

1 Shaun Setareh (SBN 204514)
shaun@setarehlaw.com
2 Jose Maria D. Patino, Jr. (SBN 270194)
jose@setarehlaw.com
3 Tyson Gibb (SBN 339154)
tyson@setarehlaw.com
4 **SETAREH LAW GROUP**
420 North Camden Drive, Suite 100
5 Beverly Hills, California 90210
Telephone (310) 888-7771
6 Facsimile (310) 888-0109

7 Attorneys for Plaintiff MARK SUTTLES

8 Christopher Onstott (SBN 225968)
constott@kmtg.com
9 **KRONICK, MOSKOWITZ, TIEDEMANN & GIRARD**
1331 Garden Hwy, 2nd Floor
10 Sacramento, California 95833
Telephone: (916) 321-4500
11 Facsimile: (916) 321-4555

12 Attorneys for Defendants
DIRECTAPPS, INC. d/b/a DIRECT TECHNOLOGY, and AVERRO

13 *(Additional Counsel on Following Page)*

14
15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 FOR THE COUNTY OF PLACER

17 MARK SUTTLES on behalf of himself, all
others similarly situated,

18 *Plaintiff,*

19 vs.

20 DIRECTAPPS, INC., a Delaware corporation;
EDGE SOLUTIONS & CONSULTING, INC.,
21 a California corporation; DIRECT
TECHNOLOGY, a business entity of
22 unknown form; LAUNCH CONSULTING
GROUP, business entity of unknown form;
23 AVERRO, business entity of unknown form;
MCKESSON CORPORATION; and DOES 2
24 through 50, inclusive,

25 *Defendants.*

Case No. S-CV-0047031

Related Case: S-CV-0046818

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

Complaint Filed: November 6, 2020

1 Hannah Sweiss (SBN 291804)
hsweiss@fisherphillips.com
2 Ariella M. Kupetz (SBN 332736)
akupetz@fisherphillips.com
3 **FISHER & PHILLIPS LLP**
444 South Flower Street, Suite 1500
4 Los Angeles, California 90071
Telephone: (213) 330-4500
5 Facsimile: (213) 330-4501

6 Attorneys for Defendant
EDGE SOLUTIONS & CONSULTING, INC.

7 Sarah Hamilton (SBN 238819)
shamilton@constangy.com
8 David Yudelson (SBN 325326)
9 dyudelson@constangy.com
Dongying Zhang (SBN 352944)
10 dzhang@constangy.com
COSTANGY, BROOKS, SMITH & PROPHETE, LLP
11 601 Montgomery St., Suite 350
San Francisco, California 94111
12 Telephone: (415) 918-3000
Facsimile: (415) 918-3034

13 Attorneys for Defendant
14 MCKESSON CORPORATION
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1 This Joint Stipulation of Class Action and PAGA Settlement and Release of Claims
2 (“Settlement Agreement” or “Agreement”) is made and entered into by and between Plaintiff MARK
3 SUTTLES (“Plaintiff” or “Class Representative”), individually and on behalf of all putative class
4 members and as a proxy/agent for the State of California on behalf of all “aggrieved employees”, and
5 Defendants DIRECTAPPS, INC. d/b/a DIRECT TECHNOLOGY, and AVERRO, and previously
6 d/b/a LAUNCH CONSULTING GROUP (collectively DIRECTAPPS, INC.); EDGE SOLUTIONS
7 & CONSULTING, INC.; and MCKESSON CORPORATION (collectively “Defendants”) (both
8 Plaintiffs and Defendants collectively referred to herein as the “Parties,” or individually as a “Party.”)

9 **RECITALS**

10 A. On October 22, 2020, Plaintiff filed a class action complaint in the Alameda County
11 Superior Court, alleging violations of Labor Code Sections 201, 202, 203, 204, 223, 226, 226.7, 510,
12 512, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, Business & Professions Code section 17200, *et*
13 *seq.*, and the IWC Wage Orders, Case No. RG20077641 (hereinafter the “Wage and Hour Action”).
14 Plaintiff’s original filed complaint alleged that Defendants DIRECTAPPS, INC. and EDGE
15 SOLUTIONS & CONSULTING, INC. failed to pay their non-exempt employees’ and/or individuals
16 employed by third-party staffing companies who performed work for or at Defendants’ locations in
17 the state of California, and specifically that Defendants and/or their related corporate entities, owed
18 wages, minimum wages, overtime wages, wages for all hours worked, and vacation wages; and that
19 non-exempt employees of Defendants and/or individuals employed by the listed third-party staffing
20 companies were deprived of meal and rest periods and were not paid one additional hour of pay at
21 their regular rate of pay when a meal or rest period was missed; employees were not reimbursed for
22 business expenses incurred during the discharge of their duties to Defendants; non-exempt employees
23 of Defendants and/or individuals employed by the listed third-party staffing companies did not
24 receive all wages due them at termination of employment; non-exempt employees of Defendants
25 and/or individuals employed by the listed third-party staffing companies did not receive complete and
26 accurate wage statements; Defendants did not keep complete and accurate payroll records; Plaintiff
27 also sought restitution under the Unfair Competition Law (“UCL”).

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1 On October 26, 2020, Plaintiff gave notice to the Labor and Workforce Development Agency
2 ("LWDA") in advance of seeking penalties under the California Private Attorney General Act, Labor
3 Code § 2699, et seq., ("PAGA"), based on the allegations alleged in the Wage and Hour Action.

4 Also on October 22, 2020, Plaintiff filed another class action complaint in the Alameda
5 County Superior Court, for claims arising under the Fair Credit Reporting Act, 15 U.S.C. §§ 1681, *et*
6 *seq.*, Case No. RG20077606 (hereinafter the "FCRA Action").

7 Pursuant to the Parties' Stipulation, both the Wage and Hour and FCRA Actions were
8 transferred to the Placer County Superior Court on February 9, 2021. After the cases were transferred
9 to Placer County, the Wage and Hour Action was assigned under Case No. S-CV-0047031 and the
10 FCRA Action was assigned under Case No. S-CV-0046818.

11 B. Defendants deny all of Plaintiff's allegations. Specifically, Defendants deny that
12 Plaintiff and putative class members are entitled to additional wages, including any minimum wages,
13 overtime wages or vacation wages. Defendants deny that Plaintiff and putative class members and
14 aggrieved employees were deprived of meal and rest periods, aver that they had meal and rest break
15 policies and procedures in place to ensure compliance with California law, and aver that Plaintiff and
16 putative class members and aggrieved employees were not impeded from taking their lawful rest and
17 meal periods. Defendants also contend that Plaintiff and putative class members and aggrieved
18 employees were at all times lawfully provided with required meal periods and authorized and
19 permitted to take lawful rest breaks and/or were otherwise lawfully paid any applicable premiums
20 owed. Defendants additionally contend that they did not willfully fail to pay any wages due at the
21 time of termination and that waiting time penalties are not available for alleged meal and rest period
22 violations. Defendants also believe that the wage statement claims will fail because there was no
23 knowing and intentional violation and that the derivative wage statement claim will fail for the reasons
24 stated above. Defendants believe that the claim for failure to maintain complete and accurate payroll
25 records will fail, because it keeps complete payroll and timekeeping records as required by law.
26 Defendants believe that the claims related to the calculation of the regular rate of pay and all claims
27 related to the alleged failure to pay minimum wages and overtime will fail. Defendants assert there
28 are no legitimate Labor Code violations to support PAGA penalties or a claim under the UCL.

1 Defendant also denies any liability arising out of any background or consumer reports procured
2 regarding class members, and that all proper disclosures and requirements were met in connection
3 with such reports and in compliance with all state and federal law. Defendants further aver that
4 Plaintiff's claims are not amenable to class treatment because common issues do not predominate.
5 Defendants Edge Solutions and Consulting, Inc. and McKesson Corporation further deny that either
6 Defendant employed Plaintiff or members of the putative class at issue in this lawsuit.

7 C. The Parties engaged in formal discovery and the informal, voluntary exchange of
8 information in the context of privileged settlement discussions to facilitate mediation. Defendants
9 produced pertinent time records, pay records, and data, as well as various policy documents,
10 pertaining to both Plaintiff and the putative class, in response to formal discovery requests and
11 pursuant to the mediation privilege and/or settlement communication.

12 D. On September 7, 2022, the Parties participated in a full-day mediation before
13 experienced mediator Jeff Ross. During the mediation, the Parties had a full day of productive
14 negotiations but were unable to reach an agreement. Settlement negotiations continued in good faith,
15 and with the assistance of Mr. Ross, over the course of the next two months. On November 8, 2022,
16 the Parties were able to reach a global settlement on a class-wide and representative basis for both the
17 Wage and Hour and FCRA Actions. During the mediation, and subsequent settlement discussions,
18 each party, represented by its respective counsel, recognized the risk of an adverse result in the Action
19 (as defined in Paragraph 1 below) and agreed to settle the Action and all other matters covered by this
20 Agreement pursuant to the terms and conditions of this Agreement.

21 E. Based on their own thorough, independent investigation and evaluation of this case,
22 Class Counsel (as defined in Paragraph 13 below) are of the opinion that the settlement with
23 Defendants for the consideration and on the terms set forth in this Agreement is fair, reasonable,
24 adequate, and in the best interest of the Class Members, and Participating Class Members, and PAGA
25 Employee(s) (as defined in Paragraphs 8, 9, and 11 below) in light of all known facts and
26 circumstances, including the risk of significant costs and delay, the risk of non-certification of the
27 classes, the defenses asserted by Defendants, the risks of adverse determinations on the merits, and
28 numerous potential appellate issues. Although Defendants contend they have no liability in this case,

1 Defendants' counsel shares Class Counsel's belief that the Agreement represents a fair, reasonable
2 and adequate settlement given the respective risks associated with the Action.

3 F. This Agreement represents a compromise and settlement of highly disputed claims.
4 Nothing in this Agreement is intended or will be construed as an admission by Defendants that
5 Plaintiff's claims in the Action have merit or that it has any liability to Plaintiff or the Class Members
6 on those claims or the State, or as an admission by Plaintiff that Defendants' defenses raised in the
7 Action have merit. This Agreement is intended to fully, finally, and forever compromise, release,
8 resolve, discharge, and settle the released claims subject to the terms and conditions set forth in this
9 Agreement. The Parties further represent and agree that the certification of the Settlement Classes as
10 defined in this Agreement is made solely for the purposes of Settlement and shall have no bearing,
11 validity, enforceability or admissibility in the Action or for any other purpose in the event Settlement
12 in this Action is denied by the Court.

13 AGREEMENT

14 Subject to the approval of the Court, the Parties agree as follows:

15 1. "Action" shall collectively mean both the Wage and Hour Action and the FCRA
16 Actions, defined above, as well as any and all related letters to the Labor Workforce Development
17 Agency and any amended letters as necessary to effectuate the PAGA Released Claims. The Parties
18 stipulate and agree that for settlement purposes only, to the prompt filing of an amended complaint
19 in the Wage and Hour Action ("Operative Complaint") after execution of this Settlement Agreement
20 that consolidates the claims, legal allegations, and factual allegations pled in the Wage and Hour
21 Action and the FCRA Action, and to assert additional claims, legal allegations, and factual allegations
22 necessary to effectuate the releases in this Settlement Agreement. The Operative Complaint will be
23 attached hereto as **Exhibit "1."** The Parties stipulate and agree that for settlement purposes only,
24 Defendants consent to the filing of the Operative Complaint and to personal and subject matter
25 jurisdiction in the Court. The settlement is expressly conditioned upon the approval by all Parties of
26 the Operative Complaint and any amended PAGA letter should such amendment be necessary to
27 effectuate the PAGA Released Claims.

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- 1 2. **“Court”** shall mean the Superior Court for the County of Placer.
- 2 3. **“Settlement”** shall mean the disposition of the Action and all related claims
3 effectuated by this Agreement.
- 4 4. **“Wage and Hour Class Period”** shall mean the period of time from October 22, 2016,
5 through November 3, 2022.
- 6 5. **“FCRA Class Period”** shall mean the period of time from October 22, 2015 through
7 November 3, 2022.
- 8 6. **“Wage and Hour Class Members”** shall mean all non-exempt employees of
9 Defendants DIRECTAPPS, INC. and EDGE SOLUTIONS & CONSULTING, INC., employed in
10 the state of California during the Wage and Hour Class Period and all non-exempt individuals who
11 were placed at MCKESSON CORPORATION by DIRECTAPPS, INC or EDGE SOLUTIONS &
12 CONSULTING, INC. during the Wage and Hour Class Period.
- 13 7. **“FCRA Class Members”** shall mean all persons for whom Defendant DIRECTAPPS,
14 INC. and EDGE SOLUTIONS & CONSULTING, INC. obtained a consumer report for employment
15 purposes in California during the FCRA Class Period, including, but no limited to, those for whom
16 DIRECTAPPS, INC. and EDGE SOLUTIONS & CONSULTING, INC. obtained a consumer report
17 for placement at MCKESSON CORPORATION in California during the FCRA Class Period.
- 18 8. **“Class Members”** shall collectively mean both the Wage and Hour Class Members
19 and the FCRA Class Members.
- 20 9. **“Participating Class Member”** shall mean a Class Member who does not timely Opt-
21 Out pursuant to Paragraph 40 and who is therefore entitled to a share of the Net Settlement Amount
22 as set forth in Paragraph 23.
- 23 10. **“PAGA Period”** shall mean the period of time from October 26, 2019 through
24 November 3, 2022.
- 25 11. **“PAGA Employee(s)”** shall mean those Wage and Hour Class Members who were
26 employed during the PAGA Period and who received at least one or more paychecks on one or more
27 payroll periods during the PAGA Period.
- 28 12. **“PAGA Settlement Amount”** shall mean the total amount approved by the Court to

1 settle the PAGA claims, including the payment to the LWDA, which will be paid on a *pro rata* basis
2 to the PAGA Employees after the payment to the LWDA, even if the PAGA Employee opts-out of
3 being a Participating Class Member.

4 13. **“Class Counsel”** shall mean the attorneys representing Plaintiff and the Settlement
5 Classes in the Action: Shaun Setareh and Jose Maria D. Patino, Jr. of the Setareh Law Group.

6 14. **“Defense Counsel”** shall mean the attorneys representing Defendants in the Action:
7 Christopher Onstott of Kronick, Moskowitz, Tiedemann & Girard; Hannah Sweiss and Ariella M.
8 Kupetz of Fisher & Phillips LLP; and Sarah Hamilton, David Yudelson and Elise G. Dvorochkin of
9 Costangy, Brooks, Smith & Prophete, LLP.

10 15. **“Claims Administrator”** shall mean Phoenix Class Action Administration Solutions,
11 or other third-party settlement administrator proposed by the Parties and appointed by the Court to
12 administer the Settlement.

13 16. **“Preliminary Approval of the Settlement”** shall mean the Court’s preliminary
14 approval of the Settlement without material change.

15 17. **“Final Approval Hearing”** shall mean the hearing to be conducted by the Court
16 pursuant to California Rules of Court, Rule 3.769(a), to determine whether to approve finally, and
17 implement the terms of, this Agreement pursuant to a Judgment (as defined in Paragraph 18 below).

18 18. **“Judgment”** shall mean the Order of Final Approval of Settlement and Judgment
19 entered by the Court pursuant to California Rules of Court, Rule 3.769(h), that the Parties anticipate
20 will be entered following a Final Approval Hearing on the Settlement in this Action. The Court shall
21 retain jurisdiction to enforce the terms of the Settlement following entry of the Judgment.

22 19. **“Effective Date”** shall mean the date by which this Agreement is approved by the
23 Court by entry of the Judgment and the Judgment becomes Final. The Judgment becomes “Final”
24 when the later of the following events occurs: (a) the first court day after the period for filing any
25 appeal, writ, or other appellate proceeding relating to the Settlement has elapsed without any appeal,
26 writ, or other appellate proceeding having been filed; (b) any appeal, writ, or other appellate
27 proceeding opposing the Settlement has been dismissed finally and conclusively with no right by any
28 appellant or objector to pursue further remedies or relief; or (c) any appeal, writ, or other appellate

1 proceeding has upheld the Judgment with no right by any appellant or objector to pursue further
2 remedies or relief. In this regard, it is the intention of the Parties that the Settlement shall not become
3 effective until the Court's Judgment granting final approval of the Settlement is completely final, and
4 no further recourse exists by any Class Member, appellant or objector who seeks to contest the
5 Settlement. The occurrence of the Effective Date is a prerequisite to any obligation of Defendants to
6 pay any funds into the Settlement Account, as set forth in Paragraph 54.

7 **20. Certification for Settlement Purposes.** Solely for the purposes of effectuating this
8 Settlement, and subject to Court approval, the Parties hereby stipulate to the conditional
9 certification of the following "Settlement Classes:"

10 (1) **The Wage and Hour Class:** all non-exempt employees of Defendants DIRECTAPPS,
11 INC. and EDGE SOLUTIONS & CONSULTING, INC., employed in the state of California
12 during the Wage and Hour Class Period and all non-exempt individuals who were placed at
13 MCKESSON CORPORATION by Defendants DIRECTAPPS, INC or EDGE SOLUTIONS
& CONSULTING, INC. during the Wage and Hour Class Period, October 22, 2016, through
November 3, 2022.

14 (2) **The FCRA Class:** all persons for whom Defendants DIRECTAPPS, INC. and EDGE
15 SOLUTIONS & CONSULTING, INC. obtained a consumer report for employment purposes
16 in California during the FCRA Class Period, including, but no limited to, those for whom
17 Defendants DIRECTAPPS, INC. or EDGE SOLUTIONS & CONSULTING, INC. obtained
a consumer report relating to placement at MCKESSON CORPORATION in California
during the FCRA Class Period, October 22, 2015 through November 3, 2022.

18 The Parties agree that if for any reason the Settlement is not preliminarily and finally
19 approved, the conditional certification of the Settlement Classes will be of no force or effect, does not
20 constitute an admission by Defendants that class certification is proper, and will not be deemed
21 admissible in this or any other proceeding, and that the Parties will litigate the issue of class
22 certification.

23 **21. Plaintiff Suttles' Non-Representative and Non-Class Claims.** Plaintiff filed a third
24 action asserting individual claims, Case No. S-CV-0047183. Defendants in that action also include
25 DIRECTAPPS, INC., EDGE CONSULTING & SOLUTIONS, INC., and MCKESSON
26 CORPORATION. Plaintiff will execute a separate confidential settlement agreement relating to the
27 dismissal with prejudice of his unique alleged claims in that action of discrimination, harassment,
28 retaliation, failure to prevent discrimination, violation of Labor Code § 1102.5, wrongful termination,

1 intentional infliction of emotional distress and negligent infliction of emotional distress.

2 22. **“Gross Settlement Amount.”** In consideration for the Settlement and the release of
3 claims set forth below, Defendants agree to pay on a non-reversionary basis after the Effective Date
4 (*i.e.*, no portion will revert to Defendants under any circumstance) a maximum of Nine-Hundred
5 Fifty-Thousand Dollars and No Cents (\$950,000.00), excluding the employer’s share of payroll taxes
6 (the "Gross Settlement Amount" or “GSA”), pursuant to the terms of this Agreement and as broken
7 down by Defendant in this Section. It is understood by the Parties that the employer's share of payroll
8 taxes shall not be paid from the Gross Settlement Amount and shall remain the sole responsibility of
9 the Defendant employer of record. Of the total Gross Settlement Amount, DIRECTAPPS, INC., will
10 contribute Seven-Hundred Ten-Thousand Dollars and No Cents (\$710,000.00), EDGE SOLUTIONS
11 & CONSULTING, INC. will contribute One-Hundred Twenty-Thousand Dollars and No Cents
12 (\$120,000.00), and MCKESSON CORPORATION will contribute One-Hundred Twenty-Thousand
13 Dollars and No Cents (\$120,000.00). The GSA is the maximum total amount that Defendants shall
14 be required to pay for all claims of the Plaintiff and Class Members that are alleged, or that could
15 have been brought, in the Action arising from the allegations made therein, and also including the
16 enhancement payment to the Class Representative, all amounts payable to the LWDA and the PAGA
17 Employees as PAGA penalties, all Court-approved attorneys’ fees of Class Counsel, all Court-
18 approved costs and expenses incurred or advanced by Class Counsel related to the Action, the fees
19 and costs of the Claims Administrator, but excluding employer’s share of payroll taxes on the wage
20 portion of the individual settlement payments distributed to the Class Members.

21 23. **“Net Settlement Amount.”** The Net Settlement Amount (“NSA”) shall mean the GSA
22 payable by Defendants pursuant to this Settlement, less the following sums set forth in subsections
23 “A” through “E” of this Paragraph.

24 A. **Class Counsel Fees Payment.** Class Counsel will apply to the Court for an
25 award of not more than Three-Hundred and Sixteen-Thousand, Six-Hundred Sixty-Six Dollars and
26 67/100 Cents (\$316,666.67) (which is one-third of the GSA) as their "Class Counsel Fees Payment."
27 Defendants will not oppose a Class Counsel Fees Payment request of not more than \$316,667.67 to
28 be paid from the GSA. The Claims Administrator will pay the amount approved by the Court from

1 the GSA. Withholding and deductions will not be taken from the Class Counsel Fees Payment and
2 one or more IRS Forms 1099 will be issued to Class Counsel with respect to that payment. The
3 Parties understand and agree that an award by the Court of less than the maximum amount
4 contemplated by this paragraph will not invalidate the Settlement.

5 **B. Class Counsel Litigation Expenses Payment.** Class Counsel will apply to
6 the Court for an award of not more than Twenty-Thousand Dollars and No Cents (\$20,000.00) to
7 compensate them for out of pocket costs and expenses actually incurred in connection with the Action
8 (the "Class Counsel Litigation Expenses Payment"). Defendants will not oppose a Class Counsel
9 Litigation Expenses Payment request of not more than \$20,000.00 to be paid from the GSA. The
10 Claims Administrator will pay the amount approved by the Court from the GSA (but not more than
11 \$20,000.00) in Class Counsel Litigation Expenses. Withholding and deductions will not be taken
12 from the Class Counsel Litigation Expenses Payment and one or more IRS Forms 1099 will be issued
13 to Class Counsel with respect to that payment. The Parties understand and agree that an award by the
14 court of less than the maximum amount contemplated by this paragraph will not invalidate the
15 Settlement.

16 **C. Class Representative Payment.** Plaintiff will apply to the Court for an award
17 of not more than Five-Thousand Dollars and No Cents (\$5,000.00) as his Class Representative
18 Payment, made in his capacity as Class Representative to compensate him for initiating the Action,
19 performing work in support of the Action, and undertaking the risk of liability for attorneys' fees and
20 expenses in the event he was unsuccessful in the prosecution of the Action, and as further
21 consideration for the release of all claims. Defendants will not oppose a Class Representative
22 Payment of not more than \$5,000.00 to be paid from the GSA. The Claims Administrator will pay
23 the Class Representative Payment approved by the Court from the GSA. Payroll taxes, withholdings,
24 and deductions will not be taken from the Class Representative Payment, and instead an IRS Form
25 1099 will be issued to Plaintiff with respect to the Class Representative Payment. Plaintiff agrees to
26 assume all responsibility and liability for the payment of taxes due on the Class Representative
27 Payment. The Parties understand and agree that an award by the court of less than the maximum
28 amount contemplated by this paragraph will not invalidate the Settlement.

1 **D. Payment to Claims Administrator.** The Claims Administrator will be paid
2 from the GSA its reasonable fees and expenses as approved by the Court in an amount currently
3 estimated not to exceed Twenty-Six Thousand Dollars and Zero Cents (\$26,000.00).

4 **E. Payment of the PAGA Settlement Amount.** Plaintiff will apply to the Court
5 for approval of a settlement of claims under PAGA in the amount of Fifty-Thousand Dollars and No
6 Cents (\$50,000.00) (the “PAGA Settlement Amount” as defined in Paragraph 12), of which a payment
7 from the GSA to the LWDA will be made in the amount of Thirty-Seven Thousand Five-Hundred
8 Dollars and No Cents (\$37,500.00), which is 75% of the PAGA Settlement Amount. A payment from
9 the NSA in the amount of Twelve-Thousand Five-Hundred Dollars and No Cents (\$12,500.00), which
10 is 25% of the PAGA Settlement Amount, will be made to the PAGA Employees who worked for
11 Defendants in California during the PAGA Period pursuant to the formula set forth in Paragraph 24
12 below, even if the Employee opts-out of the Settlement. Defendants will not oppose a PAGA
13 settlement in this amount.

14 **F. Allocation of NSA.** Eighty-Five Percent (85%) of the NSA will be allocated
15 for the settlement of claims arising out of the Wage and Hour Action (under Paragraph 29 below) as
16 well as the PAGA Settlement Amount allocated to the PAGA Employees under Paragraphs 22(E) for
17 the settlement of claims under PAGA (under Paragraph 30 below). Fifteen Percent (15%) of the NSA
18 will be allocated for the settlement of the claims arising out of the FCRA Action (under Paragraph 31
19 below).

20 **24. Calculation of Wage and Hour, FRCA, and PAGA Shares.** Subject to the terms
21 and conditions of this Agreement, the Claims Administrator will calculate a Wage and Hour Share
22 (as defined below) and FCRA Share (as defined below) from the NSA for each Participating Class
23 Member plus, if applicable, a PAGA Share (as defined below) for each PAGA Employee. The Wage
24 and Hour Share and FCRA Share for each Participating Class Member and the PAGA Share for each
25 PAGA Employee will be calculated as follows, understanding that the formulas below do not
26 constitute an admission by Defendants, and are intended only to provide a practical means to simplify
27 and administer the claims process:

28 **A. Allocation of Shares.** Each Wage and Hour Share is allocated twenty-five

(25%) to wages (for which employment taxes will be deducted and W-2s issued), and seventy-five percent (75%) to interest and penalties (for which no taxes will be deducted and 1099s will be issued). Each PAGA Share will be allocated one-hundred percent (100%) to penalties (for which no taxes will be deducted and 1099s will be issued). Each FCRA Share will be allocated one-hundred percent (100%) to penalties (for which no taxes will be deducted and 1099s will be issued).

B. Wage and Hour Share Calculation. The Claims Administrator shall assign to each Participating Class Member a "Settlement Ratio," which shall be a fractional number comprised of (i) that Participating Class Member's work weeks worked during the Wage and Hour Class Period as the numerator, and (ii) the aggregate total of all Participating Class Members' work weeks worked during the Wage and Hour Class Period as the denominator. The Claims Administrator shall assign to each Participating Class Member the "**Wage and Hour Share**" which shall be calculated by multiplying that Participating Class Member's Settlement Ratio by the amount allocated to the Wage and Hour Action from the NSA after subtracting the amount allocated to the PAGA Employees from the PAGA Settlement Amount (i.e., \$12,500.00).

C. PAGA Share Calculation. The Claims Administrator shall assign to each PAGA Employee a "PAGA Settlement Ratio," which shall be a fractional number comprised of (i) that PAGA Employee's payroll periods (which are weekly periods) worked during the PAGA Period as the numerator, and (ii) the aggregate total of all PAGA Employees' payroll periods worked during the PAGA Period as the denominator. The Claims Administrator shall assign to each PAGA Employee the "**PAGA Share**" which shall be calculated by multiplying that PAGA Employee's PAGA Settlement Ratio by the amount allocated to the PAGA Employees from the PAGA Settlement Amount after payment to the LWDA (i.e., \$12,500.00).

25. Wage and Hour Share and PAGA Share Worksheet. Upon calculation of the Participating Wage and Hour Class Members' Wage and Hour Shares and PAGA Employees' PAGA Shares, the Claims Administrator shall furnish to Class Counsel and Defense Counsel a worksheet containing a list of the Participating Class Members and PAGA Employees identified by ID Number with their corresponding work weeks and Wage and Hour Shares and payroll periods and PAGA Shares.

1 **26. FCRA Share Calculation.** Each Participating FCRA Class Member will receive an
2 equal portion of the NSA allocated for the settlement of claims arising out of the FCRA Action
3 (“FCRA Share”).

4 **27. Taxes and Withholdings.** Each Wage and Hour Share is intended, in part, to settle
5 the Participating Class Members' claims for unpaid wages. Each Participating Class Member shall
6 be individually responsible for the employee's share of applicable payroll tax withholdings and
7 deductions. Accordingly, each Wage and Hour Share allocated to wages will be reduced by
8 applicable payroll tax withholdings and deductions, and the Claims Administrator will issue a Form
9 W-2 to each Participating Class Member for this wage portion amount.

10 **28. Number of Work Weeks.** As of November 3, 2022, DIRECTAPPS, INC. calculated
11 that the number of work weeks worked by the Wage and Hour Class Members employed by
12 DIRECTAPPS, INC. during the Wage and Hour Class Period is 24,696. If the total number of work
13 weeks worked by the Wage and Hour Class Members employed by DIRECTAPPS, INC. during the
14 Wage and Hour Class Period exceeds the represented estimate more than ten percent (10%)—i.e.,
15 27,165 total work weeks—then the Wage and Hour Class Period and released claims shall end on the
16 date the number of work weeks exceed 27,165. Notwithstanding this paragraph, those employees
17 working onsite at MCKESSON CORPORATION through DIRECTAPPS, INC. during the Wage and
18 Hour Class Period will be included as Class Members and in the release and their workweeks will be
19 released in their entirety.

20 **29. Release of Class Claims by Wage and Hour Class Members Including Plaintiff.**
21 Upon the entry of an order by the Court granting final approval of this Settlement, and except as to
22 such rights or claims as may be created by this Agreement, Plaintiff and each Participating Class
23 Member who has not properly submitted a timely and valid request to “opt-out” or be excluded from
24 the Action, and without the need to manually sign a release document, in exchange for the
25 consideration recited in this Agreement (whether later received or not), on behalf of himself or herself
26 and on behalf of his/her current, former, and future heirs, executors, administrators, attorneys, agents,
27 successors and assigns, shall hereby fully, finally and forever waive, release, relinquish and discharge
28 Defendants and each of their past and current parents, subsidiaries, affiliates, trusts, trust funds,

1 investors and related entities or companies, as well as any client, contracting party, joint employer,
2 or joint obligor of Defendants with respect to instances where any Participating Class Member may
3 have worked for any Defendant for the benefit of said client, contracting party, joint employer, or
4 joint obligor, or provided services through Defendants to said client, contracting party, joint
5 employer, or joint obligor, and each of its and their respective owners, partners, members,
6 shareholders, officers, directors, employees, agents, managing agents, attorneys, representatives,
7 fiduciaries, trustees, insurers and other service providers, and their respective predecessors,
8 successors, and assigns (collectively hereinafter the “Releasees”), from all class claims alleged or that
9 could have been alleged based on the facts in the Operative Complaint that occurred during the
10 Wage and Hour Class Period, including but not limited to claims for: (1) failure to provide meal
11 periods pursuant to Labor Code §§ 204, 223, 226.7, 512, and 1198; (2) failure to provide rest periods
12 pursuant to Labor Code §§ 204, 223, 226.7, and 1198; (3) failure to pay hourly and overtime wages
13 pursuant to Labor Code §§ 204, 218.6, 223, 510, 1194, 1194.2, 1197, and 1198; 4) failure to
14 indemnify expenses pursuant to Labor Code §§ 452, 2802; (5) failure to provide accurate wages
15 statements pursuant to Labor Code §§ 226; (6) failure to timely pay final wages pursuant to Labor
16 Code §§ 201-203; and (7) claims for recovery under Business and Professions Code §§ 17200 *et seq.*,
17 as well as all claims for further compensation, damages, costs, penalties, or attorneys' fees in
18 connection with matters arising from or related to the Action. Collectively, these claims shall be
19 referred to as the “**Wage and Hour Released Claims.**” The release expressly excludes all other
20 claims, including claims for vested benefits, wrongful termination, unemployment insurance,
21 disability, social security, workers' compensation, and class claims outside of the Wage and Hour
22 Class Period and PAGA claims outside of the PAGA period. Plaintiff will send a letter to the LWDA
23 to provide notice of this Settlement.

24 **30. Release of PAGA Claims by Plaintiff and the PAGA Employees.** Upon the entry
25 of an order by the Court granting final approval of this Settlement, and except as to such rights or
26 claims as may be created by this Agreement, Plaintiff, in his capacity as proxy for the State of
27 California and/or the LWDA, and as a private attorney general acting on behalf of himself and the
28 PAGA Employees, and each of the PAGA Employees and the LWDA, shall be deemed to have, and

1 by operation of the Order of Final Approval of Settlement and Judgment entered by the Court shall
2 have, fully, finally and forever released, relinquished and discharged the Releasees from all claims
3 arising during the PAGA Period seeking civil penalties under the Private Attorneys General Act,
4 California Labor Code section 2698, *et seq.*, that Plaintiff in his capacity as proxy for the State of
5 California and/or the LWDA, to the maximum extent permitted by law, and as a private attorney
6 general acting on behalf of himself and the PAGA Employees, asserted or that could reasonably have
7 asserted based on the facts alleged in the Operative Complaint and/or the LWDA letter, including but
8 not limited to all such claims arising under the California Labor Code (including, but not limited to,
9 sections 200, 201, 202, 203, 204, 210, 212, 215, 216, 218.6, 223, 225, 226, 226.6, 226.7, 354, 408,
10 510, 512, 553, 558, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2698 and 2699, *et seq.*, as
11 alleged in the Operative Complaint) and/or the wage orders of the California Industrial Welfare
12 Commission-and any other Labor Code section or Wage Order based the facts alleged in the Operative
13 Complaint. Collectively, these claims shall be referred to as the “**PAGA Released Claims.**” This
14 release shall release all PAGA Released Claims by or on behalf of Plaintiff and all PAGA Employees
15 and the LWDA through the end of the PAGA Period and for the entire PAGA Period regardless of
16 whether Plaintiff and/or a PAGA Employee negotiates their/his/her settlement checks sent pursuant
17 to this Settlement and regardless of whether any such PAGA Employee opts out and excludes himself
18 or herself from the Settlement as a Class Member.

19 **31. Release of Class Claims by FCRA Class Members Including Plaintiff.** Upon the
20 entry of an order by the Court granting final approval of this Settlement, and except as to such rights
21 or claims as may be created by this Agreement, Plaintiff and each Participating Class Member who
22 has not properly submitted a timely and valid request to “opt-out” or be excluded from the Action,
23 and without the need to manually sign a release document, in exchange for the consideration recited
24 in this Agreement (whether later received or not), on behalf of himself or herself and on behalf of
25 his/her current, former, and future heirs, executors, administrators, attorneys, agents, successors and
26 assigns, shall hereby fully, finally and forever waive, release, relinquish and discharge the Releasees
27 from all class claims alleged or that could have been alleged based on the facts in the Operative
28 Complaint which occurred during the FCRA Class Period, including but not limited to claims for: 15

1 U.S.C. § 1681b of the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. §§ 1681d and 1681g of the
2 FCRA, California Civil Code Section 1786, *et seq.* (the Investigative Consumer Reporting Agencies
3 Act (“ICRAA”)), and California Civil Code Section 1785, *et seq.* (the Consumer Credit Reporting
4 Agencies Act (“CCRAA”)). Collectively, these claims shall be referred to as the “**FCRA Released**
5 **Claims.**”

6 32. **Mutual Release of Claims between DIRECTAPPS, INC and MCKESSON**
7 **CORPORATION and between DIRECTAPPS, INC and EDGE SOLUTIONS &**
8 **CONSULTING, INC..** Upon the entry of an order by the Court granting final approval of this
9 Settlement, and except as to such rights or claims as may be created by this Agreement,
10 DIRECTAPPS, INC. including its current, former, and future heirs, executors, administrators,
11 attorneys, agents, successors and assigns, shall hereby fully, finally and forever waive, release,
12 relinquish and discharge MCKESSON CORPORATION and EDGE SOLUTIONS &
13 CONSULTING, INC. and each of their past and current parents, subsidiaries, affiliates, trusts, trust
14 funds, investors and related entities or companies, and each of their respective owners, partners,
15 members, shareholders, officers, directors, employees, agents, managing agents, attorneys,
16 representatives, fiduciaries, trustees, insurers and other service providers, and their respective
17 predecessors, successors, and assigns from all claims, including any claims for indemnification,
18 arising out of the Operative Complaint; and MCKESSON CORPORATION and EDGE
19 SOLUTIONS & CONSULTING, INC. and their current, former, and future heirs, executors,
20 administrators, attorneys, agents, successors and assigns, shall hereby fully, finally and forever waive,
21 release, relinquish and discharge DIRECTAPPS, INC. and each of its past and current parents,
22 subsidiaries, affiliates, trusts, trust funds, investors and related entities or companies, and each of its
23 respective owners, partners, members, shareholders, officers, directors, employees, agents, managing
24 agents, attorneys, representatives, fiduciaries, trustees, insurers and other service providers, and its
25 respective predecessors, successors, and assigns from all claims, including any claims for
26 indemnification, arising out of the Operative Complaint. With respect to any claims between
27 DIRECTAPPS, INC. and MCKESSON CORPORATION and any claims between DIRECTAPPS,
28 INC. and EDGE SOLUTIONS & CONSULTING, INC., such claims shall be generally released, and

1 for the releases described in this paragraph, Defendants expressly waive the provisions of California
2 Civil Code section 1542, which provides as follows:

3 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
4 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO**
5 **EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**
6 **RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
7 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
8 **DEBTOR OR RELEASED PARTY.**

9 **33. Waiver and Release by Class Counsel.** As of the date the Judgment becomes final,
10 and except as otherwise provided by this Agreement, Class Counsel and any counsel associated with
11 Class Counsel hereby waive any claim to costs and attorneys' fees and expenses against the Releasees
12 arising from or related to the Action, including but not limited to claims based on the California Labor
13 Code, the California Civil Code, the California Code of Civil Procedure, the Fair Credit Reporting
14 Act (15 U.S.C. 1682, *et seq.*), or any other statute or law (the "Class Counsel Released Claims").
15 Class Counsel further understands and agrees that the fees, costs and expenses provided in this
16 Agreement are intended to cover all fees, costs and expenses incurred by Class Counsel relating to
17 the Action, including any fees and costs incurred post-judgment relating to the administration of the
18 Settlement and/or relating to any appeal, writ or other proceeding.

19 **34. California Labor Code Sections 206 and 206.5 Do Not Apply.** The Parties agree
20 that this Settlement involves the settlement of highly contested and disputed claims, such that the
21 provisions of California Labor Code sections 206 and 206.5 are not applicable to this Settlement or
22 the Releases required by this Agreement.

23 **35. Motion for Preliminary Approval of Settlement by the Court.** Class Counsel will
24 move the Court for an order granting Preliminary Approval of the Settlement (the "Motion for
25 Preliminary Approval") and conditionally certifying the Settlement Classes for settlement purposes
26 only, appointing the Claims Administrator, appointing Class Counsel, setting a date for the Final
27 Approval Hearing, and approving the Class Notice. Should the Court decline to preliminarily approve
28 all material aspects of the Settlement, or order material changes to the Settlement to which the Parties

1 do not agree, any Party shall have the right to terminate the Agreement by providing written notice
2 of termination to the other Parties and upon such termination the Settlement will be null and void and
3 the Parties will have no further obligations under it; provided, however, that prior to terminating the
4 Agreement the Parties agree to first meet and confer in good faith to address and attempt to resolve
5 the Court's concerns. Prior to filing the Motion for Preliminary Approval, Class Counsel must
6 provide a draft of the Motion for Preliminary Approval to Defense Counsel to allow ten calendar days
7 for review, comment and approval.

8 **36. Notice of Settlement to the LWDA.** Pursuant to PAGA, at the same time that
9 Plaintiff files the Motion for Preliminary Approval with the Court, Plaintiff will also submit the
10 required notice of PAGA settlement to the LWDA along with a copy of this Agreement, and Class
11 Counsel will take all reasonable steps necessary to timely notify the LWDA of the settlement of the
12 PAGA claims, per the requirements set forth in Labor Code section 2699(l)(2), including the
13 submission of the [Proposed] Final Order Approving Settlement to the LWDA at the time of filing
14 the Motion for Final Approval of the Settlement. The Parties will cooperate fully in requesting the
15 settlement of the PAGA claims and entry of a final judgment by the Court, and Class Counsel will
16 timely notify the LWDA of the final judgment pursuant to Labor Code section 2699(l)(3). It is the
17 intent of the Parties that upon entry of the Judgment, all claims for PAGA penalties as alleged in the
18 Action during the PAGA Period shall be deemed settled and resolved, including with respect to any
19 members of the Class who elected to opt-out of the Action.

20 **37. Duties of the Claims Administrator.** The Parties have agreed to the appointment of
21 Phoenix Class Action Administration Solutions (the "Claims Administrator"), or such other
22 independent administrator as the Court might approve, to provide all reasonable and necessary
23 services to effectuate the Settlement, including to mail the Class Notice, to independently review and
24 verify documentation associated with any submitted objections, disputes or opt-out requests, to
25 provide weekly reports of such to counsel for the Parties, to compute and pay the appropriate sums
26 from the GSA, and to perform such other duties as are reasonable and customary for a third-party
27 claims administrator. The Claims Administrator's estimate of its costs/fees for the administration of
28 the Settlement is \$26,000.00. The actual fees and costs of the Claims Administrator, which will be

1 paid out of the GSA, will not be known until all claims are administered, and will be subject to final
2 Court approval.

3 **38. List of Class Members.** Within thirty (30) days after the Court grants Preliminary
4 Approval of the Settlement, Defendants shall provide to the Claims Administrator:

5 A. A confidential and password protected electronic database with the full name,
6 last known mailing address, Social Security number and Defendants' employee identification number
7 for all Class Members ("Class Members' Data").

8 B. Corresponding to each Wage and Hour Class Member's name, Defendants
9 shall provide a figure indicating the total number of work weeks during the Wage and Hour Class
10 Period in which that Wage and Hour Class Member performed any work for Defendants as an hourly,
11 non-exempt employee and the total number of payroll periods during the PAGA Period that each
12 PAGA Employee received a paycheck. That number of work weeks shall be referred to as that Wage
13 and Hour Class Member's "Individual Work Weeks" and that number of payroll periods shall be
14 referred to as that PAGA Employee's "Individual Payroll Periods." If any of the Wage and Hour
15 Class Members' Data are unavailable to Defendants, Defendant will so inform Class Counsel and the
16 Parties will make their best efforts to reconstruct or otherwise agree upon the Wage and Hour Class
17 Members' Data prior to when it must be submitted to the Claims Administrator. Wage and Hour
18 Class Members' Data will otherwise remain strictly confidential and will not be disclosed to anyone,
19 except as necessary to applicable taxing authorities, or pursuant to Defendants' express written
20 authorization or by order of the Court.

21 **39. Notice to Class Members.** Upon receipt of the Class Member Data, the Administrator
22 will run the same through the NCOA database to obtain current address information. The Claims
23 Administrator will prepare for each Class Member to be sent by first-class mail a notice packet
24 containing a Notice of Pendency of Class Action Settlement, Proposed Settlement Amount for each
25 Class Member, and Hearing Date for Final Court Approval, along with other relevant information
26 (the "Class Notice") in the form attached hereto as **Exhibit "2"** and approved by the Court. The
27 Notice will be prepared in English and Spanish.

28 A. **Mailing of Class Notice.** Within fifteen (15) business days after receiving the

1 Class Members' Data, or as soon thereafter as it can do so after approval of the Class Notice by
2 counsel for the Parties, the Claims Administrator will mail the Class Notice to all identified Class
3 Members via first-class U.S. mail using the mailing address information provided by Defendants,
4 unless modified by any updated address information that the Claims Administrator obtains in the
5 course of administration of the Settlement.

6 **B. Returned Class Notice.** If a Class Notice is returned because of an incorrect
7 address, the Claims Administrator will promptly, and not later than ten (10) days from receipt of the
8 returned Class Notice, search for a more current address for the Class Member and re-mail the Class
9 Notice to the Class Member. The Claims Administrator will use the Class Members' Data and
10 otherwise work with Defendants' Counsel and Class Counsel to find a more current address. The
11 Claims Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon
12 job parameters, court orders, and fee, to trace the mailing address of any Class Member for whom a
13 Class Notice is returned by the U.S. Postal Service as undeliverable. These reasonable steps shall
14 include the tracking of all undelivered mail; performing address searches for all mail returned without
15 a forwarding address; and promptly re-mailing to Class Members, within five (5) days, for whom new
16 addresses are found. If the Class Notice is re-mailed, the Claims Administrator will note for its own
17 records and notify Class Counsel and Defendants' Counsel of the date and address of each such re-
18 mailing as part of a weekly status report provided to the Parties.

19 **40. Request for Exclusion from Settlement.** Other than with respect to the PAGA
20 Released Claims, a Class Member may request to be excluded in total from the effect of this
21 Agreement, including the Wage and Hour Released Claims and FCRA Released Claims as well as
22 the payment of the individual Wage and Hour Share and FCRA Share under this Agreement, by
23 timely mailing a letter to the Claims Administrator via First Class Mail, stating that the Class Member
24 wants to be excluded from this Settlement. This opt-out letter must include the Class Member's name,
25 address, telephone number, and signature. To be valid and timely, the request to be excluded must
26 be postmarked by no later than the date specified in the Class Notice, which shall be sixty (60) days
27 from the initial mailing of the Class Notice by the Claims Administrator. Emailing forms will not be
28 deemed sufficient. A Class Member who properly submits a valid and timely request to be excluded

1 from the Settlement shall not receive any payment in connection with this Agreement except for his
2 or her individual PAGA Share from the PAGA Settlement Amount, if applicable, and shall not be
3 bound by or receive any benefit of this Agreement, other than the effect of the PAGA Released
4 Claims. Such excluded Class Members also shall have no standing to object to the Settlement. Once
5 Preliminary Approval is granted a Class Member opting out of this Agreement may be approved only
6 by the Court or by stipulation of the Parties pursuant to the terms of this paragraph. The Claims
7 Administrator has *no authority* to accept or reject an invalid or untimely opt-out or to make any
8 representations to any person regarding whether an opt-out will be accepted or rejected. Reliance on
9 such unauthorized representations will not be deemed sufficient to overcome failure to timely and
10 properly opt-out.

11 A request for exclusion must be mailed to the Claims Administrator as follows:

12 To Claims Administrator
13 Phoenix Class Action Administration Solutions
14 Suttles v. DirectApps, Inc., et al.
[Address]
[City, State, ZIP]

15 The Claims Administrator shall then transmit the request for exclusion to counsel for the Parties as
16 follows:

17 To Class Counsel:

18 Shaun Setareh, Esq.
19 Jose Maria D. Patino, Jr., Esq.
20 SETAREH LAW GROUP
420 North Camden Drive, Suite 100
Beverly Hills, CA 90210

Counsel for DIRECTAPPS, INC.:

Christopher Onstott, Esq.
KRONICK, MOSKOWITZ, TIEDEMANN & GIRARD
1331 Garden Hwy, 2nd Floor
Sacramento, California 95833

21 Counsel for McKesson Corporation:

22 Sarah Hamilton, Esq.
23 David Yudelson, Esq.
24 CONSTANGY, BROOKS, SMITH & PROPHETE, LLP
601 Montgomery St., Suite 350
San Francisco, California 94111

Counsel for Edge Solutions & Consulting, Inc.:

Hannah Sweiss, Esq.
Ariella M. Kupetz, Esq.
FISHER & PHILLIPS LLP
444 South Flower Street, Suite 1500
Los Angeles, California 90071

25 41. **Objections to Settlement.** The Class Notice will provide that any Participating Class
26 Member who does not request exclusion from the Action and who wishes to object to the Settlement
27 may submit an objection to the Settlement in writing to the Claims Administrator (a “Written
28

1 **Objection”)** which sets forth the grounds for the objection and the other information required by this
2 paragraph and Paragraphs 42 and 43. The Written Objection must be faxed or mailed (postmarked)
3 to the Claims Administrator on or before the end of the 60-day Notice Period. The Claims
4 Administrator shall promptly transmit all Written Objections to counsel for the Parties. However,
5 any Class Member who opts-out of the Settlement shall not be permitted to object and any such
6 objections shall not be considered by the Court.

7 42. The Written Objection must state the objecting Participating Class Member’s full
8 name, address and telephone number, the written basis for each specific objection in clear and concise
9 terms and any legal support for the objection and must be signed by the Participating Class Member
10 or by a legal representative of the Participating Class Member. If a Written Objection has been
11 submitted by the deadline, it is not necessary for the Participating Class Member or counsel to appear
12 at the Final Approval hearing in order for the Court to consider the Written Objection. However, even
13 if a Participating Class Member does not timely submit a Written Objection, he/she or his/her counsel
14 may still appear at the Final Approval Hearing at his/her own expense to orally present any objections.
15 Any Participating Class Member who does not submit a Written Objection in the manner and by the
16 deadline specified above, and who fails to appear at the Final Approval Hearing to orally present an
17 objection for the first time, will be deemed to have waived any objections and will be foreclosed from
18 making any objections after the Final Approval Hearing, whether by appeal, writ or other proceeding.
19 If the objecting Participating Class Member does not formally intervene in the action and/or the Court
20 rejects the Participating Class Member’s objection, the Participating Class Member will still be bound
21 by the terms of this Agreement.

22 43. **Disputed Wage and Hour Shares.** If a Participating Class Member disputes the
23 number of work weeks used to determine his/her Wage and Hour Share, the Participating Class
24 Member may produce evidence to the Claims Administrator for the Wage and Hour Class Period
25 stating the basis of his or her disagreement and submitting supporting documentation. In order for
26 the dispute to be considered, he/she must follow the directions on the Class Notice. To be valid and
27 timely, all disputes and supporting documents must be postmarked by no later than the date specified
28 in the Class Notice, which shall be sixty (60) days from the initial mailing of the Class Notice by the

1 Claims Administrator. Defendants' employment records will be presumed to be correct unless proven
2 otherwise by the Participating Class Member. The Claims Administrator will notify the Parties of any
3 disputes, and if the Parties cannot mutually agree, the Claims Administrator will make a determination
4 of the number of work weeks to be attributed to the Participating Class Member and shall notify the
5 Participating Class Member and the Parties of its decision. The decision of the Claims Administrator
6 shall be final, binding and non-appealable.

7 **44. Report.** On a weekly basis during the 60-day Notice Period, the Claims Administrator
8 will provide the Parties with a complete and accurate list of all Class Members who sent timely
9 requests to be excluded from the Settlement and all Participating Class Members who objected to the
10 Settlement or disputed their settlement allocation. No later than seven (7) days after the deadline for
11 submission of the requests for exclusion, objections and disputes, the Claims Administrator will
12 provide the Parties with a final report of all such information.

13 **45. Declaration of Claims Administrator.** Not later than sixteen (16) court days prior
14 to the Final Approval Hearing, the Claims Administrator will provide the Parties for filing with the
15 Court a declaration of due diligence setting forth its compliance with its obligations under this
16 Agreement. Prior to the Final Approval Hearing, the Claims Administrator will supplement its
17 declaration of due diligence if any material changes occur from the date of the filing of its prior
18 declaration.

19 **46. No Solicitation of Objection; Right to Void.** Neither the Parties, nor their respective
20 counsel, will directly or indirectly solicit or otherwise encourage any Class Member to seek exclusion
21 from the Settlement, object to the Settlement, or to appeal from the Judgment. If five percent (5%)
22 or more of the Class Members submit a valid request to be excluded from the Settlement, then
23 Defendants shall each have the unilateral right to void this Settlement. Upon a decision by a
24 Defendant to void the Settlement, each other Defendant shall have seven additional days to decide
25 whether to void the Settlement. Defendants may do so by giving notice to Class Counsel and the
26 Court of their election to void the Settlement not later than seven (7) days before the Final Approval
27 Hearing. No sums shall be payable by Defendants if this Agreement is voided as provided for herein
28 with one exception: Defendants agree to pay any fees owing to the Claims Administrator for services

1 rendered in the event Defendants exercise their right to void the Settlement.

2 **47. Additional Briefing and Final Approval.** Plaintiff will timely file with the Court a
3 Motion for Final Approval of the Settlement, including the PAGA settlement, and payment of the
4 Claims Administrator's reasonable fees and expenses, with a memorandum in support of their motion;
5 and Plaintiff and Class Counsel will serve on Defendants and file with the Court a motion for awards
6 of the Class Representative Payment, the Class Counsel Fees Payment, and the Class Counsel
7 Litigation Expenses Payment pursuant to this Settlement, and memoranda in support of their motions.
8 Counsel for Defendants shall cooperate with any efforts required by the Court for either the
9 preliminary or final approval of settlement, including providing requisite evidence, data, as well as
10 testimonial or declaratory evidence. Prior to filing the Motion for Final Approval, Class Counsel
11 must provide a draft of the Motion for Final Approval and supporting papers to Defense Counsel to
12 allow 10 calendar days time for review, comment and approval.

13 **48. Right to Respond to Objections.** Before the Final Approval Hearing, the Parties
14 shall be entitled to file and serve a response to any Participating Class Member's objection to the
15 Settlement and/or reply in support of their Motion for Final Approval of the Settlement, and payment
16 of the Claims Administrator's reasonable fees and expenses to the extent that any objection to the
17 motion is filed; and Plaintiff and Class Counsel may file replies in support of their motions for the
18 Class Representative Payment, the Class Counsel Fees Payment, and the Class Counsel Litigation
19 Expenses Payment.

20 **49. Right to Void Settlement Agreement.** If the Court ultimately does not grant final
21 approval of the Settlement or grants final approval conditioned on any material change to the
22 Settlement that is not agreed to by the Parties, then any Party will have the unilateral right to void the
23 Settlement in its entirety by providing written notice of such termination to the other Parties and to
24 the Court within ten (10) days of the Court's ruling on the Settlement; provided, however, that prior
25 to terminating the Agreement the Parties agree to first meet and confer in good faith to address and
26 attempt to resolve the Court's concerns. Upon written notice of any such termination by any Party,
27 the Settlement will be null and void and the Parties will have no further obligations under the
28 Settlement, including any obligation by Defendants to pay the GSA, NSA, or any amounts that

1 otherwise would have been payable under this Agreement, except that the Party voiding the
2 Settlement will be responsible to pay the Claims Administrator's reasonable fees and expenses
3 incurred as of the date that the Party exercises the right to void the Settlement under this paragraph.
4 However, an award by the Court of a lesser amount than that sought by Plaintiff and Class Counsel
5 for the Class Representative Payment, the Class Counsel Fees Payment, or the Class Counsel
6 Litigation Expenses Payment, will not constitute a material modification to the Settlement within the
7 meaning of this paragraph and shall not render the Settlement voidable.

8 **50. Final Judgment.** Upon final approval of the Settlement by the Court at or after the
9 Final Approval Hearing, the Parties will present for the Court's approval a [Proposed] Final Order
10 and Judgment approving the Settlement pursuant to California Rules of Court, Rule 3.769(a) and a
11 Judgment pursuant to California Rules of Court, Rule 3.769(h) for entry by the Court, consistent with
12 the terms of the Settlement as approved by the Court. The Final Order and Judgment shall also
13 permanently enjoin and forever bar all Participating Class Members from prosecuting against the
14 Releasees any claims within the scope of the Releases contained in this Agreement.

15 **51. Continuing Jurisdiction.** After entry of the Judgment, the Court will have continuing
16 jurisdiction over the Action and the Settlement solely for purposes of (a) enforcing this Agreement,
17 (b) addressing settlement administration matters, and (c) addressing such post-Judgment matters as
18 may be appropriate under court rules or applicable law. It is the intent of the Parties that the Judgment
19 entered by the Court upon final approval of the Settlement shall have *res judicata* effect and shall be
20 final and binding upon Plaintiff and all Participating Class Members regarding all of the Participating
21 Class Members' Released Claims and PAGA Released Claims.

22 **52. Waiver of Right to Appeal.** Plaintiff, Class Counsel, Participating Class Members
23 who did not timely submit an objection to the Settlement, Defendants, and Defense Counsel, hereby
24 waive, except as provided for in this Agreement or prohibited by law, any and all rights to appeal
25 from the Judgment, including with respect to the amount of the Class Representative Payment or the
26 Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment, and including all
27 rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate
28 judgment, any extraordinary writ, and any appeal. The waiver of appeal does not include any waiver

1 of the right to oppose any appeal, appellate proceedings or post-judgment proceedings. If an appeal
2 is taken from the Judgment, the time for consummation of the Settlement (including making any
3 payments under the Settlement) will be suspended until the appeal is fully and finally resolved and
4 the Judgment, consistent with the terms of this Agreement, becomes final.

5 **53. Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.**

6 If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion,
7 petition, writ, application, or appeal, the reviewing court vacates, reverses, or modifies the Judgment
8 such that there is a material modification to the Settlement, and that court's decision is not completely
9 reversed and the Judgment is not fully affirmed on review by a higher court, then either Plaintiff or
10 Defendants will have the unilateral right to void the Settlement, which the Party must do by giving
11 written notice to the other Parties, the reviewing court, and the Court, not later than fourteen (14) days
12 after the reviewing court's decision vacating, reversing, or materially modifying the Judgment
13 becomes final; provided, however, that prior to terminating the Agreement the Parties agree to first
14 meet and confer in good faith to address and attempt to resolve the reviewing court's concerns. The
15 Party exercising its right to unilaterally void the Settlement pursuant to this provision agrees to pay
16 any fees owing to the Claims Administrator for services rendered. An order vacating, reversing or
17 modifying the Court's award of the Class Representative Payment, the Class Counsel Fees Payment,
18 and/or Class Counsel Litigation Expenses Payment will not constitute a vacation, reversal, or material
19 modification of the Judgment within the meaning of this paragraph, and shall not render the
20 Settlement voidable.

21 **54. Establishment of Settlement Account.** The Claims Administrator will establish an
22 account (the "Settlement Account") for the purpose of administering the funds described in this
23 Stipulation of Settlement. Within thirty (30) calendar days of the "Effective Date" of the Settlement
24 as defined in Paragraph 19 above, Defendant shall pay into the Settlement Account (via wire transfer)
25 the Gross Settlement Amount as defined in Paragraph 22 above.

26 **55. Qualified Settlement Fund.** The Settlement Account established by the Claims
27 Administrator shall be a "Qualified Settlement Fund" within the meaning of Section 468B of the
28 Internal Revenue Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, et seq., and shall be

1 administered by the Claims Administrator pursuant to the final terms of the Settlement as approved
2 by the Court. The Claims Administrator shall request and obtain from the IRS an appropriate Tax ID
3 for the Settlement Account. The Claims Administrator shall serve as a Trustee of the Settlement
4 Account and shall act as a fiduciary with respect to the handling, management and distribution of the
5 Settlement Account, including the handling of all tax-related issues, reporting and payments. The
6 Claims Administrator shall act in a manner necessary to qualify and maintain the Settlement Account
7 as a “Qualified Settlement Fund” and the Parties shall cooperate to ensure such treatment and shall
8 not take a position in any filing or before any tax authority inconsistent with such treatment.

9 **56. Number of Edge Solutions Employees.** EDGE SOLUTIONS & CONSULTING,
10 INC. represents that there are no more than 10 employees eligible to participate as Class Members in
11 the Settlement where EDGE SOLUTIONS & CONSULTING, INC. was the employer of record (as
12 opposed to the others where DIRECTAPPS, INC. was the employer of record).

13 **57. Payment of Shares.** Within five (5) business days after receipt of the Gross
14 Settlement Amount from Defendants, the Settlement Administrator will pay each of the following:
15 (a) to Plaintiff, the Class Representative Payment; (b) to Class Counsel, the Class Counsel Fees
16 Payment and Expenses Payment; (c) to the LWDA, the LWDA Payment; and (d) to the Claims
17 Administrator, its reasonable fees and expenses as approved by the Court. The Claims Administrator
18 shall then calculate and pay the Wage and Hour Shares and FCRA Shares, from the Settlement
19 Account, to all Participating Class Members as defined in Paragraph 9 and shall pay the PAGA
20 Shares, from the Settlement Account, to all PAGA Employees as defined in Paragraph 11. The Claims
21 Administrator shall provide such calculations in writing to Class Counsel (names and personal
22 information redacted) and Defense Counsel not later than ten (10) business days after receipt of the
23 GSA for final approval by counsel. The Claims Administrator shall pay each Wage and Hour Share,
24 FCRA Share, and PAGA Share by sending a check in the appropriate amount to the Participating
25 Class Member at the address indicated in the list of Class Member names and addresses provided by
26 Defendants, or as subsequently determined by the Claims Administrator to be the correct address.
27 Such payment shall be sent by the Claims Administrator via U.S. Mail within fifteen (15) business
28 days of its receipt from Defendants of the Gross Settlement Amount.

1 **58. Uncashed Settlement Checks.** Any checks issued by the Claims Administrator to
2 Class Members (including those who timely and validly opted-out and are only receiving a PAGA
3 Share) shall be negotiable for one hundred and eighty (180) calendar days. If a check is returned to
4 the Claims Administrator, the Claims Administrator will make all reasonable efforts to re-mail it to
5 the Class Member at his or her correct address. If any Class Member's settlement check is not cashed
6 within 120 days after its mailing, the Settlement Administrator will send the Class Member a letter or
7 postcard informing him or her that unless the check is cashed in the next 60 days, it will expire and
8 become non-negotiable, and offering to replace the check if it was lost or misplaced but not cashed.
9 Those funds represented by checks returned as undeliverable and those checks remaining un-cashed
10 for more than 180 days after issuance will be voided (collectively, the "Voided Settlement Checks")
11 and the equivalent amount will be sent to the Controller of the State of California, in the name of that
12 Class Member, to be held pursuant to the Unclaimed Property Law for the benefit of the Class
13 Member until such time as they claim their property, as allowed by law. The Parties agree this
14 disposition results in no "unpaid residue" under California Civil Procedure Code § 384 (b), as the
15 entire Net Settlement Amount will be paid to Class Members, whether or not all checks are cashed.
16 Because no unpaid residue will exist, Defendant will not be required to pay any interest on the
17 uncashed checks.

18 **59. Final Report by Claims Administrator to Court.** Within ten (10) days after final
19 disbursement of all funds from the Settlement Account, the Claims Administrator will serve on the
20 Parties for filing with the Court a declaration providing a final summary report on the disbursements
21 of all funds from the Settlement Account.

22 **60. Non-Publicity Provision.** The Parties and their counsel agree that they will not issue
23 any press releases, initiate any contact with the press, hold any press conference, respond to any press
24 inquiry, or have any communication with the press about the fact, amount or terms of the Settlement.
25 If the Parties are contacted by the press or other third-party regarding the Settlement, the Parties shall
26 be limited in their response to informing the initiating contactor that the Parties have mutually agreed
27 to a settlement and the initiating contactor should refer to the public records filed with the Court for
28 more information. In addition, the Parties and their counsel agree that they will not engage in any

1 advertising or distribute any marketing materials relating to the Settlement of this case in any manner
2 that identifies the Defendants, including but not limited to any postings on any websites maintained
3 by Class Counsel or any other websites, internet blogs, chatrooms or social media sites. Neither
4 Plaintiff nor Class Counsel will discuss the terms or the fact of the Settlement with third-parties other
5 than (1) their immediate family members, (2) their respective accountants or lawyers as necessary for
6 tax purposes; or (3) other Class Members, but such communications to Class Members must be
7 consistent with the Court-approved Class Notice being mailed by the Claims Administrator. Plaintiff
8 and Class Counsel agree not to publish any of the terms or conditions of this Settlement in any manner
9 that identifies Defendants. However, Class Counsel may identify this Settlement in other matters to
10 demonstrate their adequacy as counsel in such other matters, and Defendants may inform their
11 employees that Defendants encourage all Class Members to participate in the Settlement and that
12 opting-out will not save the Defendants any money. However, nothing herein shall prohibit
13 Defendants or their counsel from making any necessary disclosures to any government regulators, or
14 its auditors, insurers, accountants or financial institutions for legitimate business reasons, or to any
15 putative class member or individual asserting any similar claim and/or to such counsel to notify them
16 of this Settlement. This provision also does not limit or restrict the ability of Class Counsel to file
17 this Agreement with the Court or the LWDA in connection with the settlement approval process.

18 **61. No Effect on Other Benefits.** The Wage and Hour Shares, FCRA Shares, and PAGA
19 Shares will not result in any additional employee benefit payments (such as pension, ERISA, 401(k),
20 vacation or bonus) and shall not have any effect on the eligibility for, or calculation of, any past or
21 future employee benefits, vesting, credits, or hours of service, including but not limited to with respect
22 to any employee pension, 401(k), health and welfare, profit-sharing, stock option, vacation, PTO,
23 paid sick, bonus or other benefit plan or program of any kind. Plaintiff and Class Members are
24 deemed to have waived all such claims, whether known or unknown by them, as part of their release
25 of claims under this Agreement.

26 **62. No Admission of Liability.** Defendants deny that they engaged in any unlawful
27 activity, failed to comply with the law in any respect, or have any liability to anyone under the claims
28 asserted in the Action. This Agreement is entered into solely for the purpose of compromising highly

1 disputed claims. Nothing in this Agreement is intended or will be construed as an admission of
2 liability or wrongdoing by Defendants, or an admission by Plaintiff that any of his claims was non-
3 meritorious or any defense asserted by Defendants was meritorious. This Settlement and the fact that
4 Plaintiff and Defendants were willing to settle the Action will have no bearing on, and will not be
5 admissible in connection with, any litigation other than solely in connection with the Settlement or in
6 defense of any claims released or barred by this Agreement.

7 **63. No Admission of Class Certification.** Defendants have agreed not to contest the
8 certification of the Settlement Classes described in Paragraph 20 for the sole purpose of effectuating
9 this Settlement. Should the Settlement be voided by any Party pursuant to this Agreement, or not
10 approved by the Court, or should the Judgment not become Final, the certification of the Settlement
11 Classes will be deemed null and void; and the fact that Defendants were willing not to contest class
12 certification as part of the Settlement will have no bearing on, and will not be admissible in connection
13 with, the issue of whether the Settlement Classes should be certified in a non-settlement context in
14 the Action or any other action.

15 **64. Improper Use of Settlement.** Whether or not the Settlement becomes final, this
16 Stipulation of Settlement, and all documents filed with the Court pursuant to this Agreement, are
17 settlement documents and shall, pursuant to California Evidence Code section 1152 and Federal Rule
18 of Evidence 408(a), be inadmissible in evidence for any purpose in this Action or in any other civil,
19 criminal or administrative action or proceeding of any kind. The preceding sentence shall not apply
20 to an action or proceeding to approve, interpret, or enforce this Stipulation of Settlement or in defense
21 of any claims made in this or any other legal proceeding that have been released or barred, in whole
22 or in part, by this Agreement.

23 **65. Integrated Agreement.** After this Agreement is signed and delivered by all Parties
24 and their counsel, this Agreement and its exhibits will constitute the entire agreement between the
25 Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties,
26 covenants, or inducements have been made to any Party concerning this Agreement or its exhibits
27 other than the representations, warranties, covenants, and inducements expressly stated in this
28 Agreement and its exhibits.

1 66. **Modification.** This Stipulation of Settlement may not be changed, altered, or
2 modified, except in a writing signed by the Parties hereto and approved by the Court. This Stipulation
3 of Settlement may not be discharged except by performance in accordance with its terms or by a
4 writing signed by all of the Parties hereto.

5 67. **Attorney Authorization.** Class Counsel and Defense Counsel warrant and represent
6 that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action
7 required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms,
8 and to execute any other documents required to effectuate the terms of this Agreement. The Parties
9 and their counsel will cooperate with each other and use their best efforts to effect the implementation
10 of the Settlement. In the event the Parties are unable to reach agreement on the form or content of
11 any document needed to implement the Agreement, or on any supplemental provisions that may
12 become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the
13 Court, and in all cases, all such documents, supplemental provisions and assistance of the court will
14 be consistent with this Agreement.

15 68. **No Tax Advice.** The Parties and their counsel make no representations as to the tax
16 treatment or legal effect of the payments specified herein, and Class Members are not relying on any
17 statement or representation by the Parties, Class Counsel, or Defense Counsel in this regard. Plaintiff,
18 Class Members and Class Counsel understand and agree that they shall be solely responsible for the
19 payment of all applicable taxes and any penalties and interest assessed on the payments specified
20 herein, other than those amounts to be withheld and paid by the Claims Administrator, and shall hold,
21 as applicable, the Parties, Class Counsel, and/or Defense Counsel free and harmless from and against
22 any claims resulting from the tax treatment of such payments in this Agreement, including the
23 treatment of such payments as not being subject to withholding or deduction for payroll and
24 employment taxes.

25 69. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure
26 to the benefit of, the successors and assigns of each of the Parties.

27 70. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be
28 governed by and interpreted according to the laws of the State of California, without giving effect to

1 any conflict of law principles or choice of law principles.

2 71. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation
3 of this Agreement. This Agreement will not be construed against any Party on the basis that the Party
4 was the drafter or participated in the drafting.

5 72. **Continuing Cooperation.** The Parties, to the greatest extent possible, are obligated
6 to work together jointly to effectuate the Settlement, and each term therein. Unless otherwise agreed
7 by the Parties, this joint obligation includes, but is not limited to, fully documenting the Settlement,
8 expeditiously completing or filing any other required documents or pleadings, arguing that the terms
9 and conditions agreed upon should be enforced fully, commencing any required action (either in court
10 or in arbitration), jointly appealing and/or otherwise exhausting judicial review of any adverse ruling,
11 etc.

12 73. **Fair Settlement.** The Parties and their respective counsel believe and warrant that
13 this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at
14 this Agreement through arms-length negotiations, with the assistance of an experienced mediator,
15 after vigorous litigation between the Parties and after considering all relevant factors.

16 74. **Headings.** The descriptive heading of any section or paragraph of this Agreement is
17 inserted for convenience of reference only and does not constitute a part of this Agreement.

18 75. **Notice.** All notices, demands or other communications given under this Agreement
19 will be in writing and deemed to have been duly given as of the third business day after mailing by
20 United States mail, to the counsel and respective addresses provided under Paragraph 40 above.

21 76. **Execution in Counterparts.** This Agreement may be executed in one or more
22 counterparts. All executed counterparts and each of them will be deemed to be one and the same
23 instrument provided that counsel for the Parties will exchange between themselves original signed
24 counterparts. Facsimile, PDF and electronic signatures will be presumptive evidence of execution of
25 the original, which shall be produced on reasonable request. Any executed counterpart will be
26 admissible to prove the existence and contents of this Agreement.

27 77. **No Assignments.** The Parties hereto represent, covenant, and warrant that they have
28 not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or

encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged.

78. **Class Counsel Signatories.** It is agreed that, because the members of the Settlement Class are so numerous, it is impossible or impractical to have each such Class Member execute this Stipulation of Settlement. The Class Notice will advise all Class Members of the binding nature of the release, and such shall have the same force and effect as if this Stipulation of Settlement were executed by each Member of the Settlement Class.

DATED: 5/5/2025

Mark Suttles

ID: NSHuC4QULfwJebRbKs4uEXua

Plaintiff, MARK SUTTLES

DATED: _____

Defendant, DIRECTAPPS, INC

By: _____

DATED: Jun 27, 2025

Kailee Hawk

Defendant, EDGE SOLUTIONS & CONSULTING, INC.

By: Kailee Hawk

DATED: 5/23/2025

DocuSigned by:

Saralisa C. Brau

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Defendant, MCKESSON CORPORATION

By: Saralisa Brau

encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged.

78. **Class Counsel Signatories.** It is agreed that, because the members of the Settlement Class are so numerous, it is impossible or impractical to have each such Class Member execute this Stipulation of Settlement. The Class Notice will advise all Class Members of the binding nature of the release, and such shall have the same force and effect as if this Stipulation of Settlement were executed by each Member of the Settlement Class.

DATED: _____

Plaintiff, MARK SUTTLES

DATED: May 29, 2025

Defendant, DIRECTAPPS, INC

By: Peter Buck

DATED: _____

Defendant, EDGE SOLUTIONS &
CONSULTING, INC.

By: _____

DATED: _____

Defendant, MCKESSON CORPORATION

By: _____

APPROVED AS TO FORM AND CONTENT:

THE SETAREH LAW GROUP

DATED: 5/5/2025


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Shaun Setareh
Jose Maria D. Patino, Jr.
Counsel for Plaintiff MARK SUTTLES

**KRONICK, MOSKOWITZ, TIEDEMANN &
GIRARD**

DATED: 6-18-2025



Christopher Onstott
Counsel for Defendant DIRECTAPPS, INC

FISHER & PHILLIPS

DATED: 6/26/25



Hannah Sweiss, Esq.
Ariella M. Kupetz, Esq.
Counsel for Defendant EDGE SOLUTIONS &
CONSULTING, INC

**COSTANGY, BROOKS, SMITH &
PROPHETE, LLP**

DATED: June 2, 2025



Sarah Hamilton, Esq.
David Yudelson, Esq.
Dongying Zhang, Esq.
Counsel for Defendant MCKESSON
CORPORATION

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EXHIBIT 1

1 Shaun Setareh (SBN 204514)
shaun@setarehlaw.com
2 Jose Maria D. Patino, Jr. (SBN 270194)
jose@setarehlaw.com
3 Tyson Gibb (SBN 339154)
tyson@setarehlaw.com
4 SETAREH LAW GROUP
420 N. Camden Dr.
5 Beverly Hills, California 90210
Telephone (310) 888-7771
6 Facsimile (310) 888-0109

7 Attorneys for Plaintiff MARK SUTTLES

8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF PLACER
11 UNLIMITED JURISDICTION

12 MARK SUTTLES on behalf of himself, all
13 others similarly situated,

14 *Plaintiff,*

15 vs.

16 DIRECTAPPS, INC., a Delaware corporation;
EDGE SOLUTIONS & CONSULTING, INC.,
17 a California corporation; DIRECT
TECHNOLOGY, a business entity of
18 unknown form; LAUNCH CONSULTING
GROUP, business entity of unknown form;
19 AVERRO, business entity of unknown form;
and DOES 1 through 50, inclusive,

20 *Defendants.*
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Case No. S-CV-0047031

**FIRST AMENDED CLASS ACTION
COMPLAINT FOR:**

1. Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198);
2. Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198);
3. Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1 and 1198);
4. Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a));
5. Failure to Indemnify (Lab. Code § 2802);
6. Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203);
7. Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*); and
8. Penalties Pursuant to Labor Code § 2698, *et seq.*
9. Violation of 15 U.S.C. §§ 1681b(b)(2)(A) (Fair Credit Reporting Act)
10. Violation of 15 U.S.C. §§ 1681d(a)(1) and 1681g(c) (Fair Credit Reporting Act).

JURY TRIAL DEMANDED

1 Plaintiff MARK SUTTLES ("Plaintiff"), on behalf of himself, all others similarly situated,
2 aggrieved employees, the State of California, and the general public, complains and alleges as
3 follows:

4 INTRODUCTION

5 1. Plaintiff brings this class and representative action against Defendants DIRECTAPPS,
6 INC., a Delaware corporation; DIRECTAPPS, INC., a Delaware corporation; EDGE SOLUTIONS
7 & CONSULTING, INC., a California corporation; DIRECT TECHNOLOGY, a business entity of
8 unknown form; AVERRO, business entity of unknown form; MCKESSON CORPORATION, a
9 Delaware corporation; and DOES 2 through 50, inclusive (collectively referred to as "Defendants")
10 for alleged violations of the California Labor Code, applicable Industrial Welfare Commission
11 ("IWC") Wage Orders, and California Business and Professions Code. As set forth below, Plaintiff
12 alleges that Defendants have

- 13 (1) failed to pay them at least minimum wage for all hours worked;
- 14 (2) failed to pay them overtime wages at the correct rate;
- 15 (3) failed to pay them double time wages at the correct rate;
- 16 (4) failed to pay them overtime and/or double time wages by failing to include all
17 applicable remuneration in calculating the regular rate of pay;
- 18 (5) failed to provide him and all other similarly situated individuals with meal
19 periods;
- 20 (6) failed to provide them with rest periods;
- 21 (7) failed to pay them premium wages for missed meal and/or rest periods;
- 22 (8) failed to reimburse them for necessary business expenditures incurred;
- 23 (9) failed to provide them with accurate written wage statements; and
- 24 (10) failed to pay them all of their final wages following separation of employment.
- 25 (11) failed to provide proper disclosures and obtain proper authorization in
26 compliance with the FCRA in connection their hiring process.

27 Based on these alleged Labor Code and FCRA violations, Plaintiff now brings this class and
28 representative action to recover unpaid wages, liquidated damages, penalties, restitution and related

1 relief on behalf of himself, all others similarly situated, and the general public.

2 **JURISDICTION AND VENUE**

3 2. This Court has subject matter jurisdiction to hear this case because the monetary
4 damages and restitution sought by Plaintiff from Defendants conduct exceeds the minimal jurisdiction
5 of the Superior Court of the State of California.

6 3. Venue is proper in the County of Placer pursuant to Code of Civil Procedure sections
7 395(a) and 395.5 in that liability arose this county because at least some of the transactions that are
8 the subject matter of this Complaint occurred therein and/or each defendant is found, maintains
9 offices, transacts business and/or has an agent therein.

10 4. Venue is proper in Placer County because Defendants' have at all times alleged
11 herein, conducted business in Placer County, and throughout California. As such, venue is proper
12 in any county in California.

13 **PARTIES**

14 5. Plaintiff MARK SUTTLES is, and at all relevant times mentioned herein, an
15 individual residing in the State of California.

16 6. Plaintiff is informed and believes, and thereupon alleges that Defendant
17 DIRECTAPPS, INC. is, and at all relevant times mentioned herein, a Delaware corporation doing
18 business in the State of California.

19 7. Plaintiff is informed and believes, and thereupon alleges that DIRECTAPPS, INC., a
20 Delaware corporation, and at all relevant times mentioned herein, a corporation doing business in the
21 State of California.

22 8. Plaintiff is informed and believes, and thereupon alleges that Defendant EDGE
23 SOLUTIONS & CONSULTING, INC. is, and at all relevant times mentioned herein, a California
24 corporation doing business in the State of California.

25 9. Plaintiff is informed and believes, and thereupon alleges that Defendant DIRECT
26 TECHNOLOGY, a business entity of unknown form is and at all relevant times mentioned herein, a
27 business entity doing business in the State of California.

28 10. Plaintiff is informed and believes, and thereupon alleges that Defendant AVERRO, a

1 business entity of unknown form is and at all relevant times mentioned herein, a business entity doing
2 business in the State of California.

3 11. Plaintiff is informed and believes, and thereupon alleges that Defendant MCKESSON
4 CORPORATION is, and at all relevant times mentioned herein, a Delaware corporation doing
5 business in the State of California.

6 12. Plaintiff is ignorant of the true names and capacities of the defendants sued herein as
7 DOES 2 through 50, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff
8 will amend this Complaint to allege the true names and capacities of the DOE defendants when
9 ascertained. Plaintiff is informed and believes, and thereupon alleges that each of the fictitiously
10 named defendants are responsible in some manner for the occurrences, acts and omissions alleged
11 herein and that Plaintiff's alleged damages were proximately caused by these defendants, and each of
12 them. Plaintiff will amend this complaint to allege both the true names and capacities of the DOE
13 defendants when ascertained.

14 13. Plaintiff is informed and believes, and thereupon alleges that, at all relevant times
15 mentioned herein, some or all of the defendants were the representatives, agents, employees, partners,
16 directors, associates, joint venturers, joint employers, principals or co-participants of some or all of
17 the other defendants, and in doing the things alleged herein, were acting within the course and scope
18 of such relationship and with the full knowledge, consent and ratification by such other defendants.

19 14. Plaintiff is informed and believes, and thereupon alleges that, at all relevant times
20 mentioned herein, some of the defendants pursued a common course of conduct, acted in concert and
21 conspired with one another, and aided and abetted one another to accomplish the occurrences, acts
22 and omissions alleged herein.

23 **CLASS ALLEGATIONS**

24 15. This action has been brought and may be maintained as a class action pursuant to Code
25 of Civil Procedure section 382 because there is a well-defined community of interest among the
26 persons who comprise the readily ascertainable classes defined below and because Plaintiff is
27 unaware of any difficulties likely to be encountered in managing this case as a class action.

28 16. **Relevant Time Period:** The relevant time period is defined as the time period during

the Wage and Hour Class Period, October 22, 2016, through November 3, 2022.

Hourly Employee Class: All persons employed by Defendants, collectively or separately, and/or any staffing agencies and/or any other third parties in hourly or non-exempt positions in California four years prior to the filing of this action and ending on the date that final judgment is entered in this action (“Hourly Employee Class”).

Meal Period Sub-Class: All **Hourly Employee Class** members who worked in a shift in excess of five hours during the four years prior to the filing of this action and ending on the date that final judgment is entered in this action.

Rest Period Sub-Class: All **Hourly Employee Class** members who worked a shift of at least three and one-half (3.5) hours the four years prior to the filing of this action and ending on the date that final judgment is entered in this action.

Waiting Time Penalties Sub-Class: All **Hourly Employee Class** members who separated from their employment with Defendants during the period beginning three years before the filing of this action and ending when final judgment is entered.

Wage Statement Class: All persons employed by Defendants in California during the period beginning one year before the filing of this action and ending when final judgment is entered.

Reimbursement Class: All persons employed by Defendants in California who incurred unreimbursed business expenditures for Defendants during the period beginning four years before the filing of this action and ending when final judgment is entered.

UCL Class: All **Hourly Employee Class** members employed by Defendants in California during the four years prior to the filing of this action and ending on the date that final judgment is entered in this action.

The “FCRA Class” or “FCRA Class members”:

All of Defendants’ current, former and prospective applicants for employment in the United States who applied for a job with Defendants at any time during the period for which a background check was performed during the FCRA Class Period, October 22, 2015 through November 3, 2022.

17. **Reservation of Rights:** Pursuant to Rule of Court 3.765(b), Plaintiff reserves the right to amend or modify the class definitions with greater specificity, by further division into sub-classes and/or by limitation to particular issues.

18. **Numerosity:** The class members are so numerous that the individual joinder of each individual class member is impractical. While Plaintiff does not currently know the exact number of class members, Plaintiff is informed and believes, and thereupon alleges that the actual number exceeds the minimum required for numerosity under California law.

19. **Commonality and Predominance:** Common questions of law and fact exist as to all class members and predominate over any questions which affect only individual class members. These common questions include, but are not limited to:

- 1 A. Whether Defendants maintained a policy or practice of failing to provide
2 employees with their meal periods;
- 3 B. Whether Defendants maintained a policy or practice of failing to provide
4 employees with their rest periods;
- 5 C. Whether Defendants failed to pay premium wages to class members when they
6 have not been provided with required meal and/or rest periods;
- 7 D. Whether Defendants failed to pay minimum and/or overtime wages to class
8 members as a result of policies that fail to provide meal periods in accordance
9 with California law;
- 10 E. Whether Defendants failed to pay minimum and/or overtime wages to class
11 members for all time worked;
- 12 F. Whether Defendants failed to provide class members with accurate written
13 wage statements as a result of providing them with written wage statements
14 with inaccurate entries for, among other things, amounts of gross and net
15 wages, and total hours worked;
- 16 G. Whether Defendants applied policies or practices that result in late and/or
17 incomplete final wage payments;
- 18 H. Whether Defendants are liable to class members for waiting time penalties
19 under Labor Code section 203;
- 20 I. Whether Defendants failed to reimburse class members for necessary business
21 expenditures incurred; and
- 22 J. Whether class members are entitled to restitution of money or property that
23 Defendants may have acquired from them through unfair competition;
- 24 K. Whether Defendants failed to comply with the requirements of 15 U.S.C. § 7001
25 section 101(c)(1);
- 26 L. Whether Defendants willfully failed to provide the class with stand-alone written
27 disclosures before obtaining a credit or background report in compliance with the
28 statutory mandates;

1 M. Whether Defendants willfully failed to give a proper summary of rights to class
2 members in violation of the FCRA; and

3 N. Whether Defendants willfully failed to comply with the FCRA

4 20. **Typicality:** Plaintiff's claims are typical of the other class members' claims. Plaintiff
5 is informed and believes and thereupon alleges that Defendants have a policy or practice of failing to
6 comply with the Labor Code, Industrial Welfare Commission Wage Orders, Business and Professions
7 Code, as well as other California state statutes, as alleged in this Complaint.

8 21. **Adequacy of Class Representative:** Plaintiff is an adequate class representative in
9 that he has no interests that are adverse to, or otherwise conflict with, the interests of absent class
10 members and is dedicated to vigorously prosecuting this action on their behalf. Plaintiff will fairly
11 and adequately represent and protect the interests of the other class members.

12 22. **Adequacy of Class Counsel:** Plaintiff's counsel are adequate class counsel in that
13 they have no known conflicts of interest with Plaintiff or absent class members, are experienced in
14 wage and hour class action litigation, and are dedicated to vigorously prosecuting this action on behalf
15 of Plaintiff and absent class members.

16 23. **Superiority:** A class action is vastly superior to other available means for fair and
17 efficient adjudication of the class members' claims and would be beneficial to the parties and the
18 Court. Class action treatment will allow a number of similarly situated persons to simultaneously and
19 efficiently prosecute their common claims in a single forum without the unnecessary duplication of
20 effort and expense that numerous individual actions would entail. In addition, the monetary amounts
21 due to many individual class members are likely to be relatively small and would thus make it difficult,
22 if not impossible, for individual class members to both seek and obtain relief. Moreover, a class
23 action will serve an important public interest by permitting class members to effectively pursue the
24 recovery of monies owed to them. Further, a class action will prevent the potential for inconsistent
25 or contradictory judgments inherent in individual litigation.

26 **GENERAL ALLEGATIONS**

27 24. Plaintiff worked for Defendants as a non-exempt, hourly employee from
28 approximately June of 2019 through March of 2020.

1 25. Plaintiff and Class members were not paid proper wages for all hours worked. Plaintiff
2 and class members were regularly required to work pre-shift and port-shift hours, off the clock, for
3 which they were never paid wages. Defendants also had a policy of automatically deducting thirty
4 minutes from Plaintiff's and class members' paychecks for unpaid meal periods, regardless of
5 whether they took a meal period or not. These uncompensated hours include transporting necessary
6 tools and equipment in executing their duties under Defendants' employ. Additionally, Plaintiff and
7 Class Members were regularly required to work during unpaid meal periods which they were
8 systemically denied. These uncompensated hours were worked in excess of eight (8) hours a day
9 and/or forty (40) hours a week entitled Plaintiff and Class Members to overtime wages which they
10 were systemically denied.

11 26. Plaintiff and the putative class members were not provided with meal periods of at
12 least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy and practice
13 of not scheduling each meal period as part of each work shift; (2) no formal written meal period
14 policy that encouraged employees to take their meal or advising them of their rights to take compliant
15 meal periods; and (4) required Plaintiff and putative class members to work through their meal
16 periods which they were systemically denied.

17 27. Plaintiff and the putative class members were not provided with rest periods of at
18 least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1)
19 Defendants' policy and practice of not scheduling each rest period as part of each work shift; (2) no
20 formal written rest period policy that encouraged employees to take their rest periods or advising
21 them of their rights to take compliant rest periods; and (4) required Plaintiff and putative class
22 members to work through their rest periods which they were systemically denied.

23 28. As such, Plaintiff alleges that, at relevant times during the applicable limitations
24 period, due to Defendants above-mentioned policies or practices, Plaintiff and the putative class did
25 not receive their full, uninterrupted, thirty (30) minute meal periods that they were entitled under
26 California law.

27 29. As such, Plaintiff alleges that, at relevant times during the applicable limitations
28 period, due to Defendants above-mentioned policies or practices, Plaintiff and the putative class did

1 not receive their full, uninterrupted, ten (10) minute rest periods for every four hours of work, or
2 major fraction thereof, that they were entitled under California law.

3 30. Plaintiffs and the putative class members were not provided with meal periods of at
4 least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy of not
5 scheduling each meal period as part of each work shift; (2) chronically understaffing each work shift
6 with not enough workers; (3) imposing so much work on each employee such that it made it unlikely
7 that an employee would be able to take their breaks if they wanted to finish their work on time; and
8 (4) no formal written meal and rest period policy that encouraged employees to take their meal and
9 rest periods.

10 31. As a result of Defendants' policy, Plaintiffs and the putative class were regularly not
11 provided with uninterrupted meal periods of at least thirty (30) minutes for each five (5) hours
12 worked due to complying with Defendants' productivity requirements that required Plaintiffs and
13 the putative class to work through their meal periods in order to complete their assignments on time.

14 32. As such, Plaintiff alleges that, at relevant times during the applicable limitations
15 period, due to Defendants above-mentioned policies or practices, Plaintiff and the putative class did
16 not receive their full, uninterrupted, thirty (30) minute meal periods that they were entitled under
17 California law.

18 33. As such, Plaintiff alleges that, at relevant times during the applicable limitations
19 period, due to Defendants above-mentioned policies or practices, Plaintiff and the putative class did
20 not receive their full, uninterrupted, ten (10) minute rest periods for every four hours of work, or
21 major fraction thereof, that they were entitled under California law. Plaintiff and the putative class
22 were required to work through their rest periods which they were systemically denied.

23 34. Plaintiff and the putative class were not provided with accurate wage statements as
24 mandated by law pursuant to Labor Code section 226. Specifically, Defendants failed to issue wage
25 statements as "a detachable part of the check, draft, or voucher paying the employee's wages, or
26 separately if wages are paid by personal check or cash, an accurate itemized statement in writing."
27 Additionally, the wage statements issued to Plaintiff and class members were not recorded in "ink
28 or other indelible form."

1 35. Defendants failed to comply with Labor Code section 226(a)(1) as “gross wages
2 earned” were not accurately reflected in that: all hours worked, including overtime, were not included.

3 36. Defendants failed to comply with Labor Code section 226(a)(2) as “total hours worked
4 by the employee” were not accurately reflected in that: all hours worked, including overtime, were
5 not included.

6 37. Defendants failed to comply with Labor Code section 226(a)(5) as “net wages earned”
7 were not accurately reflected in that: all hours worked, including overtime, were not included.

8 38. Defendants failed to comply with Labor Code section 226(a)(9) as “all applicable
9 hourly rates in effect during the pay period and the corresponding number of hours worked at each
10 hourly rate by the employee” were not accurately reflected in that: all hours worked, including
11 overtime, were not included.

12 39. Defendants also failed to reimburse Plaintiff and class members for necessary
13 expenditures in violation of Labor Code § 2802. Defendants required Plaintiff and class members to
14 maintain uniforms provided to them as a necessary condition of employment. Specifically, Plaintiff
15 and class members were provided with a uniform that consisted of a shirt. Plaintiff and class members
16 were required to maintain that uniform to be presentable and in good, clean condition by washing
17 their uniforms. Defendants did not maintain the uniforms provided to Plaintiff and class members.
18 Plaintiff and class members had to do laundry several times a week in order to maintain their uniforms
19 in a presentable condition. Plaintiff and class members were never reimbursed for such expenditures
20 necessary to maintain those uniforms in good condition.

21 40. Additionally, Plaintiff and class members were required to purchase no-slip shoes and
22 black slacks in order to execute their duties under Defendants’ employ, and for which they were never
23 reimbursed.

24 41. Plaintiff worked for Defendants from approximately June of 2019 through March of
25 2020. When Plaintiff applied for employment with Defendant, Defendants provided a disclosure and
26 authorization form to perform a background investigation.

27 42. The disclosures provided by Defendants are contrary to the FCRA. Additionally,
28 Defendants’ disclosure contained extraneous and superfluous language that does not consist solely of

1 the disclosure as required by the FCRA and/or is not clear and conspicuous.

2 43. In violation of Section 1681b(b)(2)(A) and 1681g(c) of the FCRA, the following
3 provisions of Defendant's disclosure documents contain extraneous information contrary to the language
4 of the FCRA and that violates the "solely" requirement and other provisions of the FCRA:

- 5 a. "Consumer report and/or investigative consumer report." This provision improperly
6 identifies the report as both a consumer and investigative report. Additionally, this
7 language is extraneous and noncompliant with FCRA disclosure requirements. The
8 inclusion of this section only serves to confuse applicants and make the disclosure
9 unclear.
- 10 b. "If you are hired or engaged by the Company, throughout your employment or
11 contract period, or as a permanent employee at the request of our client . . . [t]he
12 Company will only request credit reports insofar as they relate to the position for
13 which you are applying." This provision improperly refers to subsequent reports to
14 be procured throughout Plaintiff's employment. Additionally, this language is
15 extraneous and noncompliant with FCRA disclosure requirements. The inclusion of
16 this section only serves to confuse applicants and make the disclosure unclear;
- 17 c. "You have the right, upon written request made within a reasonable time after receipt
18 of this notice, to request disclosure of the nature and scope of any investigative
19 consumer report. Please be advised that the nature and scope of the most common
20 form of investigative consumer report obtained with regard to applicants for
21 employment is an investigation into your education and/or employment history." This
22 provision improperly requires Plaintiff's request the disclosure of the nature and scope
23 of the report in "writing," contrary to the FCRA. This provision also improperly limits
24 Plaintiff's right to request the disclosure of the nature and scope of the report with a
25 "reasonable time," contrary to the FCRA. Additionally, this language is extraneous
26 and noncompliant with FCRA disclosure requirements. The inclusion of this section
27 only serves to confuse applicants and make the disclosure unclear.
- 28 d. "I understand that, to the extent allowed by law, information contained in my job

1 application or otherwise disclosed to the Company by me before or during my
2 employment or contract assignment, if any, may be utilized for the purpose of
3 obtaining such consumer reports and/or investigative consumer reports about me. I
4 understand that nothing herein shall be construed as an offer of employment or
5 contract for services. This language is extraneous and noncompliant with FCRA
6 disclosure requirements. The inclusion of this section only serves to confuse
7 applicants and make the disclosure unclear.

8 e. "By my signature (including electronic) below, I certify the information provided on
9 and in connection with this form is true, accurate, and complete. I agree that this form
10 in original, faxed, photocopied or electronic form will be valid for any background
11 reports that may be requested by or on behalf of the Company." This language is
12 extraneous and noncompliant with FCRA disclosure requirements. The inclusion of
13 this section only serves to confuse applicants and make the disclosure unclear.

14 44. Furthermore, the inclusion of the extraneous provisions causes the disclosure to fail to be
15 "clear and conspicuous" and "clear and accurate," and thus violates Sections 1681b(b)(2)(A) and
16 1681d(a). More specifically, the disclosure does not comply with the "clear and conspicuous"
17 requirement because (1) the disclosure improperly refers to both a "consumer report" and an "investigative
18 consumer report" (1) the disclosure is not in all capital letters; (2) the disclosure is not in boldface to set
19 off the required disclosure which is not a permissible element in an FCRA disclosure and reduces clarity
20 as to what rights each applicant or employee possesses. The FCRA disclosure should be a standalone
21 document and, if desired, a bare authorization to obtain information, without being weighed down by
22 irrelevant state law references, confusing and contradictory rights summaries, and impermissible
23 references to side documents containing information not set forth in the attempted disclosure.

24 45. Defendants did not provide legally compliant disclosure and authorization forms to
25 Plaintiff and the putative class as they contained extraneous and superfluous language such as the
26 inclusion of the authorization and release with the disclosure form.

27 46.

28 **FIRST CAUSE OF ACTION**

1 **FAILURE TO PROVIDE MEAL PERIODS**

2 **(Lab. Code §§ 204, 223, 226.7, 512 and 1198)**

3 **(Plaintiff and Meal Period Sub-Class)**

4 47. Plaintiff incorporates by reference the preceding paragraphs of the Complaint as if
5 fully alleged herein.

6 48. At all relevant times, Plaintiff and the **Meal Period Sub-Class** members have been
7 non-exempt employees of Defendant entitled to the full meal period protections of both the Labor
8 Code and the applicable Industrial Welfare Commission Wage Order.

9 49. Labor Code section 512 and Section 11 of the applicable Industrial Welfare
10 Commission Wage Order impose an affirmative obligation on employers to provide non-exempt
11 employees with uninterrupted, duty-free meal periods of at least thirty minutes for each work period
12 of five hours, and to provide them with two uninterrupted, duty-free meal periods of at least thirty
13 minutes for each work period of ten hours.

14 50. Labor Code section 226.7 and Section 11 of the applicable Industrial Welfare
15 Commission Wage Order ("Wage Order") both prohibit employers from requiring employees to work
16 during required meal periods and require employers to pay non-exempt employees an hour of
17 premium wages on each workday that the employee is not provided with the required meal period.

18 51. Compensation for missed meal periods constitutes wages within the meaning of Labor
19 Code section 200.

20 52. Labor Code section 1198 makes it unlawful to employ a person under conditions that
21 violate the applicable Wage Order.

22 53. Section 11 of the applicable Wage Order states:

23 "No employer shall employ any person for a work period of more than five (5) hours
24 without a meal period of not less than 30 minutes, except that when a work period of
25 not more than six (6) hours will complete the day's work the meal period may be
26 waived by mutual consent of the employer and employee. Unless the employee is
27 relieved of all duty during a 30 minute meal period, the meal period shall be considered
28 an 'on duty' meal period and counted as time worked. An 'on duty' meal period shall
be permitted only when the nature of the work prevents an employee from being
relieved of all duty and when by written agreement between the parties an on-the-job
paid meal period is agreed to. The written agreement shall state that the employee
may, in writing, revoke the agreement at any time."

1 54. At all relevant times, Plaintiff was not subject to a valid on-duty meal period
2 agreement. Plaintiff is informed and believes that, at all relevant times, **Meal Period Sub-Class**
3 members were not subject to valid on-duty meal period agreements with Defendants.

4 55. Plaintiff alleges that, at all relevant times during the applicable limitations period,
5 Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period**
6 **Sub-Class** with uninterrupted, duty-free meal periods for at least thirty (30) minutes for each five (5)
7 hour work period, as required by Labor Code section 512 and the applicable Wage Order.

8 56. Plaintiff alleges that, at all relevant times during the applicable limitations period,
9 Defendants maintained a policy or practice of failing to pay premium wages to **Meal Period Sub-**
10 **Class** members when they worked five (5) hours without clocking out for any meal period.

11 57. Plaintiff alleges that, at all relevant times during the applicable limitations period,
12 Defendants maintained a policy or practice of automatically deducting one-half hour or one hour for
13 a meal period from the paychecks of **Meal Period Sub-Class** members on each day they worked,
14 regardless of whether or not they were able to take an uninterrupted, duty-free meal period.

15 58. Plaintiff alleges that, at all relevant times during the applicable limitations period,
16 Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period**
17 **Sub-Class** with a second meal period when they worked shifts of ten or more hours and failed to pay
18 them premium wages as required by Labor Code 512 and the applicable Wage Order.

19 59. Moreover, Defendants written policies fail to inform Meal period Class Members of
20 their meal period rights under the Labor Code and applicable Wage Orders.

21 60. At all relevant times, Defendants failed to pay Plaintiff and the **Meal Period Sub-**
22 **Class** members additional premium wages, and/or were not paid premium wages at the employees'
23 regular rates of pay when required meal periods were not provided.

24 61. Pursuant to Labor Code section 204, 218.6, 226.7 and 512, Plaintiff, on behalf of
25 himself and the **Meal Period Sub-Class** members, seek to recover unpaid premium wages, interest
26 thereon, and costs of suit.

27 62. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the
28 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and the

1 **Meal Period Sub-Class** members, seek to recover reasonable attorneys' fees.

2 **SECOND CAUSE OF ACTION**

3 **FAILURE TO PROVIDE REST PERIODS**

4 **(Lab. Code §§ 204, 223, 226.7 and 1198)**

5 **(Plaintiff and Rest Period Sub-Class)**

6 63. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
7 herein.

8 64. At all relevant times, Plaintiff and the **Rest Period Sub-Class** members have been
9 non-exempt employees of Defendants entitled to the full rest period protections of both the Labor
10 Code and the applicable Wage Order.

11 65. Section 12 of the applicable Wage Order imposes an affirmative obligation on
12 employers to permit and authorize employees to take required rest periods at a rate of no less than ten
13 minutes of net rest time for each four hour work period, or major fraction thereof, that must be in the
14 middle of each work period insofar as practicable.

15 66. Labor Code section 226.7 and Section 12 of the applicable Wage Order both prohibit
16 employers from requiring employees to work during required rest periods and require employers to
17 pay non-exempt employees an hour of premium wages at the employees' regular rates of pay, on each
18 workday that the employee is not provided with the required rest period(s).

19 67. Compensation for missed rest periods constitutes wages within the meaning of Labor
20 Code section 200.

21 68. Labor Code section 1198 makes it unlawful to employ a person under conditions that
22 violate the Wage Order.

23 69. Plaintiff alleges that, at all relevant times during the applicable limitations period,
24 Defendants maintained a policy or practice of not providing members of the **Rest Period Sub-Class**
25 with net rest period of at least ten minutes for each four hour work period, or major fraction thereof,
26 as required by the applicable Wage Order.

27 70. At all relevant times, Defendants failed to pay Plaintiff and the **Rest Period Sub-Class**
28 members additional premium wages when required rest periods were not provided.

1 71. Specifically, Defendants written policies do not provide that employees may take a
2 rest period for each four hours worked, or major fraction thereof, and that rest periods should be taken
3 in the middle of each work period insofar as practicable.

4 72. Pursuant to Labor Code section 204, 218.6 and 226.7, Plaintiff, on behalf of herself
5 and **Rest Period Sub-Class** members, seek to recover unpaid premium wages, interest thereon, and
6 costs of suit.

7 73. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the
8 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and **Rest**
9 **Period Sub-Class** members, seek to recover reasonable attorneys' fees.

10 **THIRD CAUSE OF ACTION**

11 **FAILURE TO PAY HOURLY AND OVERTIME WAGES**

12 **(Lab. Code §§ 223, 510, 1194, 1197 and 1198)**

13 **(Plaintiff and Hourly Employee Class)**

14 74. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
15 herein.

16 75. At all relevant times, Plaintiff and **Hourly Employee Class** members are or have been
17 non-exempt employees of Defendants entitled to the full protections of the Labor Code and the
18 applicable Wage Order.

19 76. Section 2 of the applicable Wage Order defines "hours worked" as "the time during
20 which an employee is subject to the control of the employer, and includes all the time the employee
21 is suffered or permitted to work, whether or not required to do so."

22 77. Section 4 of the applicable Wage Order requires an employer to pay non-exempt
23 employees at least the minimum wage set forth therein for all hours worked, which consist of all hours
24 that an employer has actual or constructive knowledge that employees are working.

25 78. Labor Code section 1194 invalidates any agreement between an employer and an
26 employee to work for less than the minimum or overtime wage required under the applicable Wage
27 Order.

28 79. Labor Code section 1194.2 entitles non-exempt employees to recover liquidated

1 damages in amounts equal to the amounts of unpaid minimum wages and interest thereon in addition
2 to the underlying unpaid minimum wages and interest thereon.

3 80. Labor Code section 1197 makes it unlawful for an employer to pay an employee less
4 than the minimum wage required under the applicable Wage Order for all hours worked during a
5 payroll period.

6 81. Labor Code section 1197.1 provides that it is unlawful for any employer or any other
7 person acting either individually or as an officer, agent or employee of another person, to pay an
8 employee, or cause an employee to be paid, less than the applicable minimum wage.

9 82. Labor Code section 1198 makes it unlawful for employers to employ employees under
10 conditions that violate the applicable Wage Order.

11 83. Labor Code section 204 requires employers to pay non-exempt employees their earned
12 wages for the normal work period at least twice during each calendar month on days the employer
13 designates in advance and to pay non-exempt employees their earned wages for labor performed in
14 excess of the normal work period by no later than the next regular payday.

15 84. Labor Code section 223 makes it unlawful for employers to pay their employees lower
16 wages than required by contract or statute while purporting to pay them legal wages.

17 85. Labor Code section 510 and Section 3 of the applicable Wage Order require employees
18 to pay non-exempt employees overtime wages of no less than one and one-half times their respective
19 regular rates of pay for all hours worked in excess of eight hours in one workday, all hours worked in
20 excess of forty hours in one workweek, and/or for the first eight hours worked on the seventh
21 consecutive day of one workweek.

22 86. Labor Code section 510 and Section 3 of the applicable Wage Order also require
23 employers to pay non-exempt employees overtime wages of no less than two times their respective
24 regular rates of pay for all hours worked in excess of twelve hours in one workday and for all hours
25 worked in excess of eight hours on a seventh consecutive workday during the workweek.

26 87. Plaintiff is informed and believes that, at all relevant times, Defendants have applied
27 centrally devised policies and practices to her and **Hourly Employee Class** members with respect to
28 working conditions and compensation arrangements.

1 88. At all relevant times, Defendants failed to pay hourly wages to Plaintiff and **Hourly**
2 **Employee Class** members for all time worked, including but not limited to, overtime hours at
3 statutory and/or agreed rates.

4 89. At all relevant times during the applicable limitations period, Defendants maintained
5 a policy or practice of automatically deducting one-half hour or one hour from Plaintiff's timecard on
6 every workday for a meal period, regardless of whether or not Plaintiff was provided with a meal
7 period.

8 90. As a result of Defendants' policy or practice of automatically deducting one-half hour
9 or one hour from employees' timecards for every workday for a meal period, Plaintiff and **Hourly**
10 **Employee Class** members were required to perform off-the-clock work that Defendants either knew
11 or should have known they were working.

12 91. Plaintiff is informed and believes that, at all relevant times during the applicable
13 limitations period, Defendants maintained a policy or practice of not paying hourly wages to **Hourly**
14 **Employee Class** members for all time worked, including but not limited to, overtime hours at
15 statutory and/or agreed rates by suffering or permitting them to work during unpaid meal periods.

16 92. During the relevant time period, Defendants failed to pay Plaintiff and **Hourly**
17 **Employee Class** members all earned wages every pay period at the correct rates, including overtime
18 rates, because Defendants directed, permitted or otherwise encouraged Plaintiff and **Hourly**
19 **Employee Class** members to perform off-the-clock work. Specifically, Plaintiff and **Hourly Class**
20 **Members** were required to perform pre-shift and post-shift duties for which they were never paid
21 wages.

22 93. As a result of Defendants' unlawful conduct, Plaintiff and **Hourly Employee Class**
23 members have suffered damages in an amount, subject to proof, to the extent they were not paid the
24 full amount of wages earned during each pay period during the applicable limitations period,
25 including overtime wages.

26 94. Pursuant to Labor Code sections 204, 218.6, 223, 510, 1194 and 1194.2, Plaintiff, on
27 behalf of herself and **Hourly Employee Class** members, seek to recover unpaid straight time and
28 overtime wages, interest thereon and costs of suit.

95. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and **Hourly Employee Class** members, seek to recover reasonable attorneys' fees.

FOURTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE WRITTEN WAGE STATEMENTS

(Lab. Code § 226)

(Plaintiff and Wage Statement Penalties Sub-Class)

96. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

97. Labor Code section 226(a) states:

“An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee’s wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment. The deductions made from payment of wages shall be recorded in ink or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement and the record of the deductions shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California. For purposes of this subdivision, ‘copy’ includes a duplicate of the itemized statement provided to an employee or a computer-generated record that accurately shows all of the information required by this subdivision.”

98. The Division of Labor Standards Enforcement (“DLSE”) has sought to harmonize the “detachable part of the check” provision and the “accurate itemized statement in writing” provision of Labor Code section 226(a) by allowing for electronic wage statements so long as each employee retains the right to elect to receive a written paper stub or record and that those who are provided with electronic wage statements retain the ability to easily access the information and convert the electronic

1 statements into hard copies at no expense to the employee. (DLSE Opinion Letter July 6, 2006).

2 99. Plaintiff is informed and believes that, at all relevant times during the applicable
3 limitations period, Defendants have failed to provide **Wage Statement Class** members with written
4 wage statements as described above. Additionally, the wage statements issued to class members
5 failed to account for the unpaid minimum wages, overtime, and premium pay wages described
6 above.

7 100. Plaintiff is informed and believes that Defendants' failure to provide her and **Wage**
8 **Statement Class** members with accurate written wage statements were intentional in that Defendants
9 have the ability to provide them with accurate wage statements but have intentionally provided them
10 with written wage statements that Defendants have known do not comply with Labor Code section
11 226(a).

12 101. Plaintiff and **Wage Statement Class** members have suffered injuries, in that
13 Defendants have violated their legal rights to receive accurate wage statements and have misled them
14 about their actual rates of pay and wages earned. In addition, inaccurate information on their wage
15 statements have prevented immediate challenges to Defendants' unlawful pay practices, has required
16 discovery and mathematical computations to determine the amount of wages owed, has caused
17 difficulty and expense in attempting to reconstruct time and pay records, and/or has led to the
18 submission of inaccurate information about wages and deductions to federal and state government
19 agencies.

20 102. Pursuant to Labor Code section 226(e), Plaintiff, on behalf of himself and **Wage**
21 **Statement Class** members, seek the greater of actual damages or \$50.00 for the initial pay period in
22 which a violation of Labor Code section 226(a) occurred, and \$100.00 for each subsequent pay period
23 in which a violation of Labor Code section 226(a) occurred, not to exceed an aggregate penalty of
24 \$4000.00 per class member, as well as awards of reasonable attorneys' fees and costs.

25 **FIFTH CAUSE OF ACTION**

26 **FAILURE TO INDEMNIFY**

27 **(Lab. Code § 2802)**

28 **(Plaintiff and Expense Reimbursement Class)**

1 103. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
2 herein.

3 104. Labor Code section 2802(a) states:

4 “An employer shall indemnify his or her employee for all necessary expenditures or
5 losses incurred by the employee in direct consequence of the discharge of his or her
6 duties, or of his or her obedience to the directions of the employer, even though
unlawful, unless the employee, at the time of obeying the directions, believed them to
be unlawful.”

7 105. At all relevant times during the applicable limitations period, Plaintiff and the **Expense**
8 **Reimbursement Class** members incurred necessary business related expenses and costs, including
9 but not limited to, tools, equipment, fuel, and mileage costs, in executing their duties under
10 Defendants’ employ and for which they were never reimbursed.

11 106. Plaintiff is informed and believes, and thereupon alleges that the reimbursement paid
12 by Defendants was insufficient to indemnify Plaintiff and **Expense Reimbursement Class** members
13 for all necessary expenses incurred in the discharge of their duties.

14 107. At all relevant times during the applicable limitations period, Defendants required
15 Plaintiff and the **Expense Reimbursement Class** members to pay for expenses and/or losses caused
16 by Defendants’ want of ordinary care. Defendants failed to indemnify Plaintiff and **Expense**
17 **Reimbursement Class** members for all such expenditures.

18 108. Plaintiff is informed and believes that, during the applicable limitations period,
19 Defendants maintained a policy or practice of not reimbursing Plaintiff and **Expense**
20 **Reimbursement Class** members for all necessary business expenses.

21 109. Accordingly, Plaintiff and **Expense Reimbursement Class** members are entitled to
22 restitution for all unpaid amounts due and owing to within four years of the date of the filing of the
23 Complaint and until the date of entry of judgment.

24 110. Plaintiff, on behalf of himself, and **Expense Reimbursement Class** members, seek
25 interest thereon and costs pursuant to Labor Code section 218.6, and reasonable attorneys’ fees
26 pursuant to Code of Civil Procedure section 1021.5.

27 **SIXTH CAUSE OF ACTION**

28 **FAILURE TO TIMELY PAY ALL FINAL WAGES**

1 (Lab. Code §§ 201-203)

2 (Plaintiff and Waiting Time Penalties Sub-Class)

3 111. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
4 herein.

5 112. At all relevant times, Plaintiff and **Waiting Time Penalties Sub-Class** members have
6 been entitled, upon the end of their employment with Defendants, to timely payment of all wages
7 earned and unpaid before termination or resignation.

8 113. At all relevant times, pursuant to Labor Code section 201, employees who have been
9 discharged have been entitled to payment of all final wages immediately upon termination.

10 114. At all relevant times, pursuant to Labor Code section 202, employees who have
11 resigned after giving at least seventy-two (72) hours notice of resignation have been entitled to
12 payment of all final wages at the time of resignation.

13 115. Plaintiff is informed and believes that, at all relevant time during the applicable
14 limitations period, Defendants have failed to timely pay **Waiting Time Penalties Sub-Class**
15 members all of their final wages in accordance with the Labor Code.

16 116. Plaintiff is informed and believes that, at all relevant times during the applicable
17 limitations period, Defendants have maintained a policy or practice of paying **Waiting Time**
18 **Penalties Sub-Class** members their final wages without regard to the requirements of Labor Code
19 sections 201 or 202 by failing to timely pay them all final wages.

20 117. Plaintiff is informed and believes and thereupon alleges that Defendants' failure to
21 timely pay all final wages to her and **Waiting Time Penalties Sub-Class** members have been willful
22 in that Defendants have the ability to pay final wages in accordance with Labor Code sections 201
23 and/or 202 but have intentionally adopted policies or practices that are incompatible with those
24 requirements.

25 118. Pursuant to Labor Code sections 203 and 218.6, Plaintiff, on behalf of himself and
26 **Waiting Time Penalties Sub-Class** members, seek waiting time penalties from the dates that their
27 final wages have first become due until paid, up to a maximum of thirty days, and interest thereon.

28 119. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine

1 and/or the common fund doctrine, Plaintiff, on behalf of herself and **Waiting Time Penalties Sub-**
2 **Class** members, seek awards of reasonable attorneys' fees and costs.

3 **SEVENTH CAUSE OF ACTION**

4 **UNFAIR COMPETITION**

5 **(Bus. & Prof. Code §§ 17200 *et seq.*)**

6 **(Plaintiff and UCL Class)**

7 120. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
8 herein.

9 121. Business and Professions Code section 17200 defines "unfair competition" to include
10 any unlawful business practice.

11 122. Business and Professions Code section 17203-17204 allow a person who has lost
12 money or property as a result of unfair competition to bring a class action in accordance with Code
13 of Civil Procedure section 382 to recover money or property that may have been acquired from
14 similarly situated persons by means of unfair competition.

15 123. California law requires employers to pay hourly, non-exempt employees for all hours
16 they are permitted or suffered to work, including hours that the employer knows or reasonable should
17 know that employees have worked.

18 124. Plaintiff and the **UCL Class** members re-alleges and incorporates the FIRST,
19 SECOND, THIRD, and FIFTH, causes of action herein.

20 125. Plaintiff lost money or property as a result of the aforementioned unfair competition.

21 126. Defendants have or may have acquired money by means of unfair competition.

22 127. Plaintiff is informed and believes and thereupon alleges that by committing the Labor
23 Code violations described in this Complaint, Defendants violated Labor Code sections 215, 216, 225,
24 226.6, 226.7, 354, 408, 512, 510, 553, 1175, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199 and 2802,
25 which make it a misdemeanor to commit the Labor Code violations alleged herein.

26 128. Defendants have committed criminal conduct through their policies and practices of,
27 *inter alia*, failing to comport with their affirmative obligations as an employer to: provide non-exempt
28 employees with compliant meal and rest periods; pay non-exempt employees for all hours worked;

1 and reimburse them for all expenses.

2 129. Defendants' unlawful conduct as alleged in this Complaint amounts to and constitutes
3 unfair competition within the meaning of Business and Professions Code section 17200 *et seq.*
4 Business and Professions Code sections 17200 *et seq.* protects against unfair competition and allows
5 a person who has suffered an injury-in-fact and has lost money or property as a result of an unfair,
6 unlawful or fraudulent business practice to seek restitution on her own behalf and on behalf of
7 similarly situated persons in a class action proceeding.

8 130. As a result of Defendants' violations of the Labor Code during the applicable
9 limitations period, Plaintiff has suffered an injury-in-fact and has lost money or property in the form
10 of earned wages. Specifically, Plaintiff has lost money or property as a result of Defendants' conduct.

11 131. Plaintiff is informed and believes that other similarly situated persons have been
12 subject to the same unlawful policies or practices of Defendants.

13 132. Due to the unfair and unlawful business practices in violation of the Labor Code,
14 Defendants have gained a competitive advantage over other comparable companies doing business in
15 the State of California that comply with their legal obligations.

16 133. California's Unfair Competition Law ("UCL") permits civil recovery and injunctive
17 for "any unlawful, unfair or fraudulent business act or practice," including if a practice or act violates
18 or is considered unlawful under any other state or federal law.

19 134. Accordingly, pursuant to Business and Professions Code sections 17200 and 17203,
20 Plaintiffs request the issuance of temporary, preliminary and permanent injunctive relief enjoining
21 Defendants, and each of them, and their agents and employees, from further violations of the Labor
22 Code and applicable Wage Orders.

23 135. Accordingly, pursuant to Bus. & Prof. Code sections 17200 and 17203, Plaintiffs
24 request the issuance of temporary, preliminary and permanent injunctive relief enjoining Defendants,
25 and each of them, and their agents and employees, from further violations of the Labor Code and
26 applicable Industrial Welfare Commission Wage Orders; and upon a final hearing seek an order
27 permanently enjoining Defendants, and each of them, and their respective agents and employees,
28 from further violations of the Labor Code and applicable Industrial Welfare Commission Wage

1 Orders.

2 136. Pursuant to Business and Professions Code section 17203, Plaintiff, on behalf of
3 himself and **UCL Class** members, seek declaratory relief and restitution of all monies rightfully
4 belonging to them that Defendants did not pay them or otherwise retained by means of its unlawful
5 and unfair business practices.

6 137. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine
7 and/or the common fund doctrine, Plaintiff and **UCL Class** members are entitled to recover
8 reasonable attorneys' fees in connection with their unfair competition claims.

9 138. Pursuant to Business and Professions Code section 17203, Plaintiff, on behalf of
10 herself and **UCL Class** members, seek declaratory relief and restitution of all monies rightfully
11 belonging to them that Defendants did not pay them or otherwise retained by means of its unlawful
12 and unfair business practices.

13 139. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine
14 and/or the common fund doctrine, Plaintiff and **UCL Class** members are entitled to recover
15 reasonable attorneys' fees in connection with their unfair competition claims.

16 **EIGHTH CAUSE OF ACTION**

17 **CIVIL PENALTIES**

18 **(Lab. Code §§ 2698 *et seq.*)**

19 140. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
20 herein.

21 141. During the applicable limitations period, Defendants have violated Labor Code
22 sections 201, 202, 203, 204, 223, 226(a), 226.7, 510, 512, 1174, 1194, 1197, 1198 and 2802, and
23 applicable provisions of the IWC Wage Orders.

24 142. Labor Code sections 2699(a) and (g) authorize an aggrieved employee, on behalf of
25 himself and other current and former employees, to bring a representative civil action to recover
26 civil penalties pursuant to the procedures set forth in Labor Code section 2699.3 that may, but need
27 not, be brought or maintained as a class action pursuant to Code of Civil Procedure section 382.

28 143. Plaintiff, a former employee against who Defendants committed one or more of the

1 alleged Labor Code violations during the applicable limitations period, is an aggrieved employee
2 within the meaning of Labor Code section 2699(c).

3 144. Plaintiff has complied with the procedures for bringing suit specified in Labor Code
4 section 2699.3.

5 145. Pursuant to Labor Code sections 2699(a) and (f), Plaintiff seeks the following civil
6 penalties for Defendants' violations of Labor Code sections 201, 202, 203, 204, 223, 226(a), 226.7,
7 510, 512, 1174, 1194, 1197, 1198 and 2802:

- 8 A. For violations of Labor Code sections 201, 202, 203, 212, 226.7, 1194, 1198
9 and 2802, \$100 for each employee per pay period for each initial violation
10 and \$200 for each employee per pay period for each subsequent violation
11 (penalties set by Labor Code section 2699(f)(2));
- 12 B. For violations of Labor Code section 203, a penalty in an amount not
13 exceeding thirty days pay as waiting time (penalties set by Labor Code
14 section 256);
- 15 C. For violations of Labor Code section 204, \$100 for each employee for each
16 initial violation that was neither willful nor intentional, \$200 for each
17 employee, plus 25% of the amount unlawfully withheld from each employee,
18 for each initial violation that was either willful or intentional, and \$200 for
19 each employee, plus 25% of the amount unlawfully withheld from each
20 employee, for each subsequent violation, regardless of whether the
21 subsequent violation was either willful or intentional (penalties set by Labor
22 Code section 210);
- 23 D. For violations of Labor Code section 223, \$100 for each employee for each
24 initial violation that was neither willful nor intentional, \$200 for each
25 employee, plus 25% of the amount unlawfully withheld from each employee,
26 for each initial violation that was either willful or intentional, and \$200 for
27 each employee, plus 25% of the amount unlawfully withheld from each
28 employee, for each subsequent violation, regardless of whether the

subsequent violation was either willful or intentional (penalties set by Labor Code section 225.5);

E. For violations of Labor Code section 226(a), if this action is deemed to be an initial citation, \$250 for each employee for each violation. Alternatively, if an initial citation or its equivalent occurred before the filing of this action, \$1,000 for each employee for each violation (penalties set by Labor Code section 226.3);

F. For violation of Labor Code sections 510 and 512, \$50 for each employee for each initial pay period for which the employee was underpaid, and \$100 for each employee for each subsequent pay period for which the employee was underpaid (penalties set by Labor Code section 558);

G. For violations of Labor Code section 1197, \$100 for each aggrieved employee for each initial violation of Labor Code section 1197 that was intentional, and \$250 for each aggrieved employee per pay period for each subsequent violation of Labor Code section 1197, regardless of whether the initial violation was intentional (penalties set by Labor Code section 1197.1);

H. Pursuant to Labor Code section 2699(g), Plaintiff seeks award of reasonable attorneys' fees and costs in connection with her claims for civil penalties.

1. and release with the disclosure form.

NINTH CAUSE OF ACTION

FAILURE TO PROVIDE PROPER DISCLOSURE IN VIOLATION OF THE FCRA

(15 U.S.C. §§ 1681b(b)(2)(A))

(Plaintiff and FCRA Class Against All Defendants)

2. Plaintiff incorporates the preceding paragraphs of this Complaint as if fully alleged herein.

3. Defendants are "persons" as defined by Section 1681a(b) of the FCRA.

4. Plaintiff and class members are "consumers" within the meaning of Section 1681a(c) of the FCRA because they are "individuals."

1 5. Section 1681a(d)(1) of the FCRA defines “consumer report” as:

2 “The term “consumer report” means any written, oral, or other communication of any
3 information by a consumer reporting agency bearing on a consumer’s credit
4 worthiness, credit standing, credit capacity, character, general reputation, personal
5 characteristics, or mode of living which is used or expected to be used or collected in
6 whole or in part for the purpose of serving as a factor in establishing the consumer’s
7 eligibility for—

8 (A) credit or insurance to be used primarily for personal, family, or household
9 purposes;

10 (B) employment purposes; or

11 (C) any other purpose authorized under section 1681b of this title.”

12 Accordingly, a credit and background report qualifies as a consumer report.

13 6. Section 1681a(e) of the FCRA defines “investigative consumer report” as:

14 “The term ‘investigative consumer report’ means a consumer report or portion thereof
15 in which information on a consumer’s character, general reputation, personal
16 characteristics, or mode of living is obtained through personal interviews with
17 neighbors, friends, or associates of the consumer reported on or with others with whom
18 he is acquainted or who may have knowledge concerning any such items off
19 information. However, such information shall not include specific factual information
20 on a consumer’s credit record obtained directly from a creditor of the consumer or
21 from a consumer reporting agency when such information was obtained directly from
22 a creditor of the consumer or from the consumer.”

23 Accordingly, a credit and background report qualifies as an investigative consumer report.

24 7. Section 1681b(b)(2)(A) of the FCRA provides:

25 Conditions for furnishing and using consumer reports for employment purposes
26 Except as provided in subparagraph (B), a person may not procure a consumer report,
27 or cause a consumer report to be procured, for employment purposes with respect to
28 any consumer, unless—

 (i) A *clear and conspicuous* disclosure has been made in writing to the consumer
 at any time before the report is procured or caused to be procured, in a
 document that *consists solely of the disclosure*, that a consumer report may be
 obtained for employment purposes; and

 (ii) The consumer has authorized in writing (which authorization may be made on
 the document referred to in clause (i)) the procurement of the report by that
 person. (Emphasis added.)

 8. Section 1681b(b)(2)(A)(i) requires that a clear and conspicuous disclosure be made in
writing.

 9. Because Defendants’ disclosures do not meet the requirement of 15 U.S.C. section
7001(c), the disclosures do not satisfy the written requirement.

1 10. Plaintiff alleges, upon information and belief, that in evaluating her and other class
2 members for employment, Defendants procured or caused to be procured credit and background
3 reports (i.e. a consumer report and/or investigative consumer report as defined by 15 U.S.C. section
4 1681a(d)(1)(B) and 15 U.S.C. section 1681a(e)).

5 11. The purported disclosures do not meet the requirements under the law because they
6 are embedded with extraneous information, and are not clear and unambiguous disclosures in stand-
7 alone documents.

8 12. Under the FCRA, it is unlawful to procure or caused to be procured, a consumer report
9 or investigative consumer report for employment purposes unless the disclosure is made in a
10 document that consists solely of the disclosure and the consumer has authorized, in writing, the
11 procurement of the report. (15 U.S.C. § 1681b(b)(2)(A)(i)-(ii).) The inclusion of extraneous
12 information therefore violates section 1681b(b)(2)(A) of the FCRA.

13 13. Although the disclosure and authorization may be combined in a single document, the
14 Federal Trade Commission (“FTC”) has warned that the form should not include any extraneous
15 information or be part of another document. For example, in response to an inquiry as to whether the
16 disclosure may be set forth within an application for employment or whether it must be included in a
17 separate document, the FTC stated:

18 “The disclosure may not be part of an employment application because the language
19 [of 15 U.S.C. section 1681b(b)(2)(A) is] intended to ensure that it appears
20 conspicuously in a document not encumbered by any other information. The reason
for requiring that the disclosure be in a stand-alone document is to prevent consumers
from being distracted by other information side-by-side within the disclosure.”

21 14. The plain language of the statute also clearly indicates that the inclusion of a liability
22 release in a disclosure form violates the disclosure and authorization requirements of the FCRA,
23 because such a form would not consist “solely” of the disclosure. In fact, the FTC expressly warned
24 that the FCRA notice may not include extraneous information such as a release. In a 1998 opinion
25 letter, the FTC stated:

26 “[W]e note that your draft disclosure includes a waiver by the consumer of his or her
27 rights under the FCRA. The inclusion of such a waiver in a disclosure form will violate
28 section 604(b)(2)(A) of the FCRA, which requires that a disclosure consist ‘solely’ of
the disclosure that a consumer report may be obtained for employment purposes.”

1 15. In a report dated July 2011, the FTC reiterated that “the notice [under 15 U.S.C. section
2 1681b(b)(2)(A))] may not include extraneous or contradictory information, such as a request for a
3 consumer’s waiver of his or her rights under the FCRA.”

4 16. By including extraneous and unlawful information, Defendants willfully disregarded
5 the FTC’s regulatory guidance and violated section 1681b(b)(2)(A) of the FCRA. Additionally, the
6 inclusion of the extraneous provisions causes the disclosure to fail to be “clear and conspicuous” and
7 “clear and accurate” and therefore violates sections 1681b(b)(2)(A) and 1681d(a).

8 17. Defendants’ conduct in violation of section 1681b(b)(2)(A) of the FCRA was and is
9 willful. Defendants acts in deliberate or reckless disregard of their obligations and the rights of
10 applicants and employees, including Plaintiff and class members. Defendants’ willful conduct is
11 reflected by, among other things, the following facts:

- 12 A. Defendants are a large corporation with access to legal advice;
- 13 B. Defendants required a purported authorization to perform credit and
14 background checks in the process of employing the class members which,
15 although defective, evidences Defendants’ awareness of and willful failure to
16 follow the governing laws concerning such authorizations;
- 17 C. The plain language of the statute unambiguously indicates that inclusion of
18 unlawful and extraneous information in a disclosure form violates the
19 disclosure and authorization requirements; and
- 20 D. The FTC’s express statements, pre-dating Defendants’ conduct, which state
21 that it is a violation of section 1681b(b)(2)(A) of the FCRA to include a liability
22 waiver in the disclosure form.

23 18. Based upon the facts likely to have evidentiary support after a reasonable opportunity
24 to further investigation and discovery, Plaintiff alleges that Defendants have a policy and practice of
25 procuring investigative consumer reports or causing investigative consumer reports to be procured
26 for applicants and employees without informing them of their right to request a summary of their
27 rights under the FCRA at the same time as the disclosure explaining that an investigative consumer
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1 report may be made. Pursuant to that policy and practice, Defendants procured investigative
2 consumer reports or caused investigative consumer reports to be procured for Plaintiff and class
3 members, as described above, without informing class members of their rights to request a written
4 summary of their rights under the FCRA.

5 19. Accordingly, Defendants willfully violated and continue to violate the FCRA,
6 including but not limited to, sections 1681b(b)(2)(A) and 1681d(a). Defendants' willful conduct is
7 reflected by, among other things, the facts set forth above.

8 20. As a result of Defendants' unlawful procurement of credit and background reports by
9 way of their inadequate disclosures and misinformation as set forth above, Plaintiff and class members
10 have been injured, including but not limited to, having their privacy and statutory rights invaded in
11 violation of the FCRA.

12 21. Plaintiff, on behalf of herself and all class members, seek all available remedies
13 pursuant to 15 U.S.C. section 1681n, including statutory damages and/or actual damages, punitive
14 damages, injunctive and equitable relief and attorneys' fees and costs.

15 22. In the alternative to Plaintiff's allegation that these violations were willful, Plaintiff
16 alleges that the violations were negligent and seeks the appropriate remedy, if any, under 15 U.S.C.
17 section 1681o, including statutory damages and attorneys' fees and costs.

18 **TENTH CAUSE OF ACTION**

19 **FAILURE TO GIVE PROPER SUMMARY OF RIGHTS IN VIOLATION OF THE FCRA**

20 **(15 U.S.C. § 1681d(a)(1) and 1681g(c))**

21 **(Plaintiff and FCRA Class Against All Defendants)**

22 23. Plaintiff incorporates the preceding paragraphs of this Complaint as if fully alleged
23 herein.

24 24. Section 1681d(a) states:

25 (a) Disclosure of fact of preparation

26 A person may not procure or cause to be prepared an investigative consumer report on
any consumer unless—

27 (1) it is *clearly and accurately disclosed to the consumer* that an investigative
28 consumer report including information as to his character, general reputation,
personal characteristics, and mode of living, which are applicable, may be

made, and such disclosure

(A) is *made in a writing mailed, or otherwise delivered, to the consumer*, not later than three days after the date on which the report was first requested, and

(B) *includes a statement informing the consumer of his right to request the additional disclosures* provided for under subsection (b) of this section and *the written summary of the rights of the consumer prepared pursuant to section 1681g(c)* of this title; and

(Emphasis added.)

25. Section 1681d(b) states:

(b) Disclosure on request of nature and scope of investigation

Any person who procures or causes to be prepared an investigative consumer report on any consumer shall, upon written request made by the consumer within a reasonable period of time after the receipt by him of the disclosure required by subsection (a)(1), make a *complete and accurate disclosure of the nature and scope of the investigation requested*. This disclosure shall be made in a writing mailed, or after the date on which the request for such disclosure was received from the consumer or such report was first requested, whichever is the later.

(Emphasis added.)

26. As previously alleged, because Defendants' disclosures do not meet the requirement of Section 101(c)(1) of 15 U.S.C. section 7001, the disclosures do not satisfy the written requirement.

27. Moreover, even if Defendants' disclosures are deemed to satisfy Section 101(c)(1), Defendants did not comply with Section 1681d(a)(1)(b) because the disclosures fail to inform the consumer of the right to have the person who procured the report provide a complete and accurate disclosure of the nature and scope of the investigation requested.

28. Section 1681g(c) further provides for summary of rights to obtain and dispute information in consumer reports and to obtain credit scores:

(c) Summary of rights to obtain and dispute information in consumer reports and to obtain credit scores

(1) Commission

Summary of rights required

(A) In general

The Commission shall prepare a model summary of the rights of consumers under this subchapter.

(B) Content of summary

The summary of rights prepared under subparagraph (A) shall include a description of—

- (i) the right of a consumer to obtain a copy of a consumer report under subsection (a) from each consumer reporting agency;
- (ii) the frequency and circumstances under which a consumer is entitled to receive a consumer report without charge under section 1681j of this title;
- (iii) the right of a consumer to dispute information in the file of the consumer under section 1681i of this title;
- (iv) the right of a consumer to obtain a credit score from a consumer reporting agency, and a description of how to obtain a credit score;
- (v) the method by which a consumer can contact, and obtain a consumer report from, a consumer reporting agency without charge, as provided in the regulations of the Bureau prescribed under section 211(c) of the Fair and Accurate Credit Transactions Act of 2003; and
- (vi) the method by which a consumer can contact, and obtain a consumer report from, a consumer reporting agency described in section 1681a(w) of this title, as provided in the regulations of the Bureau prescribed under section 1681j(a)(1)(C) of this title.

29. Defendants did not comply with 1681g(c) because the disclosure included information contrary to the FCRA. Defendants did not comply with 1681g(c)(B)(1) because the disclosures did not state the right of a consumer to obtain a copy of a consumer report from each consumer reporting agency.

30. Defendants did not comply with 1681g(c)(B)(2) because the disclosure did not state the frequency and circumstances under which a consumer is entitled to receive a consumer report without charge.

31. Defendants did not comply with 1681g(c)(B)(4) because the disclosure did not state the right of a consumer to obtain a credit score from a consumer reporting agency and a description of how to obtain a credit score.

32. Defendants did not comply with 1681g(c)(B)(5) because the disclosure did not state the method by which a consumer can contact, and obtain a consumer report from, a consumer reporting agency without charge.

33. Defendants did not comply with 1681g(c)(B)(6) because the disclosure did not state the method by which a consumer can contact, and obtain a consumer report from, a consumer reporting agency described in section 1681a(w) of this title, as provided in the regulations of the

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Dated: May 2, 2025

SETAREH LAW GROUP

/s/Shawn Setareh
Shawn Setareh
Jose Maria D. Patino, Jr.
Tyson Gibb
Attorneys for Plaintiff
MARK SUTTLES

EXHIBIT 2

Mark Suttles v. DIRECTAPPS, INC., etl al., Case No. S-CV-0046818
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF PLACER
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

- To:
- 1.) all non-exempt employees of Defendants DIRECTAPPS, INC. and EDGE SOLUTIONS & CONSULTING, INC., employed in the state of California during the Wage and Hour Class Period and all non-exempt individuals who were placed at MCKESSON CORPORATION by DIRECTAPPS, INC. or EDGE SOLUTIONS & CONSULTING, INC. from October 22, 2016, through November 3, 2022 (“Wage and Hour Class Members”).
 - 2.) all those Wage and Hour Class Members who were employed during the period of time from October 26, 2019 through November 3, 2022 and who received at least one or more paychecks on one or more payroll periods during that time (“PAGA Employee(s)”).
 - 3.) all persons for whom Defendant DIRECTAPPS, INC. and EDGE SOLUTIONS & CONSULTING, INC. obtained a consumer report for employment purposes in California during the FCRA Class Period, including, but no limited to, those for whom DIRECTAPPS, INC. and EDGE SOLUTIONS & CONSULTING, INC. obtained a consumer report for placement at MCKESSON CORPORATION in California from October 22, 2015 through November 3, 2022 (“FCRA Class Members”).

On [DATE], the Honorable Todd Irby of the Placer County Superior Court granted preliminary approval of this class action and PAGA settlement and ordered the litigants to notify all Class Members and Aggrieved Employees of the settlement. **You have received this notice because Defendants’ records indicate that you are a Class Member and/or PAGA Aggrieved Employee, and therefore entitled to a payment from the settlement. You may be a Wage and Hour Class Member, PAGA Aggrieved Employee, and/or FCRA Class Member**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and/or PAGA Employee and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at :00 .m. on , 2024 in Department 40 of the Placer County Superior Court located at 10820 Justice Center Dr., Roseville, CA 95678.

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. The following are a list of your options:

DO NOTHING	By doing nothing, you will receive a share of the settlement proceeds, and you will give up any rights to sue Released Parties separately regarding all claims and causes of action of whatever kind or nature that are alleged, related to or that reasonably could have arisen out of the same facts alleged in the class action(s) filed on behalf of the class(es) you are included in.
ASK TO BE EXCLUDED (OPT OUT) FROM THE CLASS SETTLEMENT (BUT NOT THE	Get out of this lawsuit. Get no benefits from the Settlement. Keep all your rights. If you ask to be excluded, you will not receive a share of the Settlement proceeds, but you will keep any rights you may have to sue the Released Parties separately about the same legal claims alleged in the lawsuits.

PAGA SETTLEMENT)	
OBJECT TO THE CLASS SETTLEMENT (BUT NOT THE PAGA SETTLEMENT)	Object to the terms of the Class Settlement.

Summary of the Litigation

On October 22, 2020, Plaintiff Mark Suttles, on his own behalf and on behalf of other current and former non-exempt employees, allege that Defendants violated California state labor laws because they are alleged to have failed to pay their non-exempt employees' and/or individuals employed by third-party staffing companies who performed work for or at Defendants' locations in the state of California, and specifically that Defendants and/or their related corporate entities, owed wages, minimum wages, overtime wages, wages for all hours worked, and vacation wages; and that non-exempt employees of Defendants and/or individuals employed by the listed third-party staffing companies were deprived of meal and rest periods and were not paid one additional hour of pay at their regular rate of pay when a meal or rest period was missed; employees were not reimbursed for business expenses incurred during the discharge of their duties to Defendants; non-exempt employees of Defendants and/or individuals employed by the listed third-party staffing companies did not receive all wages due them at termination of employment; non-exempt employees of Defendants and/or individuals employed by the listed third-party staffing companies did not receive complete and accurate wage statements; Defendants did not keep complete and accurate payroll records; Plaintiff also sought restitution under the Unfair Competition Law ("UCL") (hereinafter the "Wage and Hour Action").

Also on October 22, 2020, Plaintiff filed another class action complaint for claims arising under the Fair Credit Reporting Act, 15 U.S.C. §§ 1681, *et seq.*, (hereinafter the "FCRA Action").

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On September 7, 2022, the parties participated in a mediation with Mr. Jeffrey A. Ross, an experienced and well-respected class action mediator. With Mr. Ross's guidance, the parties were able to negotiate a complete settlement of Plaintiff's claims.

Counsel for Plaintiff, the Setareh Law Group ("Class Counsel"), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendants have denied, and continue to deny the factual and legal allegations in the case and believe that they have valid defenses to Plaintiff's claims. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendants have agreed to settle the case as part of a compromise with Plaintiff.

Summary of The Proposed Settlement Terms

Plaintiff and Defendants have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$950,000, which Defendants will each contribute to as agreed to and as broken down in the Settlement Agreement. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$5,000, to Mark Suttles for his services on behalf of the class; (3) \$316,666.67 in attorneys' fees

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

and up to \$20,000 in litigation costs and expenses; (4) a \$50,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$37,500 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with PAGA, and a \$12,500 payment ("PAGA Fund") to all PAGA Employees; and (5) reasonable Settlement Administrator's fees and expenses currently estimated not to exceed \$26,000. After deducting the above payments, a total of approximately \$532,333.33 will be allocated to Participating Class Members, i.e., Class Members who do not timely opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all PAGA Employees will receive a proportional share of the \$12,500 PAGA Fund, regardless of whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Eighty-Five Percent (85%) of the NSA will be allocated for the settlement of claims arising out of the Wage and Hour Action as well as the PAGA Settlement Amount allocated to the PAGA Employees for the settlement of claims under PAGA. Fifteen Percent (15%) of the NSA will be allocated for the settlement of the claims arising out of the FCRA Action. The Claims Administrator will calculate a Wage and Hour Share (as defined below) and FCRA Share (as defined below) from the NSA for each Participating Class Member plus, if applicable, a PAGA Share (as defined below) for each PAGA Employee. The Wage and Hour Share and FCRA Share for each Participating Class Member and the PAGA Share for each PAGA Employee will be calculated as follows: The Claims Administrator shall assign to each Participating Class Member a "Settlement Ratio," which shall be a fractional number comprised of (i) that Participating Class Member's work weeks worked during the Wage and Hour Class Period as the numerator, and (ii) the aggregate total of all Participating Class Members' work weeks worked during the Wage and Hour Class Period as the denominator. The Claims Administrator shall assign to each Participating Class Member the "Wage and Hour Share" which shall be calculated by multiplying that Participating Class Member's Settlement Ratio by the amount allocated to the Wage and Hour Action from the NSA after subtracting the amount allocated to the PAGA Employees from the PAGA Settlement Amount (i.e., \$12,500.00). The Claims Administrator shall assign to each PAGA Employee a "PAGA Settlement Ratio," which shall be a fractional number comprised of (i) that PAGA Employee's payroll periods (which are weekly periods) worked during the PAGA Period as the numerator, and (ii) the aggregate total of all PAGA Employees' payroll periods worked during the PAGA Period as the denominator. The Claims Administrator shall assign to each PAGA Employee the "PAGA Share" which shall be calculated by multiplying that PAGA Employee's PAGA Settlement Ratio by the amount allocated to the PAGA Employees from the PAGA Settlement Amount after payment to the LWDA (i.e., \$12,500.00). Each Participating FCRA Class Member will receive an equal portion of the NSA allocated for the settlement of claims arising out of the FCRA Action ("FCRA Share").

Your Estimated Payment:

A. Wage and Hour Class

According to Defendants' records, you worked during the Class Period in a non-exempt position for a total of _____ work weeks. Accordingly, your estimated payment from the Net Settlement Fund as part of the Wage and Hour Class is approximately \$ _____.

B. PAGA Aggrieved Employees

According to Defendants' records, you worked during the PAGA Period in a non-exempt position for a total of _____ payroll periods. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$ _____.

C. FCRA Class

According to Defendants' records, a consumer report [was/ was not] requested for placement at MCKESSON CORPORATION in California from October 22, 2015 through November 3, 2022. Therefore you [are/are not] a member of the FCRA Class. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$ _____.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Based on the above, your total estimated payment from the settlement is approximately \$_____. If you believe the information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o _____
Fax No. _____

If you dispute the information stated above, Defendants' records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. Each Wage and Hour Share is intended, in part, to settle the Participating Class Members' claims for unpaid wages. Each Participating Class Member shall be individually responsible for the employee's share of applicable payroll tax withholdings and deductions. Accordingly, each Wage and Hour Share allocated to wages will be reduced by applicable payroll tax withholdings and deductions, and the Claims Administrator will issue a Form W-2 to each Participating Class Member for this wage portion amount from the employer of record. Each Wage and Hour Share is allocated twenty-five (25%) to wages (for which employment taxes will be deducted and W-2s issued), and seventy-five percent (75%) to interest and penalties (for which no taxes will be deducted and 1099s will be issued). Each PAGA Share will be allocated one-hundred percent (100%) to penalties (for which no taxes will be deducted and 1099s will be issued). Each FCRA Share will be allocated one-hundred percent (100%) to penalties (for which no taxes will be deducted and 1099s will be issued)

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims:

Released Class Claims by Wage and Hour Class Members: Upon the entry of an order by the Court granting final approval of this Settlement, and except as to such rights or claims as may be created by this Agreement, Plaintiff and each Participating Class Member who has not properly submitted a timely and valid request to "opt-out" or be excluded from the Action, and without the need to manually sign a release document, in exchange for the consideration recited in this Agreement (whether later received or not), on behalf of himself or herself and on behalf of his/her current, former, and future heirs, executors, administrators, attorneys, agents, successors and assigns, shall hereby fully, finally and forever waive, release, relinquish and discharge Defendants and each of their past and current parents, subsidiaries, affiliates, trusts, trust funds, investors and related entities or companies, as well as any client, contracting party, joint employer, or joint obligor of Defendants with respect to instances where any Participating Class Member may have worked for any Defendant for the benefit of said client, contracting party, joint employer, or joint obligor, or provided services through Defendants to said client, contracting party, joint employer, or joint obligor, and each of its and their respective owners, partners, members, shareholders, officers, directors, employees, agents, managing agents, attorneys, representatives, fiduciaries, trustees, insurers and other service providers, and their respective predecessors, successors, and assigns (collectively hereinafter the "Releasees"), from all class claims alleged or that could have been alleged based on the facts in the Operative Complaint that occurred during the Wage and Hour Class Period, including but not limited to claims for: (1) failure to provide meal periods pursuant to Labor Code §§ 204, 223, 226.7, 512, and 1198; (2) failure to provide rest periods

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

pursuant to Labor Code §§ 204, 223, 226.7, and 1198; (3) failure to pay hourly and overtime wages pursuant to Labor Code §§ 204, 218.6, 223, 510, 1194, 1194.2, 1197, and 1198; 4) failure to indemnify expenses pursuant to Labor Code §§ 452, 2802; (5) failure to provide accurate wages statements pursuant to Labor Code §§ 226; (6) failure to timely pay final wages pursuant to Labor Code §§ 201-203; and (7) claims for recovery under Business and Professions Code §§ 17200 et seq., as well as all claims for further compensation, damages, costs, penalties, or attorneys' fees in connection with matters arising from or related to the Action. Collectively, these claims shall be referred to as the “Wage and Hour Released Claims.” The release expressly excludes all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Wage and Hour Class Period and PAGA claims outside of the PAGA period. Plaintiff will send a letter to the LWDA to provide notice of this Settlement.

Released PAGA Claims: Upon the entry of an order by the Court granting final approval of this Settlement, and except as to such rights or claims as may be created by this Agreement, Plaintiff, in his capacity as proxy for the State of California and/or the LWDA, and as a private attorney general acting on behalf of himself and the PAGA Employees, and each of the PAGA Employees and the LWDA, shall be deemed to have, and by operation of the Order of Final Approval of Settlement and Judgment entered by the Court shall have, fully, finally and forever released, relinquished and discharged the Releasees from all claims arising during the PAGA Period seeking civil penalties under the Private Attorneys General Act, California Labor Code section 2698, et seq., that Plaintiff in his capacity as proxy for the State of California and/or the LWDA, to the maximum extent permitted by law, and as a private attorney general acting on behalf of himself and the PAGA Employees, asserted or that could reasonably have asserted based on the facts alleged in the Operative Complaint and/or the LWDA letter, including but not limited to all such claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 202, 203, 204, 210, 212, 215, 216, 218.6, 223, 225, 226, 226.6, 226.7, 354, 408, 510, 512, 553, 558, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2698 and 2699, et seq., as alleged in the Operative Complaint) and/or the wage orders of the California Industrial Welfare Commission. Collectively, these claims shall be referred to as the “PAGA Released Claims.” This release shall release all PAGA Released Claims by or on behalf of Plaintiff and all PAGA Employees and the LWDA through the end of the PAGA Period and for the entire PAGA Period regardless of whether Plaintiff and/or a PAGA Employee negotiates their/his/her settlement checks sent pursuant to this Settlement and regardless of whether any such PAGA Employee opts out and excludes himself or herself from the Settlement as a Class Member.

Released Class Claims by FCRA Class Members: Upon the entry of an order by the Court granting final approval of this Settlement, and except as to such rights or claims as may be created by this Agreement, Plaintiff and each Participating Class Member who has not properly submitted a timely and valid request to “opt-out” or be excluded from the Action, and without the need to manually sign a release document, in exchange for the consideration recited in this Agreement (whether later received or not), on behalf of himself or herself and on behalf of his/her current, former, and future heirs, executors, administrators, attorneys, agents, successors and assigns, shall hereby fully, finally and forever waive, release, relinquish and discharge the Releasees from all class claims alleged or that could have been alleged based on the facts in the Operative Complaint which occurred during the FCRA Class Period, including but not limited to claims for: 15 U.S.C. § 1681b of the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. §§ 1681d and 1681g of the FCRA, California Civil Code Section 1786, et seq. (the Investigative Consumer Reporting Agencies Act (“ICRAA”)), and California Civil Code Section 1785, et seq. (the Consumer Credit Reporting Agencies Act (“CCRAA”)). Collectively, these claims shall be referred to as the “FCRA Released Claims.”

Option 2 – Opt Out of the Class Settlement

If you do not wish to participate in the class settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

for exclusion must include your name, signature, address, and telephone number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

To be valid and timely, the request to be excluded must be postmarked by no later than the date specified in the Class Notice, which shall be sixty (60) days from the initial mailing of the Class Notice by the Claims Administrator. Emailing forms will not be deemed sufficient.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Employee, you will, however, release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement.

A Written Objection must state the objecting Participating Class Member's full name, address and telephone number, the written basis for each specific objection in clear and concise terms and any legal support for the objection and must be signed by the Participating Class Member or by a legal representative of the Participating Class Member.

The Written Objection must be faxed or mailed (postmarked) to the Claims Administrator on or before the end of the 60-day Notice Period. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only. You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Placer and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Shaun Setareh
Jose Maria D. Patino, Jr.
SETAREH LAW GROUP
420 N. Camden Dr.
Beverly Hills, California 90210
(310) 888-7771

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS' ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Joint Stipulation of Class Action and PAGA Settlement and Release of Claims

Final Audit Report

2025-06-28

Created:	2025-06-26
By:	Yessica Juarez (yjuarez@fisherphillips.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAs9eAv83muymodwl0qqDEt5cp54CSNik3

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-  Document created by Yessica Juarez (yjuarez@fisherphillips.com)
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