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

ZULEMA DIAZ, individually, and on behalf
 of aggrieved employees pursuant to the Private
 Attorneys General Act ("PAGA");

Plaintiff,

v.

ROXBURY SURGERY CENTER, LLC, a
 California limited liability company; SCRC
 MEDICAL GROUP, P.C., a California
 corporation; and DOES 1 through 100,
 inclusive;

Defendants.

Case No.: 20STCV46531

Honorable Mel Red Recana
 Department 45

**JOINT STIPULATION AND ~~PROPOSED~~
 APPROVAL ORDER GRANTING
 PRIVATE ATTORNEYS GENERAL ACT
 (LABOR CODE § 2698, ET SEQ.)
 SETTLEMENT AND RELEASE
 AGREEMENT**

Complaint Filed: December 4, 2020
 Trial Date: None Set

FILED
 Superior Court of California
 County of Los Angeles

03/22/2022

Sherri R. Carter, Executive Officer / Clerk of Court

By: J. Marquez Deputy

1 Plaintiff Zulema Diaz (“Plaintiff”), on behalf of herself and other current and former aggrieved
2 employees, and Defendants Roxbury Surgery Center, LLC and SCRC Medical Group, P.C.
3 (collectively, “Defendants”), by and through their respective counsel of record, hereby stipulate as
4 follows for purposes of settling this action:

5 1. Pursuant to Labor Code section 2698, *et seq.* (Private Attorneys General Act of 2004,
6 or “PAGA”), on August 17, 2020, Plaintiff provided written notice to the California Labor and
7 Workforce Development Agency (“LWDA”), Roxbury Clinic and Surgery Center, Inc., and SCRC
8 Medical Group, P.C. of the specific Labor Code provisions she contends Roxbury Clinic and Surgery
9 Center, Inc., and SCRC Medical Group, P.C. violated, and theories supporting her contentions.

10 2. On September 17, 2020, Plaintiff submitted an amended PAGA notice to the LWDA
11 including Roxbury Surgery Center, LLC as an additional employer and removing Roxbury Clinic and
12 Surgery Center, Inc. as an employer.

13 3. On December 4, 2020, after the LWDA’s sixty-five (65) day notice period expired,
14 Plaintiff filed a representative PAGA action against Defendants in the Los Angeles County Superior
15 Court, entitled *Diaz v. Roxbury Surgery Center, LLC et al.*, Case No. 20STCV46531, alleging a group
16 of aggrieved employees consisting of Defendant’s current and former hourly-paid or non-exempt
17 employees (whether hired directly or through staffing agencies) during the relevant time period.

18 4. Plaintiff and Defendants (collectively, the “Parties”) have engaged in both formal and
19 informal discovery, pursuant to which Plaintiff propounded an initial set of written discovery requests
20 on Defendants and Defendants produced a volume of documents and data relevant to Plaintiff’s claims,
21 including but not limited to, Defendant’s relevant policies, procedures, and practices; a sampling of
22 timekeeping and payroll records and wage statements relating to Plaintiff and the other aggrieved
23 employees; and summaries of data pertaining to the number of employees purportedly affected by
24 Defendant’s alleged violations.

25 5. On November 15, 2021, the Parties participated in a private mediation with Marc Feder,
26 a well-regarded mediator experienced in mediating complex employment matters, pursuant to which
27 the Parties reached an agreement on the settlement of Plaintiff’s claims.

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1 6. Attached hereto as “**EXHIBIT A**” is the fully executed Settlement Agreement and
2 Release (“Settlement,” “Settlement Agreement,” or “Agreement”) setting forth the terms of the
3 settlement. Attached hereto as “**EXHIBIT B**” is the Transmittal of Individual Settlement Award letter,
4 which will be sent to all Settlement Group Members to provide them with notice of the Settlement and
5 information regarding their respective Individual Settlement Awards.

6 7. The Gross Settlement Amount agreed to in the Settlement Agreement is \$150,000.00,
7 subject to Court approval. Plaintiff’s Counsel shall receive thirty-eight percent (38%), or \$57,000.00,
8 of the Gross Settlement Amount as the Attorneys’ Fees Award, subject to Court approval.

9 8. On or about January 18, 2022, Plaintiff provided notice of the Settlement Agreement
10 to the LWDA by electronically submitting a copy of the Settlement Agreement.

11 9. WHEREAS, attached hereto as “**EXHIBIT C**” is the email confirmation from the
12 LWDA regarding the submission of the Settlement Agreement.

13 WHEREFORE, IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES
14 HERETO, THROUGH THEIR RESPECTIVE COUNSEL, AS FOLLOWS: The Settlement is fair,
15 adequate, and reasonable, as it represents a reasoned compromise reached through arm’s-length
16 negotiations and considers the risks, complexity, and expense of further litigation.

17
18 Dated: January 18, 2022

JUSTICE LAW CORPORATION

19
20 By: 
21 DOUGLAS HAN
22 SHUNT TATAVOS-GHARAJEH
23 CHANCELLOR D. NOBLES
Attorneys for Plaintiff

24 Dated: January 17, 2022

BLACK & ROSE LLP

25
26 By: 
27 DAVID B. NUSZ
28 Attorney for Defendant

1 **~~PROPOSED~~ ORDER AND JUDGMENT**

2 Having duly considered the above stipulation, and good cause appearing,

3 **IT IS HEREBY ORDERED AND ADJUDGED AS FOLLOWS:**

4 1. All defined terms contained herein shall have the same meaning as set forth in the
5 Settlement Agreement and Release (“Settlement,” “Settlement Agreement,” or “Agreement”).

6 2. Plaintiff Zulema Diaz’s (“Plaintiff”) Complaint for Civil Penalties for Violation of
7 Labor Code § 2698, *et seq.*, filed on December 4, 2020, asserts a single cause of action pursuant to the
8 Private Attorneys General Act of 2004 (“PAGA”) (Labor Code section 2698, *et seq.*) (the “Action”).

9 3. The Court finds that Plaintiffs have satisfied the prerequisites under California Labor
10 Code section 2699.3(a), including and not limited to providing notice to the California Labor and
11 Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the Labor
12 Code Plaintiff alleged Defendants violated as well as the facts and theories supporting the alleged
13 violations. Furthermore, the Court finds that the LWDA was provided notice of the wage-and-hour and
14 payroll practices and facts alleged in the Complaint, including *inter alia*, by way of written
15 correspondence on August 17, 2020, and September 17, 2020.

16 4. The “Settlement Group” covered under the Settlement Agreement consists of the
17 following individuals: all current and former hourly-paid employees of Defendants Roxbury Surgery
18 Center, LLC and SCRC Medical Group, P.C. at any time during the Settlement Period. The Settlement
19 Period means the period from August 17, 2019, through November 15, 2021.

20 5. The Court finds that the Parties reached the Settlement as the result of arm’s-length
21 negotiations.

22 6. The Court has considered the Settlement, and the monetary allocations provided
23 thereby, and finds that they are fair, just, reasonable, and adequate.

24 7. The Court approves the payments of \$57,000.00 to Plaintiff’s Counsel for attorneys’
25 fees and \$15,000.00 for litigation costs (“Attorneys’ Fees Award” and “Litigation Cost Award”).
26 Defendants shall pay these amounts in accordance with this Order and the Settlement Agreement.

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1 8. The Court approves the payment of \$5,000.00 to Plaintiff for her time and effort and
2 for the risk she undertook in bringing and prosecuting the Action (“Enhancement Payment”).
3 Defendants shall pay this amount in accordance with this Order and the Settlement Agreement.

4 9. The Court approves the payment of up to \$5,000.00 to Simpluris, Inc. (“Simpluris”)
5 for the costs of administering the Settlement (“Administration Costs”).

6 10. Pursuant to California Labor Code section 2699(I), the Court has reviewed the sum
7 allocated for payment of penalties under PAGA (“PAGA Penalties Fund”), determined that the PAGA
8 Penalties Fund is fair, just, reasonable, and adequate, and hereby approves the PAGA Penalties Fund.
9 The PAGA Penalties Fund shall be the portion of the Gross Settlement Amount (\$150,000.00)
10 remaining after the above-approved Attorneys’ Fees Award, Litigation Costs Award, Administration
11 Costs, and Enhancement Payment are paid. Seventy-five percent (75%), or \$51,000.00, of the PAGA
12 Penalties Fund will be paid to the LWDA, and twenty-five percent (25%), or \$17,000.00, of the PAGA
13 Penalties Fund will be paid to the Settlement Group on a pro-rata basis, based on the number of pay
14 periods the Settlement Group Member worked as an hourly-paid employee of Defendant during the
15 Settlement Period. Defendants shall pay this amount in accordance with this Order and the Settlement
16 Agreement.

17 11. The Parties to this Action are directed to perform in accordance with the terms set forth
18 in the Settlement Agreement.

19 12. The Court hereby directs the Settlement Administrator to administer the Settlement and
20 to make the payments as provided for in the Settlement Agreement and by this Order.

21 13. The Court further finds that PAGA does not require that notice of the Settlement be
22 provided to the Settlement Group, however, the Settlement Administrator is ordered to distribute
23 payments to the Settlement Group Members with a cover letter. The Court has reviewed and approved
24 the Transmittal of Individual Settlement Award letter, which will be distributed to the Settlement Group
25 Members along with their Individual Settlement Awards.

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1 14. Defendants shall provide the Settlement Administrator with a list of the names, last
2 known addresses, dates of active employment with Defendants during the Settlement Period, and Social
3 Security numbers for the Settlement Group Members within thirty (30) days after the Court issues an
4 Order approving the Settlement.

5 15. Within (10) calendar days after the Effective Date, Defendants shall deposit with the
6 Settlement Administrator the entire \$150,000.00 of the Gross Settlement Amount for distribution in
7 accordance with the Settlement Agreement.

8 16. Within fourteen (14) calendar days of the funding of the Settlement, the Settlement
9 Administrator shall pay the Attorneys' Fees Award, the Litigation Costs Award, the Administration
10 Costs, the LWDA payment, the Individual Settlement Awards to the Settlement Group Members, and
11 Plaintiff's Enhancement Payment.

12 17. Thereafter, all funds associated with checks issued to Settlement Group Members that
13 have not been cashed, deposited, or negotiated 120 days after the date of their issuance will be
14 transmitted to the California State Controller for deposit in the Unclaimed Property Fund in the name
15 of the employees.

16 18. Plaintiff, the LWDA, and the Settlement Group Members are hereby bound by the
17 Settlement and its associated release of Released Claims.

18 19. Upon the Effective Date, Plaintiff, the LWDA, and any other representative, proxy, or
19 agent thereof, including, but not limited to, any and all allegedly aggrieved employees, are forever
20 barred from pursuing any action against Defendants under the California Labor Code Private Attorneys
21 General Act of 2004 ("PAGA"), Labor Code section 2698, *et seq.*, based on or arising out of alleged
22 violations of Labor Code sections alleged in Plaintiff's Complaint through the end of the Settlement
23 Period ("Released Claims").

24 20. Settlement Group Members shall not have the right to opt out of or object to the
25 Settlement.

26 21. Pursuant to the Settlement, the Action is hereby dismissed with prejudice.

27 22. The Court shall retain jurisdiction as to the implementation and enforcement of the
28 terms of the Settlement.

1 23. Notice of this Order and Judgment shall be given to the LWDA by submission through
2 the online system established for the filing of notices and documents, within ten (10) calendar days
3 after its entry, in conformity with Labor Code section 2699(1).

4 Date: 03/22/2022



A handwritten signature in black ink, appearing to read "Mel Red Recana", is written over a horizontal line.

Honorable Mel Red Recana / Judge
Judge of the Superior Court

EXHIBIT A

SETTLEMENT AGREEMENT AND RELEASE

Subject to approval by the Superior Court of the State of California for the County of Los Angeles (the "Superior Court"), this Settlement Agreement and Release ("Agreement") is made and entered into by and between Plaintiff Zulema Diaz ("Plaintiff"), on behalf of herself and as a representative aggrieved employee pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), California Labor Code section 2698 *et seq.*, and Defendants Roxbury Surgery Center, LLC ("Roxbury") and SCRC Medical Group, P.C. ("SCRC") (collectively, "Defendants") to settle the civil action entitled *Zulema Diaz v. Roxbury Surgery Center, LLC et al.*, Case Number 20STCV46531 (the "Lawsuit"), in the Los Angeles County Superior Court. Plaintiff and Defendants are collectively referred to herein as the "Parties," and each may be individually referred to herein as a "Party."

RECITALS

This Agreement is made in consideration of the following facts:

A. Plaintiff Zulema Diaz ("Plaintiff") is a former hourly-paid non-exempt employee of SCRC Medical Group, P.C. who worked for SCRC as a receptionist from November 22, 2016, until or about November 22, 2019.

B. Plaintiff contends that she suffered one or more violations of the California Labor Code during her work at SCRC and that she is therefore an "aggrieved employee" under PAGA, Labor Code section 2698 *et seq.*, pursuant to which an "aggrieved employee" may, after exhausting administrative remedies with the California Labor and Workforce Development Agency (the "LWDA"), act as an agent of the State of California to bring an action to recover civil penalties from his or her former employer on behalf of himself or herself and other current or former employees for violations of the California Labor Code.

C. Pursuant to PAGA, Plaintiff submitted a letter to the LWDA (the "PAGA Notice"), alleging that Defendants subjected Plaintiff and other current or former hourly-paid or non-exempt employees (whether hired directly or through staffing agencies or labor contractors) of Defendants within the State of California to certain violations of the California Labor Code, including sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, premised upon Defendants' alleged failure to properly pay their hourly-paid or non-exempt employees for all hours worked, failure to properly provide or compensate minimum and overtime wages, failure to provide/authorize and permit meal and rest breaks (or pay premiums in lieu thereof), failure to issue and/or provide complete and accurate wage statements, failure to reimburse for all necessary business expenses and related costs, failure to timely pay all wages due during employment and upon termination, and failure to maintain accurate and complete payroll records, all of which are collectively referred to herein as the "PAGA Claims."

D. On December 4, 2020, Plaintiff filed the Lawsuit seeking to recover civil penalties and attorneys' fees based on the PAGA Claims.

E. Defendants deny all of the allegations in the Lawsuit and any contention that Defendants committed any misconduct, wrongdoing, or any other actionable conduct of any kind, including any violation of the California Labor Code.

F. The Parties have each independently analyzed and investigated the facts and law relevant to the Lawsuit through informal discovery, including, but not limited to, the employment policies, procedures, and practices implicated by the PAGA Claims; a sampling of timekeeping records, payroll records, and wage statements relating to Plaintiff and the other hourly-paid employees on whose behalf Plaintiff brought the PAGA Claims asserted in the Lawsuit; and summaries of data pertaining to the number of employees allegedly affected by the PAGA Claims.

G. After evaluating the strengths and weaknesses of their respective positions; considering the time, expense, and risk associated with litigating the Lawsuit to judgment; and engaging in arm's-length settlement negotiations at a mediation session with mediator Marc Feder, an experienced and well-respected mediator, the Parties desire, and have agreed, to fully and finally settle any and all claims in the Lawsuit up to and through the Settlement Period (as defined herein).

NOW, THEREFORE, in consideration of the promises and agreements contained herein, the Parties agree to, and, pursuant to Labor Code section 2699(1)(2), seek approval of, the following settlement terms.

SETTLEMENT TERMS

1. **Superior Court Approval of the Agreement.** In accordance with California Labor Code section 2699(1)(2), the Parties will present this Agreement to the Superior Court for its review and approval.

2. **Delivery of Agreement to the LWDA.** As required by California Labor Code section 2699(1)(2), Plaintiff will cause this Agreement to be submitted to the LWDA at the same time that this Agreement is submitted to the Superior Court for approval.

3. **Effective Date.** This Agreement shall become fully effective the later of either: (i) the date the Court approves the Settlement; or, (ii) if the LWDA files an objection, the date there is a final resolution of the objection or appeal.

4. **No Admission of Liability.** The Parties acknowledge and agree that this Agreement is a compromise and settlement of disputed claims in the Lawsuit and that this Agreement is made and entered into without any admission of liability or wrongdoing of any kind whatsoever by Defendants, who expressly denies and disclaims any liability or wrongdoing whatsoever. Accordingly, neither the execution of this Agreement, its creation, the payment of any sum or consideration hereunder, nor the performance of any obligation required by this Agreement is, or shall be construed as, an admission of wrongdoing or liability on the part of Defendants. Additionally, neither the execution of this Agreement, its creation, the payment of any sum or consideration hereunder, nor the performance of any obligation required by this Agreement is, or

shall be construed as, an admission of the truth or accuracy of any allegation made by Plaintiff or Plaintiff's Counsel in the Lawsuit.

5. **Persons and Entities Covered by this Agreement.**

(a) **The Settlement Period.** This Agreement shall cover the period from August 17, 2019 through November 15, 2021 (the "Settlement Period").

(b) **The Settlement Group.** This Agreement shall cover all current and former hourly-paid employees of Defendants at any time from August 17, 2019, through November 15, 2021. Such employees shall be collectively referred to herein as the "Settlement Group." Each employee within the Settlement Group may be individually referred to herein as a "Settlement Group Member."

6. **Settlement Administration.**

(a) The Parties will retain Simpluris, Inc. ("Simpluris"), or another third-party settlement administrator mutually selected by the Parties and with whom no Party has a financial interest or other relationship that could create a conflict of interest, to act as the "Settlement Administrator" with respect to this Agreement.

(b) The Settlement Administrator shall be responsible for establishing a qualified settlement fund pursuant to 26 U.S.C. § 486B, making all payments required by this Agreement, handling all required state and federal tax withholding and reporting related thereto to the extent necessary, and issuing all appropriate tax forms to Plaintiff, Plaintiff's Counsel, the Settlement Group, and the LWDA resulting from the settlement payments under this agreement.

(c) Any disputes concerning administration of the Agreement may be submitted to Marc Feder, the mediator who facilitated the negotiation of this Agreement. If the Parties cannot resolve their dispute with the mediator's assistance, the dispute may be submitted to and resolved by the Superior Court.

7. **Settlement Payments.**

(a) **Gross Settlement Amount.** In consideration of, and subject to, the promises, terms, and conditions set forth in this Agreement – including the releases set forth in Section 9 of this Agreement – Defendants shall pay the maximum gross sum, aside from the Individual Settlement Amount described in Section 7(c) of this Agreement, of One Hundred Fifty Thousand Dollars (\$150,000.00) (the "Gross Settlement Amount"), in the manner and method set forth in this Agreement, to fully, finally, and completely settle the Lawsuit and the PAGA Claims alleged therein on behalf of the Settlement Group, including any and all associated claims for civil penalties, attorneys' fees, and litigation costs and expenses. Nothing in this Agreement, aside from the provisions set forth in Section 7(c), shall require Defendants to pay, or make Defendants liable for, more than the Gross Settlement Amount to fully, finally, and completely settle the Lawsuit and all claims alleged therein.

(b) **Allocation of Gross Settlement Amount.** The Gross Settlement Amount shall consist of the following categories of payments: an award of attorneys' fees to Plaintiff's Counsel in the Lawsuit, an award of litigation costs and expenses to Plaintiff's Counsel, the

payment of settlement administration costs to the Settlement Administrator, the payment of civil penalties to the LWDA and the Settlement Group, and the proposed enhancement payment to Plaintiff in the amount of \$5,000.00 for her time and effort and for the risk she undertook in bringing and prosecuting the Lawsuit. Subject to approval by the Superior Court, these amounts shall be paid and allocated as set forth below in Sections 7(b)(i) through 7(b)(v) of this Agreement.

(i) **Attorneys' Fees Award.**

(A) Plaintiff's attorneys in the Lawsuit – Douglas Han, Shunt Tatavos-Gharajeh, and Chancellor D. Nobles of Justice Law Corporation ("Plaintiff's Counsel") – may submit a combined application to the Superior Court for an award of attorneys' fees in an amount not to exceed the gross sum of Fifty-Seven Thousand Dollars (\$57,000.00) (38% of the Gross Settlement Amount) (the "Attorneys' Fees Award"). Defendants will not oppose or object to this application.

(B) Any Attorneys' Fees Award approved by the Superior Court will be paid by Defendants out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiff may have for attorneys' fees arising out of the Lawsuit through the Effective Date of this Agreement, including work not yet performed.

(C) This Agreement is not contingent upon the Superior Court approving an Attorneys' Fees Award in an amount equal to the maximum amount authorized by Section 7(b)(i)(A) of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve an Attorneys' Fees Award that is less than the amount authorized by Section 7(b)(i)(A) of this Agreement or the amount requested by Plaintiff's Counsel.

(D) In the event that any portion of the Attorneys' Fees Award authorized by Section 7(b)(i)(A) of this Agreement is not approved by the Superior Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendants' obligations with respect to the Attorneys' Fees Award. Additionally, any difference between the Attorneys' Fees Award authorized by Section 7(b)(i)(A) and the Attorneys' Fees Award approved by the Superior Court will become part of the Net Settlement Fund.

(ii) **Litigation Costs Award.**

(A) Plaintiff's Counsel may submit an application to the Superior Court for an award for reimbursement of litigation costs and expenses incurred by Plaintiff's Counsel in connection with the Lawsuit that is currently estimated not to exceed the combined gross sum of Fifteen Thousand Dollars (\$15,000.00) (the "Litigation Costs Award"). Defendants will not oppose or object to this application.

(B) Any Litigation Costs Award approved by the Superior Court will be paid by Defendants out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiff may have for litigation costs and expenses arising out of the Lawsuit through the Effective Date of this Agreement, including litigation costs and expenses not yet incurred.

(C) This Agreement is not contingent upon the Superior Court approving a Litigation Costs Award in an amount equal to the maximum amount authorized by Section 7(b)(ii)(A) of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve a Litigation Costs Award that is less than the amount authorized by Section 7(b)(ii)(A) of this Agreement or the amount requested by Plaintiff's Counsel.

(D) In the event that any portion of the Litigation Costs Award authorized by Section 7(b)(ii)(A) of this Agreement is not approved by the Superior Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendants' obligations with respect to the Litigation Costs Award. Additionally, any difference between the Litigation Costs Award authorized by Section 7(b)(ii)(A) and the Litigation Costs Award approved by the Superior Court will become part of the Net Settlement Amount.

(iii) **Settlement Administration Costs.**

(A) Subject to approval by the Superior Court, an amount currently estimated at Two Thousand One Hundred Ninety-Five Dollars (\$2,195.00) but not to exceed Five Thousand Dollars (\$5,000.00) will be paid to the Settlement Administrator out of the Gross Settlement Amount to cover the costs of the settlement administration process ("Administration Costs"). If the actual costs of the settlement administration process are less than the amount approved by the Superior Court, the balance will become part of the Net Settlement Amount.

(B) Any Administration Costs approved by the Superior Court will be paid out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of any settlement administration costs.

(C) This Agreement is not contingent upon the Superior Court approving Administration Costs in an amount equal to the maximum amount authorized by Section 7(b)(iii)(A) of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve Administration Costs in an amount that is less than the amount authorized by Section 7(b)(iii)(A) of this Agreement.

(D) In the event that any portion of the Administration Costs authorized by Section 7(b)(iii)(A) of this Agreement is not approved by the Superior Court, no more than the approved amount shall be paid to the Settlement Administrator out of the Gross Settlement Amount. Additionally, the difference between the Administration Costs authorized by Section 7(b)(iii)(A) and the Administration Costs approved by the Superior Court will become part of the Net Settlement Amount.

(iv) **PAGA Penalties Award.** The portion of the Gross Settlement Amount remaining after the Attorneys' Fees Award, Litigation Costs Award, Administration Costs, and Enhancement Payment are paid shall be designated the "PAGA Penalties Fund," from which payments deemed to constitute a full and complete satisfaction of any and all claims in the Lawsuit for civil penalties under PAGA shall be made. Based on the terms of the Agreement, the PAGA Penalties Fund is estimated to be Sixty-Eight Thousand Dollars (\$68,000.00). (This number

may change if the Attorneys' Fees Award, Litigation Costs Award, Administration Costs and/or the Enhancement Payment are awarded in amounts other than those set forth above.) Subject to approval by the Superior Court, the PAGA Penalties Fund shall be allocated and paid as follows:

(A) **The LWDA Payment.** The gross sum of Fifty-One Thousand Dollars (\$51,000.00), which represents seventy-five percent (75%) of the PAGA Penalties Fund, will be paid to the LWDA for enforcement of California's labor laws, including the administration of PAGA, and for education of employers and employees about their rights and responsibilities under the California Labor Code.

(B) **Individual Settlement Awards.** The gross sum of Seventeen Thousand Dollars (\$17,000.00), which represents twenty-five percent (25%) of the PAGA Penalties Fund, shall be designated as the "Net Settlement Amount" and will be paid to the Settlement Group on a pro rata basis. Each Settlement Group Member will receive a pro-rated share of the Net Settlement Amount based on the total number of pay periods he or she worked as an hourly-paid employee of Defendants during the Settlement Period. The maximum amount that each Settlement Group Member is entitled to receive ("Individual Settlement Award") is determined by multiplying the Net Settlement Amount by a ratio that is determined by dividing a Settlement Group Member's total pay periods worked in California during the Settlement Period by the total number of pay periods worked during the Settlement Period by all Settlement Group Members employed by Defendants as expressed in the following formula:

(1) Settlement Group Member Payment = Net Settlement Amount multiplied by the Settlement Group Member's total number of pay periods worked divided by the total number of pay periods worked by all Settlement Group Members.

(2) The Parties intend that the Net Settlement Amount shall be sufficient to pay all valid claims of Settlement Group Members in accordance with the formula set forth above. Accordingly, if for any reason the total value of payments to Settlement Group Members exceeds this amount, then payments to each Settlement Group Member will be adjusted on a pro-rata basis so that the total payout to Settlement Group Members does not exceed the Net Settlement Amount.

(v) **Plaintiff's Enhancement Payment.**

(A) Plaintiff may submit an application to the Superior Court for an award of an enhancement payment in an amount not to exceed Five Thousand Dollars (\$5,000.00) for Plaintiff's time and effort and for the risk she undertook in bringing and prosecuting the Lawsuit ("Enhancement Payment"). Defendants shall not oppose any requests by Plaintiff for the Enhancement Payment, which will be paid out of the Gross Settlement Amount.

(B) This Agreement is not contingent upon the Superior Court approving the Enhancement Payment in an amount equal to the maximum amount authorized by Section 7(b)(v)(A). This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve the Enhancement Payment in an amount less than that authorized by Section 7(b)(v)(A).

(C) In the event that any portion of the Enhancement Payment authorized by Section 7(b)(v)(A) is not approved by the Superior Court, no more than the approved amount shall be paid to Plaintiff from the Gross Settlement Amount. Additionally, any difference between the Enhancement Payment authorized by Section 7(b)(v)(A) and the Enhancement Payment approved by the Superior Court will become part of the Net Settlement Amount.

(c) **Plaintiff's Individual Settlement Amount.**

(i) In addition to the Gross Settlement Amount, Defendants shall pay Ten Thousand Dollars (\$10,000.00) to Plaintiff in exchange for her General Release of all claims ("Individual Settlement Amount"), as delineated in the "Confidential Settlement Agreement and General Release of Individual Claims."

(ii) This Agreement is not contingent upon the Superior Court approving the Individual Settlement Amount in an amount equal to the maximum amount authorized by Section 7(b)(A). This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve the Individual Settlement Amount in an amount less than that authorized by Section 7(b)(A).

(d) **No Additional Contribution by Defendants.** Defendants shall not be called upon or required to contribute additional monies other than those stated above in Sections 7(a), (b) or (c) of this Agreement.

(e) **No Effect on Employee Benefits.** The payments made to Settlement Group Members pursuant to this Agreement shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Group Members may be eligible, including, but not limited to, any profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, or other benefit plans available to the Settlement Group. It is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which any Settlement Group Members may be entitled under any benefit plans.

(f) **Taxability of Settlement Payments.**

(i) **Payments to Plaintiff's Counsel.** The Attorneys' Fees Award and Litigation Costs Award shall be treated as IRS Form 1099 income. Accordingly, the Settlement Administrator shall issue an IRS Form 1099 to Justice Law Corporation in connection with their Attorneys' Fees Award and Litigation Costs Award.

(ii) **Payments to the LWDA.** The seventy-five percent (75%) of the PAGA Penalties Fund payable to the LWDA under Section 7(b)(iv)(A) of this Agreement shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income.

(iii) **Payments to the Settlement Group.** Individual Settlement Awards shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income. Accordingly, an IRS Form 1099 will be issued to each Settlement Group Member in connection with his or her Individual Settlement Award if it is \$600.00 or more.

(g) **Tax Indemnification.** Plaintiff, Plaintiff's Counsel, the Settlement Group, and applicable governmental authorities (including the LWDA) are solely responsible for all tax obligations, including all reporting and payment obligations, attributable to them that may arise as a consequence of this Agreement and the payment of the amounts set forth above in Sections 7(b) and (c). Neither Defendants nor Defendants' attorneys make any express or implied promise, representation, or warranty regarding the tax consequences or tax treatment under federal or state tax laws for any sum paid pursuant to this Agreement.

8. **Distribution of Settlement Payments.**

(a) **Funding of Settlement by Defendants.** Ten (10) calendar days after the Effective Date, Defendants shall:

(i) Deposit with the Settlement Administrator the entire One Hundred Fifty Thousand Dollars (\$150,000.00) of the Gross Settlement Amount.

(b) **Timing of Payment by Settlement Administrator.** Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue the payments required by Section 7 of this Agreement to the appropriate entities or persons.

(c) **Payment of Individual Settlement Awards.**

(i) Individual Settlement Awards will be paid in the form of a check delivered to each Settlement Group Member at the last known address on file with Defendants or as updated by the Settlement Administrator. Each Individual Settlement Award will be accompanied by an explanatory letter substantially in the form attached hereto as **Exhibit A**.

(ii) Individual Settlement Award checks will remain negotiable for one hundred twenty (120) days after the date of their issuance (the "Check Stale Date"). Any Individual Settlement Award checks that are not cashed, deposited, or negotiated after the Check Stale Date will be void and the amount of those checks will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

(iii) Any checks to the Settlement Group that are returned as undeliverable on or before the Check Stale Date will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip trace or other reasonable method and will then perform a single remailing. Any Settlement Group Member who cannot be located after the above procedures are followed will continue to be bound by this Agreement, but the funds associated with his or her Individual Settlement Award will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

9. **Release of PAGA Claims.** Upon the Effective Date, Plaintiff, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all allegedly aggrieved employees, are forever barred from pursuing any action against Defendants under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code section

2698, *et seq.*, based on or arising out of alleged violations of Labor Code sections alleged in Plaintiff's complaint through the end of the Settlement Period ("Released Claims").

10. **Dismissal.** Upon Court approval of this Agreement and payment of all sums required by this Agreement, Plaintiff shall file a request for dismissal of the Action in its entirety as to Defendants with prejudice. Pursuant to California Code of Civil Procedure section 664.6, the Court shall retain jurisdiction to enforce the terms of this Agreement.

11. **Acknowledgement of Fair and Reasonable Settlement.** The Parties have arrived at this Agreement after arm's-length negotiations between experienced counsel and facilitated by a full-day mediation with Marc Feder, an experienced and well-respected mediator. Each of the Parties acknowledge, agree, and believe that this Agreement is a fair, adequate, and reasonable settlement of the Lawsuit. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement. Each Party to this Agreement agrees and represents that it has investigated the facts relevant to this Agreement, and all matters pertaining thereto, to the full extent that each Party deems necessary.

12. **Authority to Enter into Agreement.** Each Party represents and warrants that it has the right and authority to execute this Agreement.

13. **Ownership of Claims.** The Parties represent that they have not transferred or assigned, or purported to transfer or assign, to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

14. **Authorization of Counsel.** Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Agreement.

15. **Confidentiality.** The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the fact, amount, or terms of the Agreement. Further, Defendants, Defendants' Counsel, Plaintiff, and Plaintiff's Counsel agree to limit public comment on this settlement, the case, and the claims to stating that the matter has been resolved to the satisfaction of the Parties. Neither side will initiate public comment. In addition, Plaintiff's Counsel agree not to engage in any advertising or marketing (including, but not limited to, any postings on any websites maintained by Plaintiff's Counsel) specifying any material terms relating to the Lawsuit or this Agreement.

16. **Duty to Cooperate.** Each Party agrees that it will abide by this Agreement, and that the Parties and their counsel will cooperate with each other to effect the implementation of this Agreement. The Parties pledge their good faith and fair dealing in supporting the approval of this Agreement by the Court, including, but not limited to, fully documenting the settlement, completing or filing any other documents or pleadings, arguing that the terms and conditions

agreed upon should be enforced fully, commencing any required action (either in court or in arbitration), jointly appealing and/or otherwise exhausting judicial review of any adverse ruling, etc. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of Marc Feder, the mediator who facilitated the negotiation of this Agreement. If the Parties cannot resolve their dispute with the assistance of the mediator, the Parties may seek the assistance of the Superior Court to resolve their disagreement.

17. **Nullification of Agreement.** In the event that the Superior Court does not approve the Agreement or the Agreement does not become final for any other reason, this Agreement and any documents generated to bring it into effect will be null and void and the Parties will be returned to their original respective positions as though this Agreement had never been entered into at all, with the exception that if any settlement administration costs are due and payable, the Parties agree to split those costs.

18. **Defendants' Option to Revoke.** Should the settlement, or any terms therein, be modified, vacated, altered, or become otherwise subject to challenge by law, including, but not limited to, any law that became effective after the execution of this Agreement, so that this Agreement is not approved by the Court in its entirety and therefore the intent of the Parties cannot be accomplished after jointly taken efforts to enforce it have been exhausted, Defendants shall have the option to revoke this Agreement at their sole discretion.

19. **Severability.** Should any clause or provision of this Agreement be declared illegal or unenforceable, it shall be modified as minimally as necessary to be enforceable. If the provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

20. **Governing Law and Interpretation.** This Agreement shall be governed in accordance with the laws of the State of California. The Agreement shall be interpreted in accordance with the plain meaning of its terms and shall not be strictly interpreted for or against any of the Parties to this Agreement. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, the Parties expressly waive the benefit of any legal principle or rule providing that in cases of uncertainty the language of a contract should be interpreted against the Party who caused the uncertainty to exist.

21. **Continuing Jurisdiction of the Superior Court.** Pursuant to California Code of Civil Procedure section 664.6, the Superior Court shall retain continuing jurisdiction over the Lawsuit and the Parties to the fullest extent necessary to enforce and effectuate the terms and intent of this Agreement.

22. **Admissibility of Agreement.** The Parties agree that this Agreement is admissible for the purposes of proving up and or enforcing the terms of the Agreement, as set forth herein, pursuant to California Evidence Code section 1123.

23. **Amendment and Modification.** This Agreement may not be modified, altered or changed, except by a written instrument signed by either the Parties or their successors-in-interest or counsel for all Parties.

24. **Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

25. **No Representations.** The Parties acknowledge that, except as expressly set forth herein, no representation of any kind or character has been made to induce the execution of this Agreement.

26. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures sent by facsimile transmission or scanned e-mail transmission have the same force, validity, and effect as original signatures.

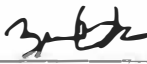
27. **Entire Agreement.** This Agreement sets forth the entire agreement between the Parties, and supersedes any prior agreements, contracts, or understandings between the Parties as to the subject matter hereof.

* * *

IN WITNESS WHEREOF, the Parties – Plaintiff Zulema Diaz and Defendants Roxbury Surgery Center, LLC and SCRC Medical Group, P.C., and their counsel – knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Date: 12/14/2021

PLAINTIFF ZULEMA DIAZ

By: 
Zulema Diaz

Date: 12-15-21

DEFENDANTS ROXBURY SURGERY CENTER, LLC
and SCRC MEDICAL GROUP, P.C.

By:   
Representative for Defendant
Shahin Ghadir M.D. - Partner
Michaela Briggs CEO on behalf
of Mark Surrey MD - Partner.

Date: December 16, 2021

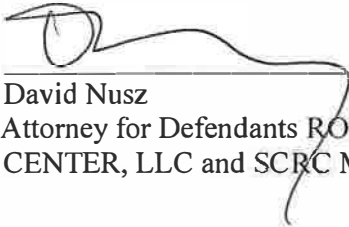
JUSTICE LAW CORPORATION

By: 

Douglas Han
Shunt Tatavos-Gharajeh
Chancellor D. Nobles
Attorneys for Plaintiff ZULEMA DIAZ

Date: 12/16/2021

BLACK & ROSE, LLP

By: 

David Nusz
Attorney for Defendants ROXBURY SURGERY
CENTER, LLC and SCRC MEDICAL GROUP, P.C.

EXHIBIT A

TRANSMITTAL OF INDIVIDUAL SETTLEMENT AWARD

Zulema Diaz v. Roxbury Surgery Center, LLC et al.
Superior Court of the State of California for the County of Los Angeles
Case No. 20STCV46531

Dear [Settlement Group Member Name]:

Enclosed with this letter is a settlement check being paid to you pursuant to the settlement of the lawsuit filed in the Los Angeles County Superior Court as *Zulema Diaz v. Roxbury Surgery Center, LLC et al.*, Case Number 20STCV46531 (the “Lawsuit”). The purpose of this letter is to provide you with basic information about the Lawsuit, the reasons why you are receiving the enclosed settlement check, and the effect of the settlement on your legal rights.

I. The Lawsuit

The Lawsuit was filed on December 4, 2020, by Zulema Diaz (“Plaintiff”), a former employee of SCRC Medical Group, P.C. (“SCRC”).

In the Lawsuit, Ms. Diaz alleged that she and other current and former hourly-paid employees of Roxbury Surgery Center, LLC and SCRC Medical Group, P.C. (collectively, “Defendants”) experienced violations of the California Labor Code by Defendants. Specifically, Ms. Diaz alleged that Defendants violated California Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, premised upon Defendants’ alleged failure to properly pay their hourly-paid employees for all hours worked, failure to properly provide or compensate minimum and overtime wages, failure to provide/authorize and permit meal and rest breaks (or pay premiums in lieu thereof), failure to issue and/or provide complete and accurate wage statements, failure to reimburse for all necessary business expenses and related costs, failure to timely pay all wages due during employment and upon termination, and failure to maintain accurate and complete payroll records. Based thereon, the Lawsuit sought civil penalties under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), which is codified at California Labor Code section 2698 *et seq.*, on behalf of the State of California and all current and former hourly-paid employees of Defendants.

Defendants deny the allegations in the Lawsuit. Defendants contend that they followed lawful policies and practices and that Ms. Diaz and the other hourly-paid employees at issue in the Lawsuit were properly paid for all hours worked, were paid appropriate minimum and overtime wages, were provided compliant meal and rest breaks (or were paid premiums in lieu thereof), received compliant wage statements, were reimbursed for all necessary business expenses, were timely paid all wages due during employment and upon termination, and that Defendants properly kept accurate and complete payroll records.

The merits of the Lawsuit have not been determined. On [Approval Date], however, the Los Angeles County Superior Court approved a settlement of the Lawsuit.

II. Why the Settlement Check Is Being Sent to You

The settlement approved by the Los Angeles County Superior Court on **Approval Date** involves a payment of civil penalties and the reimbursement of attorneys' fees and litigation costs incurred by Ms. Diaz in furtherance of the Lawsuit. In accordance with PAGA, seventy-five percent (75%) of the civil penalties paid under the settlement are being paid to the California Labor and Workforce Development Agency. The remaining twenty-five percent (25%) of the civil penalties paid under the settlement are being distributed to the current and former hourly-paid employees of Defendants who worked for Defendants at any time from August 17, 2019, through November 15, 2021 (the "Settlement Group"). The enclosed settlement check is being sent to you because you have been identified as a Settlement Group Member.

III. How the Amount of Your Settlement Check Was Determined

The enclosed settlement check was calculated based on the number of pay periods during which you performed work for Defendants between August 17, 2019, through November 15, 2021 (the "Settlement Period") relative to the entire Settlement Group. Specifically, the enclosed settlement check was calculated as follows:

- Each seven-day period beginning on Sunday and ending on Saturday (i.e., a calendar week) during the Settlement Period was deemed a pay period.
- Each pay period during the Settlement Period during which a Settlement Group Member actually worked was counted toward the Settlement Group Member's total number of pay periods worked during the Settlement Period.
- The amount of your settlement check was calculated by dividing the total number of pay periods you worked during the Settlement Period by the total number of pay periods worked by all Settlement Group Members during the Settlement Period, and multiplying this by the twenty-five percent (25%) portion of the civil penalties payable to the Settlement Group under the settlement ("Net Settlement Amount").
- You should obtain tax advice from your own tax advisor with respect to any payment resulting from this Settlement.

Your settlement check will remain negotiable for 120 days. If you do not cash, deposit, or negotiate your settlement check within 120 days, the check will become void and the funds will be directed to the California State Controller for deposit in the Unclaimed Property Fund in your name. Cashing the settlement check releases claims only for civil penalties that could be collected by the State of California.

IV. Consequences of the Settlement

The Lawsuit was filed exclusively as a representative action under PAGA, which functions as a substitute for an enforcement action by the State of California.

The Superior Court's order and judgment approving the settlement of the Lawsuit binds all persons, including nonparty employees, who would be bound by a judgment in an action brought

by the State of California itself. As a result, although you are not a “party” to the Lawsuit, the judgment entered upon settlement of the Lawsuit is binding on you with respect to any claims for civil penalties under PAGA encompassed by the settlement. That is true regardless of whether you choose to cash, deposit, or negotiate the enclosed settlement check

V. Taxation of Your Individual Settlement Award

You will be issued an IRS Form 1099 in connection with the funds paid to you via the enclosed check. However, you are solely responsible for all tax obligations attributable to you that may arise as a result of receiving the settlement check. Should you seek tax advice or have tax questions relating to your receipt of the enclosed check, you should direct them to your own personal tax advisor.

VI. Where to Get More Information

Do not call or contact the Los Angeles County Superior Court about this letter, the settlement, the settlement check sent to you, or the Lawsuit in general. If you have questions about this letter, the settlement, the settlement check sent to you, or the Lawsuit in general, you may contact the Settlement Administrator at [INSERT CONTACT INFORMATION].

Dated: INSERT DATE

EXHIBIT B

TRANSMITTAL OF INDIVIDUAL SETTLEMENT AWARD

Zulema Diaz v. Roxbury Surgery Center, LLC et al.
Superior Court of the State of California for the County of Los Angeles
Case No. 20STCV46531

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VI. Where to Get More Information

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Dated: INSERT DATE

EXHIBIT C



Justice Law Corporation <info@justicelawcorp.com>

Thank you for your Proposed Settlement Submission

1 message

DIR PAGA Unit <lwdadonotreply@dir.ca.gov>
Reply-To: DIR PAGA Unit <lwdadonotreply@dir.ca.gov>
To: info@justicelawcorp.com

Tue, Jan 18, 2022 at 11:50 AM

01/18/2022 11:50:23 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

**PROOF OF SERVICE
1013A(3) CCP**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is manderson@justicelawcorp.com

On March 23, 2022, I served the foregoing document described as

**JOINT STIPULATION AND APPROVAL ORDER GRANTING PRIVATE
ATTORNEYS GENERAL ACT (LABOR CODE § 2698, ET SEQ.) SETTLEMENT
AND RELEASE AGREEMENT**

for the following case: **Diaz v. Roxbury Surgery Center, LLC, et al.**
LWDA/Court Case No.: **LWDA Case No.: CM- 802846-20**
Court Case No.: 20STCV46531
Los Angeles County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on March 23, 2022, at Pasadena, California.



Mariah Anderson