE MEDICAL FOUNDATION, a
California corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No. CIVDS2015729

**NOTICE OF CLASS
ACTION SETTLEMENT**

**PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

(1) *Why should you read this notice?*

The San Bernardino County Superior Court has granted preliminary approval of a proposed class and representative action settlement between Plaintiffs Evelyn Martinez and Sandy Acosta (together, “Plaintiffs”) and Defendants City of Hope, City of Hope National Medical Center, and City of Hope Medical Foundation (together, “Defendants”) (Plaintiffs and Defendants are collectively referred to as the “Parties”) in the case entitled *Evelyn Martinez, et al. v. City of Hope, et al.*, San Bernardino County Superior Court Case No. CIVDS2015729 (the “Action”).

Because your rights may be affected by the settlement, it is important that you read this Notice carefully. Unless otherwise specified, the defined terms in this Notice have the same meaning as the defined terms in the Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”) approved by the Court.

The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

Do Nothing:	If you do nothing and the Court grants final approval of the Settlement, you will become part of the Settlement and may receive a payment from the Settlement. You will be bound to the release of the Class Released Claims and PAGA Released Claims as defined in Section 5 .
Opt Out:	If you do not want to participate as a Settlement Class Member, you may “opt out,” which will remove you from the Class Settlement. If the Court grants final approval of the Settlement, you will not receive an Individual Settlement Payment, and you will not give up the right to sue Defendants and the Released Parties for the Class Released Claims as defined in Section 5 . However, if you are a PAGA Aggrieved Employee, you will be bound to the PAGA Settlement and will receive an Individual PAGA Payment. See Section 6. The deadline to opt out is [date].
Object to Class Settlement:	You may submit a legal objection to the Class Settlement. If you would like to object, you may not opt out of the Class Settlement. See Section 6. The deadline to submit written objections is [date].

Final Approval Hearing:	The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415.
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According to Defendants' records, you have been identified as a member of the Settlement Class that has been conditionally certified for purposes of the Settlement, and therefore are receiving this Notice. Based on Defendants' records, and the Parties' current assumptions, your Individual Settlement Payment is estimated to be \$ [REDACTED] and your Individual PAGA Payment is estimated to be \$ [REDACTED]. The actual amount you may receive may be different and will depend on a number of factors.

The above estimates are based on Defendants' records showing that you worked [REDACTED] Pay Periods during the Settlement Class Period and [REDACTED] Pay Periods during the PAGA Settlement Period. If you believe that you worked during more Pay Periods, you can submit a dispute by the deadline date. See Section 6.

(2) Definitions for Purposes of the Settlement.

"Settlement Class Members": All non-exempt employees of City of Hope, City of Hope National Medical Center, and City of Hope Medical Foundation who were employed at any time between July 23, 2016 to March 31, 2022 in the State of California. If the entire duration of an individual's employment by Defendants during the period July 23, 2016 to March 31, 2022 is covered by the settlement in *Jordan A. Seper v. City of Hope National Medical Center*, Los Angeles Superior Court Case No. BC630925 ("Seper Settlement"), then, that individual shall not be included as a Settlement Class Member.

"Class Settlement Period" means the time period of July 23, 2016 through March 31, 2022.

"Class Settlement" means the settlement and resolution of all Class Released Claims.

"PAGA Aggrieved Employees": All non-exempt employees of City of Hope, City of Hope National Medical Center and City of Hope Medical Foundation who were employed at any time between May 28, 2019 to March 31, 2022 in the State of California.

"PAGA Settlement Period" means the time period of May 28, 2019 through March 31, 2022.

"PAGA Settlement" means the settlement and resolution of all PAGA Released Claims.

(3) What is this case about?

On August 4, 2020, Plaintiff Martinez commenced the Action. On April 7, 2022, Plaintiffs filed a Second Amended Class and Representative Action Complaint ("Second Amended Complaint"). In their operative Second Amended Complaint, Plaintiffs, allege that Defendants have violated the California Labor Code and Industrial Welfare Commission Wage Orders by engaging in a uniform practice and procedure, with respect to Plaintiffs, and non-exempt employees of Defendants who worked in California, of, inter alia, failing to properly pay regular, reporting time pay, overtime, and minimum wages for all hours worked (including and not limited to, arising from off-the-clock work (e.g., for alleged time spent in or on prior to clocking in and after clocking out, including and not limited to, COVID-19 screenings and/or donning and doffing), reporting time, rounding, and incorrect regular rate calculations), failing to provide a day of rest, failing to provide compliant meal period and rest periods and associated premium pay, failing to timely pay wages and associated waiting time penalties, failing to provide compliant wage statements, failing to keep requisite payroll records and produce personnel records, and failing to reimburse business expenses. As a result, they allege, Defendants also engaged in unfair business practices in violation of California Business and Professions Code section 17200 et seq. and conduct giving rise to civil penalties recoverable under California Labor Code section 2698, et seq. ("PAGA").

Defendants deny that they have done anything wrong. Defendants further deny that they owe Settlement Class Members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendants, which expressly deny all liability.

The Court has not ruled on the merits of Plaintiffs' claims. However, to avoid additional expense, inconvenience, and interference with its business operations, the Parties have concluded that it is in their best interests and the interests of Settlement Class Members to settle the Action on the terms summarized in this Notice. After Defendants provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the Parties.

The Class Representatives and their counsel— Lawyers for Justice, PC, and Diversity Law Group, P.C. (collectively, "Class Counsel")—support the Settlement. While Plaintiffs and Class Counsel believe that the claims alleged in this Action have merit, they also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Plaintiffs and Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Settlement Class Members.

If you are still employed by Defendant(s), your decision about whether to participate in the Settlement will not affect your employment. California law and Defendants' policies strictly prohibit unlawful retaliation. Defendants will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of the Settlement Class Member's decision to either participate or not participate in the Settlement.

(4) Who are the Attorneys?

Attorneys for the Plaintiffs / Settlement Class Members: LAWYERS for JUSTICE, PC Edwin Aiwarzian edwin@calljustice.com Arby Aiwarzian arby@calljustice.com Joanna Ghosh joanna@calljustice.com 410 West Arden Avenue, Suite 203 Glendale, CA 91203 Tel: (818) 265-1020 Fax: (818) 265-1021 DIVERSITY LAW GROUP, P.C. Larry W. Lee lwlee@diversitylaw.com Simon L Yang sly@diversitylaw.com 515 S. Figueroa Street, Suite 1250 Los Angeles, CA 90071 Tel: (213) 488-6555 Fax: (213) 488-6554	Attorneys for Defendants City of Hope, City of Hope National Medical Center, and City of Hope Medical Foundation: GBG LLP Elizabeth (Lisa) A. Brown lisabrown@gbgllp.com Tara Duester taraduester@gbgllp.com 633 West 5th Street, Suite 3330 Los Angeles, California 90071 Tel: (213) 358-2810 Fax: (213) 995-6382
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(5) What are the terms of the Settlement?

On **[INSERT DATE OF PRELIMINARY APPROVAL]**, the Court preliminarily certified the Settlement Class comprised of the Settlement Class Members, for settlement purposes only. The precise definition of the class approved for settlement can be found above and in the Settlement Agreement. Settlement Class Members who do not opt out of the Class Settlement pursuant to the procedures set forth in this Notice will be bound by the Class Settlement and will release their claims against

Defendants as described below. PAGA Aggrieved Employees will be bound by the PAGA Settlement with respect to the PAGA claims regardless of whether they opt out of the Class Settlement.

Defendants have agreed to pay \$5,500,000.00 (the “Gross Settlement Amount”) to fully resolve all claims in the Action, including payments to Settlement Class Members and PAGA Aggrieved Employees, Settlement Administration Costs, Attorneys’ Fees and Costs, Class Representative Service Awards, and payment to the Labor Workforce Development Agency (“LWDA”).

The following deductions from the Gross Settlement Amount will be requested by the Parties and are subject to comment or objection by Participating Settlement Class Members. The Court will fix these amounts at the Final Approval Hearing:

Settlement Administration Costs. The Court has approved Simpluris, Inc. to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$37,500 from the Gross Settlement Amount to pay the Settlement administration costs (“Settlement Administration Costs”).

Attorneys’ Fees and Costs. Class Counsel have been prosecuting the Action on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Gross Settlement Amount. Settlement Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to thirty-five percent (35%) of the Gross Settlement Amount, which is estimated to be \$1,925,000, as reasonable compensation for the work Class Counsel performed and will continue to perform in the Action through Settlement finalization, and reimbursement of up to \$85,000 for verified costs Class Counsel incurred in connection with the Action (collectively, “Attorneys’ Fees and Costs”).

Class Representative Service Awards. Class Counsel will ask the Court to award each Plaintiff a service award in the amount of \$15,000 for a total of \$30,000 to compensate them for their services and extra work provided on behalf of the Settlement Class Members (“Class Representative Service Awards”).

PAGA Penalties. Class Counsel will ask the Court to approve a payment in the total amount of \$400,000 as and for alleged civil penalties, payable pursuant to PAGA (“PAGA Penalties”). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) will be payable to the LWDA (“LWDA Payment”), and the remaining twenty-five percent (25%), or One Hundred Thousand Dollars and Zero Cents (\$100,000.00), will be payable to PAGA Aggrieved Employees as the “Employee PAGA Amount,” as described below.

Calculation of Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount (“NSA”), which will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion (described below).

The NSA will be divided as follows: each Settlement Class Member who does not submit a valid and timely Request for Exclusion (“Participating Settlement Class Members”) shall receive a *pro rata* share of the Net Settlement Amount based upon the number pay periods in which they were employed by Defendant(s) in the State of California during the Class Settlement Period, but excluding pay periods covered by the *Seper* Settlement (“Pay Periods”), the numerator of which is the Participating Settlement Class Member’s individual number of Pay Periods during the Class Settlement Period, and the denominator of which is the total number of Pay Periods for all Participating Settlement Class Members who worked during the Class Settlement Period. Each Individual Settlement Payment will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of Individual Settlement Payments.

Calculation of Individual PAGA Payments. In addition, the Aggrieved Employee PAGA Amount will be allocated as follows. Each PAGA Aggrieved Employee shall receive a *pro rata* share of the Employee PAGA Amount (“Individual PAGA Payment”) proportionate to the number of Pay Periods worked during the PAGA Settlement Period, the numerator of which is the PAGA Aggrieved Employee’s individual number of Pay Periods during the PAGA Settlement Period and the denominator of which is the total number of Pay Periods for all PAGA Aggrieved Employee during the PAGA Settlement Period.

Payments to Participating Settlement Class Members and PAGA Aggrieved Employees. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to all Participating Settlement Class Members, and Individual PAGA Payments will be mailed to all PAGA Aggrieved Employees, regardless of whether they submit a Request for Exclusion.

Payment by Defendants of Gross Settlement Amount. The Gross Settlement Amount shall be paid by Defendants as follows: The Gross Settlement Amount shall be deposited with the Settlement Administrator within thirty (30) calendar days of the Effective Date (which, for this purpose, shall be defined as the later of (1) the last date on which any appeal might be filed (i.e., no later than 60 calendar days following entry of judgment) or (2) the successful resolution of any appeal(s), including expiration of any time to seek reconsideration or further review).

Allocation and Taxes. For tax purposes, each Individual Settlement Payment shall be allocated as follows: seventy-five percent (75%) as penalties, interest and non-wage damages; and twenty-five percent (25%) as wages. The Settlement Administrator will be responsible for issuing IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties, interest, and non-wage damages to Participating Settlement Class Members, as applicable. Notwithstanding the treatment of the payments to each Participating Settlement Class Member above, none of the payments called for by this Settlement Agreement, including the wage portion of the Individual Settlement Payment, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. All Individual PAGA Payments will be allocated as One Hundred Percent (100%) penalties, which will be reported on an IRS Form 1099 (if applicable). Defendants will pay employer payroll taxes and contributions with respect to the wage portion of Individual Settlement Payments separately and in addition to the Gross Settlement Amount.

Release. If the Court approves the Settlement, Plaintiffs, Participating Settlement Class Members, and PAGA Aggrieved Employees will fully release and discharge Defendants, and all of their past and present officers, directors, shareholders, employees, agents, principals, heirs, representatives, contractors, insurers, trustees, fiduciaries, accountants, auditors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, benefit and pension plans, and attorneys (collectively the “Released Parties”), as follows:

Release of Class Claims: All Participating Settlement Class Members will fully release and discharge Released Parties, of all causes of actions, claims, demands, rights, charges, complaints, damages, penalties, liquidated damages, expenses, attorneys’ fees and costs, interest, obligations and liabilities of any and every kind alleged in the Second Amended Complaint or which could have been pled based on the factual allegations in the Second Amended Complaint arising between July 23, 2016 and the date of the entry of the order granting preliminary approval of the Settlement, including without limitation claims under the Industrial Welfare Commission Wage Orders and California Labor Code sections, including but not limited to California Labor Code sections 201, 202, 203, 204, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 432, 510, 512, 551, 552, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and Industrial Welfare Commission Wage Orders, including, inter alia, Wage Order Nos. 4-2001 and 5-2001, for failure to pay wages for all hours worked (including, and not limited to, regular, minimum, and overtime wages, wages for alleged failure to calculate regular rate of pay correctly, wages for alleged off the clock work (e.g., for alleged time spent in or on work activities prior to clocking in and after clocking out, including and not limited to, COVID-19 screenings and/or donning and doffing), wages unpaid due to rounding of time, and reporting time pay); failure to provide a day of rest; failure to provide compliant meal periods and/or to pay meal period premiums; failure to provide compliant rest periods and/or to pay rest period premiums; failure to pay meal and rest premiums at the correct rate; failure to provide compliant wage statements; failure to pay wages timely during employment; failure to pay wages timely upon termination of employment; failure to pay waiting time penalties; failure to keep complete and accurate payroll records; failure to provide and/or allow inspection and copying of personnel, payroll and/or wage records; failure to reimburse business expenses; and all claims for unfair business practices under the California Business & Professions Code that could have been premised on the facts, claims, causes of action or legal theories described above, as well as, for the Participating Settlement Class Members who negotiate their Individual Settlement Payment check, claims arising out of the facts alleged in the Lawsuits that could have been brought under the Fair Labor Standards Act (“FLSA”) (“Class Released Claims”).

Release of PAGA Claims: Separate and apart from the Class Release specified above, all PAGA Aggrieved Employees and the State of California will fully release and discharge the Released Parties of all claims under the Private Attorneys General Act, California Labor Code section 2698 et seq. alleged in the Second Amended Complaint and the PAGA Notices or which could have been pled based on the factual allegations in the Second Amended Complaint and PAGA Notices, arising between May 28, 2019 and the date of entry of the order granting preliminary

approval of the Settlement, including all claims for civil penalties under the PAGA, California Labor Code section 2698 et seq., under the Industrial Welfare Commission Wage Orders and California Labor Code sections, including but not limited to California Labor Code sections 201, 202, 203, 204, 210, 218, 226, 226.3, 226.7, 432, 510, 512, 551, 552, 558, 1174, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and Industrial Welfare Commission Wage Orders, including, inter alia, Wage Order Nos. 4-2001 and 5-2001, failure to pay wages for all hours worked (including, and not limited to, regular, minimum, and overtime wages, wages for alleged failure to calculate regular rate of pay correctly, wages for alleged off the clock work (e.g., for alleged time spent in or on work activities prior to clocking in and after clocking out, including and not limited to, COVID-19 screenings and/or donning and doffing), wages unpaid due to rounding of time, and reporting time pay); failure to provide compliant meal periods and/or to pay meal period premiums; failure to provide compliant rest periods and/or to pay rest period premiums; failure to pay meal and rest premiums at the correct rate; failure to provide compliant wage statements; failure to pay wages timely during employment; failure to pay wages timely upon termination of employment; failure to pay waiting time penalties; failure to keep and to provide complete and accurate payroll records; failure to provide and/or allow inspection and copying of personnel, payroll and/or wage records; and failure to reimburse business expenses (“PAGA Released Claims”). PAGA Aggrieved Employees shall not have the right to opt out of the PAGA Settlement.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of judgment.

Please be advised that you are responsible for all taxes, penalties and interest owed with respect to your Settlement payment(s), regardless of the foregoing allocations. You should consult with an accountant or other tax professional with any questions. Neither the Parties, their lawyers nor the Court is providing you with financial or tax advice.

You must cash your Settlement check(s) by the void date stated on the check(s). If you do not cash your check by the void date, your check will be automatically cancelled and you will not receive any moneys from the Settlement although you will still be bound by the Settlement. Subject to Court approval, the money represented by your check will be irrevocably sent to California Rural Legal Assistance.

(6) What other options do I have?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of your pay periods (as explained above).

Pay Periods Dispute. Should you disagree with the number of Pay Periods and/or PAGA Settlement Pay Periods to which you have been credited, you may submit a written dispute letter (“Pay Periods Dispute”) to the Settlement Administrator. The Pay Periods Dispute must: (1) contain the case name and number of the Action (*Evelyn Martinez, et al. v. City of Hope, et al.*, Case No. CIVDS2015729); (2) contain your full name, address, signature, last four (4) digits of your Social Security number; (3) clearly state that you dispute the number of Pay Periods and/or PAGA Settlement Pay Periods credited to you and what you contend is the correct number(s) to be credited to you; (4) include any supporting documentation demonstrating that the number of Pay Periods and/or PAGA Settlement Pay Periods that you contend should be credited to you are correct; and (5) be returned by mail, to the Settlement Administrator at the specified address below, postmarked on or before **<<RESPONSE DEADLINE>>**.

<<INSERT ADMINISTRATOR CONTACT INFO>>

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class Members. The Settlement Administrator’s decision regarding any dispute will be final.

Exclude Yourself from the Class Settlement. If you **do not** wish to take part in the Class Settlement, you may exclude yourself by sending to the Settlement Administrator a valid and timely letter indicating a request to be excluded from the Class Settlement (“Request for Exclusion”). The Request for Exclusion must: (1) contain the case name and number of the Action (*Evelyn Martinez, et al. v. City of Hope, et al.*, Case No. CIVDS2015729); (2) contain your full name, address, signature, and the last four digits of your Social Security number; (3) clearly state that you do not wish to be included in the Class Settlement; and (4) be submitted by mail to the Settlement Administrator at the specified address above, postmarked on or before **<<RESPONSE DEADLINE>>**. Any Settlement Class Member who requests to be excluded from the Class Settlement will

not be entitled to any Individual Settlement Payment and will not be bound by the terms of the Class Settlement or have any right to object, appeal or comment thereon.

Objecting to the Class Settlement. Settlement Class Members who do not submit a valid and timely Request for Exclusion (i.e., Participating Settlement Class Members) may object to the Class Settlement by submitting a completed and timely written objection (“Notice of Objection”) to the Settlement Administrator or by presenting an objection orally at the Final Approval Hearing. The Notice of Objection must: (1) contain the case name and number of the Action (*Evelyn Martinez, et al. v. City of Hope, et al.*, Case No. CIVDS2015729); (2) contain the full name, address, signature, and the last four (4) digits of the Social Security number of the objector; (3) contain the identification of any attorney that represents the objector with respect to the objection; (4) contain a written statement of all grounds for the objection; (5) attach copies of any papers, briefs, or other documents upon which the objection is based; and (6) be submitted by mail to the Settlement Administrator at the specified address above, postmarked on or before <<RESPONSE DEADLINE>>.

If you choose to object to the Class Settlement, you may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is: *Evelyn Martinez and Sandy Acosta, et al. v. City of Hope, et al.*, San Bernardino County Superior Court Case No. CIVDS2015729.

If you object to the Class Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Class Settlement in the same way as Settlement Class Members who do not object.

(7) What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. The Court also will be asked to rule on Class Counsel’s request for Attorneys’ Fees and Costs and the Class Representative Service Awards. The date, time and location of the Final Approval Hearing may be changed without further notice to you. If you are interested in attending or participating the Final Approval Hearing, you should confirm the date, time and location by contacting the Settlement Administrator. **You are not required to attend the hearing, but if you wish to attend, you may attend the hearing telephonically (remotely), which can be set up through _____.** A prescheduled appointment is currently necessary to review any documents in the clerk’s office.

Please visit the Court’s website for the most up-to-date information regarding the impact of COVID-19 on the operations of the Court and any requirements that may apply for accessing Court facilities: <https://www.sb-court.org/>

(8) How can I get additional information?

This Notice, which has been approved by the Court, is only a summary. If you wish to obtain more detailed information, you should review the Settlement Agreement, which contains the complete terms of the Settlement. The Settlement Agreement, along with the records and other papers regarding the Settlement, are available on the Settlement Administrator’s dedicated website for this case located at www._____.com. You may also contact Settlement Administrator or Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANTS, OR THEIR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

ADDRESS CHANGES

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator. To update your mailing address, please contact the Settlement Administrator at [phone number].