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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

In re: Healthnet/Centene cases

Coordinated Actions:

Flora Candelaria Alvarez, et. al. v. Health Net of
California Inc.
34-2020-00289192; Sacramento Superior Court

Ariana Carranza, et. al. v. Health Net of
California, Inc.; Centene Corporation
20STCV14774; Los Angeles Superior Court

JC 5225

Sacramento Superior Court Case No. 34-2020-
00289192

Los Angeles Superior Case No.: **19STCV15353**

[Assigned to: Hon. Jill Talley Dept. 25]

CLASS ACTION

**DECLARATION OF MARCUS J. BRADLEY
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

*(Filed concurrently with Notice of Motion and
Motion, Declaration of Plaintiffs, Declaration of
Proposed Administrator Sean Hartranft and
[Proposed] Order)*

Date: December 2, 2022

Time: 9:00 a.m.

Courtroom: 25

Judge: Hon. Jill Talley

Reservation No. 2686677

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1. I am an attorney at Bradley/Grombacher, LLP, counsel of record for Plaintiff Ariana Carranza (“Plaintiff”) in the above-captioned case. The following statements are based on my personal knowledge and review of the files and, if called on to do so, I could and would testify competently thereto.

3. I am not aware of any other class, representative or collective actions in any other court in this or any other jurisdiction that asserts claims similar to those asserted in this action on behalf of the class or group of individuals who would also be members of the class defined in this action.

4. I have been counsel for Plaintiff and the proposed class throughout this case. I am a partner at Bradley/Grombacher, LLP, which has extensive experience litigating wage and hour class and representative actions as well as complex consumer class actions. Details on the work, experience and accomplishments of the firm can be found at www.bradleygrombacher.com.

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1 LLP along with a former associate at Marlin & Saltzman, Kiley Grombacher.

2 6. I have been responsible for all facets of employment class action cases and other
3 complex litigation, from pre-filing investigation through trial and appeal. Since approximately May
4 2000, I have spent most of my time representing workers in wage and hour matters. I, along with my
5 current and former partners, have litigated these issues in class actions to favorable settlements that
6 have recouped over \$700 million in unpaid wages, including the following more notable cases:

- 7 a. *Gutierrez v. State Farm Mutual*, Los Angeles Superior Court (BC236552). Class action
8 mis-classification case seeking overtime compensation for approximately 2,600
9 insurance claims adjusters employed by State Farm. The class was certified and
10 summary adjudication was granted as to liability in favor of the class. The case settled
11 for \$135 million just prior to trial, with final approval granted with no objections filed.
- 12 b. *Bednar v. Allstate Insurance Company*, Los Angeles Superior Court (BC240813). Class
13 action mis-classification case seeking overtime compensation for approximately 1,200
14 insurance claims adjusters employed by Allstate. The class was certified and summary
15 adjudication was granted as to liability in favor of the class. The case settled for \$120
16 million just prior to trial, with final approval granted with no objections filed.
- 17 c. *Roberts v. Coast National Insurance*, Orange County Superior Court (01CC08478).
18 Class action mis-classification case seeking overtime compensation for insurance claims
19 adjusters employed by Coast National Insurance. Certification granted, and then the
20 matter was tried before a binding arbitrator. The case settled during the arbitration for in
21 excess of \$18 million.
- 22 d. *CNA Class Action Litigation*, Los Angeles Superior Court Class (JCCP 4230). Class
23 action mis-classification case seeking overtime compensation for insurance claims
24 adjusters employed by the defendant. Case settled for \$33 million, with final approval
25 granted with no objections filed.
- 26 e. *Dotson v. Royal & SunAlliance*, Orange County Superior Court (02CC01787). Class
27 action mis-classification case seeking overtime compensation for insurance claims
28 adjusters employed by Royal & SunAlliance. Case settled for \$12.3 million, with final

1 approval granted with no objections filed.

- 2 f. *Parris v. Lowe's Home Improvement*, Los Angeles County Superior Court (BC260702).
3 Class action seeking payment of "off-the-clock" hours worked by all hourly employees
4 of Lowe's Home Improvement stores in the State of California. The class was certified
5 by the Court of Appeal and remanded to the trial court for further proceedings. Shortly
6 thereafter, a \$29.5 million settlement was reached and approved without objection.
- 7 g. *Pardo v. Toyota Motor Sales, et al.*, Los Angeles County Superior Court (BC372781).
8 Class action mis-classification of workers with claims for overtime and missed meal and
9 rest breaks. The case settled for \$7.75 million and was approved with no objections.
- 10 h. *Smith/Ballard v. Wal-Mart Stores, Inc.*, United States District Court for the Northern
11 District of California (Case No. 4:06-cv-05411-SBA). Wage and hour class action
12 seeking unpaid vacation and personal time, unpaid wages, and related penalties on behalf
13 of over 245,000 employees. The action was certified and settled for \$86 million while
14 defendants' appeal of the certification was pending in the Ninth Circuit Court of
15 Appeals.
- 16 i. *Hoyng v. AON*, Los Angeles County Superior Court (BC377184). Wage and hour class
17 action seeking overtime and related compensation for mis-classification on behalf of
18 Relationship and Account Specialists. The case settled for \$10.5 million, which was
19 approved with no objections filed.
- 20 j. *In RE Bank of America Wage and Hour Employment Practices Litigation*, MDL 2138,
21 United States District Court for the District of Kansas. California state and FLSA wage
22 and hour litigation for various violations including unpaid overtime and "off-the-clock"
23 work. Settled for \$73 million.
- 24 k. *Lemus v. H & R Block Litigation*, United States District Court for the Northern District
25 of California (Case No. 3:09-cv-03179-SI) Class certified, and settlement reached prior
26 to trial. Total settlement of \$35 million.
- 27 l. *Harris v. Vector Marketing Corporation*, United States District Court for the Northern
28 District of California (Case No. 3:08-cv-05198-EMC). Class action case on behalf of

approximately 70,000 employees misclassified as “trainees.”

m. *Bickley v. Schneider National Trucking*, United States District Court for the Northern District of California (Case No. 4:08-cv-05806-JSW). Wage and hour class action on behalf of approximately 6,000 truck drivers. Settled for \$29.5million.

n. *Roberts v. TJX*, United States District Court for the Northern District of California (Case No. 13-CV-04731-MEJ). Wage and hour violations on behalf of approximately 82,000 employees. Settled for \$8.5 million.

o. *Oprychal v. New York Life Insurance*, United States District Court for the Central District of California (Case No. 2:07-cv-00518-VBF). Class action for the failure to pay commissions pursuant to a compensation plan. Settled for \$10 million.

p. *Neuvenheim v. Gamestop Corp.*, United States District Court for the Central District of California (Case No. 2:09-cv-06799-ODW). Class action on behalf of nonexempt employees for wage and hour violations.

q. *Hightower v. JP Morgan Chase*, United States District Court for the Central District of California (Case No. 2:11-cv-01802-PSG). Class action on behalf of nonexempt employees for wage and hour violations. Settled for \$12 million.

7. On many of the above cases, I was either lead or co-lead counsel, including cases in multi-district litigation or coordinated proceedings where I worked collaboratively and cooperatively with co-counsel to bring about an efficient and beneficial resolution for all class members as the above results demonstrate.

8. I have argued cases in trial courts as well as before courts of appeal. My writings on legal topics pertaining to litigating wage and hour class and representative actions have appeared in professional publications and I have been called upon to speak at conferences and seminars for professional organizations, including a recent presentation titled “Planning for and Executing Trial in Class and Collective Wage & Hour Cases.”

9. I have also been honored as a Super Lawyer in the area of class actions by Los Angeles Magazine for multiple years including 2022. I am also a member of a number of professional organizations, including the Consumer Attorneys of Los Angeles, the Consumer Attorneys of

1 California, the California Employment Lawyers Association, and the American Association for
2 Justice.

3 10. My Partner, Ms. Grombacher, specializes her practice in complex litigation, including
4 consumer and employment class actions. She has litigated hundreds of employment and consumer
5 class actions throughout her career which began at Arias, Ozzello & Gignac where she gained
6 extensive experience litigating consumer cases.

7 11. Thereafter, Ms. Grombacher joined Marlin & Saltzman in 2010 where she focused
8 her practice almost exclusively on wage and hour, collective and representative actions including the
9 reported case, *Faulkinbury v. Boyd & Associates*, which clarified the holding in the seminal case,
10 *Brinker Restaurant Corp. v. Superior Court*, to establish that the legality of certain company policies
11 could be determined on a class-wide basis even if the application of the policies varies by individual.

12 12. Ms. Grombacher has been selected by Super Lawyers Magazine as a “Rising Star” in
13 the field of complex litigation since 2015 and as a Super Lawyer since 2017. She has published articles
14 on the field of class action litigation including, “A Class-Action Primer,” which appeared in *The*
15 *Advocate*, which is the Journal of Consumer Attorneys of Southern California.

16 13. Ms. Grombacher has also lectured on various topics involving complex case
17 management and recently spoke at the Beverly Hills Bar Association’s Class Action and Complex
18 Case Management Conference. She is also a member of a number of professional organizations,
19 including the Consumer Attorneys of Los Angeles and the American Association for Justice.

20 **II. CASE BACKGROUND AND PROCEDURAL HISTORY**

21 14. Defendant HealthNet contracts with primary and specialty care physicians,
22 hospitals, pharmacies, and other ancillary care providers to provide healthcare services to health
23 plan members who are Medicaid and/or Medicare recipients or who have purchased commercial
24 insurance on the health insurance marketplace.

25 15. Plaintiff Carranza was a full-time non-exempt employee of Defendants. Plaintiff
26 worked as a “customer service support representative” at Defendants’ call center on Burbank
27 Blvd. in Woodland Hills, California. Plaintiff worked for Defendants from approximately
28 November 26, 2016 through January 4, 2019.

1 16. Plaintiff Carranza filed a notice letter on February 8, 2019, to the Labor and
2 Workforce Development Agency and Defendants of her intent to seek penalties under California
3 Labor Code §§ 2699 et seq. Plaintiff Carranza filed a class action lawsuit in the County of Los
4 Angeles on May 2, 2019, seeking penalties under California Labor Code §§ 2699 et seq, which
5 Plaintiff later dismissed with prejudice on April 7, 2020. Subsequently, Plaintiff filed a class
6 action lawsuit on April 16, 2020.

7 17. Plaintiff Alvarez worked for Defendants as a non-exempt employee and earned
8 shift differential wages during her employment, including a “language premium.” Plaintiff filed
9 her putative class and PAGA complaint in Sacramento County Superior Court on November 17,
10 2020. Plaintiff brings a claim for violation of California Labor Code Section 226(a), and a PAGA
11 claim premised on the same theories of liability.

12 18. Plaintiff Alvarez was employed as a “customer service representative” and has
13 been employed by Defendants since approximately August 2012. Plaintiff worked in Rancho
14 Cordova, California.

15 19. Plaintiff Alvarez filed a notice letter on November 13, 2020, to the Labor and
16 Workforce Development Agency and Defendants of her intent to seek penalties under California
17 Labor Code §§ 2699 et seq.

18 20. Shortly thereafter, the parties met and conferred regarding the possibility of
19 exploring an early resolution and agreed to schedule a private mediation. A mediation was
20 scheduled with mediator Hon. Jay C. Gandhi (Ret.) on November 18, 2021, which led to the
21 Settlement Agreement (“Agreement”).

22 21. In the weeks leading up to the mediation, Defendant provided class data showing
23 class size, workdays, and pay periods, electronic time and payroll records for a representative
24 sample of the class, and Defendant’s employment written policies. This data and information
25 assisted Plaintiffs in evaluating the strengths and weaknesses of the claims and in preparing an
26 exposure analysis for mediation. Counsel also prepared a mediation brief examining the evidence
27 as well as evaluating the legal claims and defenses, drawing upon their experience in previous
28 cases, to prepare a liability analysis tailored to the particular facts at issue here. Counsel vetted

1 the claims through rigorous legal analysis, both on the class certification and merits issues.

2 22. We drew upon our experience in previous cases to prepare a liability and exposure
3 analysis that would be tailored to the particular facts at issue here. We vetted the claims through
4 rigorous legal analysis, both on the class certification and merits issues. We came to the
5 mediation with a well-informed understanding of the disputed factual and legal issues that would
6 be in play if the case were litigated and tried.

7 23. On November 18, 2021 the parties reached a global settlement of all Plaintiffs’
8 Class claims in all two lawsuits following the mediation with mediator Hon. Jay C. Gandhi (Ret.),
9 held on November 18, 2021. The mediation was rigorous and conducted at arms-length.

10 24. On July 6, 2022, Hon. Shelleyanne W.L. Chang issued an order coordinating the
11 Carranza matter with the Alvarez matter and transferring the Carranza matter to Sacramento
12 Superior Court where it is now pending in JCCP Case No. 5229, styled as “Healthnet/Centene
13 Cases.”

14 25. On October 3, 2022, the Parties stipulated to the filing of the Consolidated First
15 Amended Complaint (“FAC”), and the Court entered an Order approving the filing of that FAC.
16 On October 27, 2022, the Parties filed a consolidated FAC, alleging four wage and hour causes
17 of action against Defendant: (1) Violation of Cal. Labor Code §§ 226(a); (2) Violation of Cal.
18 Labor Code §§ 201-203; (3) Violation of Cal. Labor Code § 1194 for unpaid language
19 differentials; (4) Violation of Cal. Labor Code § 2698, et seq. (The “Action.”)

20 26. Defendant has vigorously denied these allegations and steadfastly maintained that
21 its policies and practices complied with applicable law.

22 **III. VALUE AND TERMS OF THE SETTLEMENT**

23 **A. Gross and Net Settlement Amounts and Projected Payments**

24 27. Defendant has identified approximately 340 employees who are eligible to participate
25 in this settlement, and who worked a total of 12,000 Pay Periods.

26 28. The Settlement Class consists of all current and former non-exempt employees of
27 Defendant in the State of California who were paid language premium and/or shift differential wages
28 from April 16, 2016 to January 31, 2022. Settlement Agreement (“SA”) at ¶ 1.5.

1 29. The proposed settlement is for a non-reversionary Gross Settlement Amount
2 \$420,000. We estimate that the amount that will be made available for payments to class members
3 will be approximately \$191,500 after the following amounts are subtracted: (1) Individual PAGA
4 Payments; (2) the LWDA payment; (3) Class representatives service payments (up to \$10,000 each);
5 (4) Class counsel fees (Plaintiff will seek \$147,000 for fees); (5) Class counsel litigation expenses
6 payment (up to a maximum of \$20,000); and (6) the administration expenses payment (not to exceed
7 \$10,000).

8 30. The average individual settlement award will be approximately \$563.24. However,
9 each Class Member's award will be proportionally greater or smaller than the average depending upon
10 the Class Member's Pay Periods worked during the class period, as set forth in SA ¶ 3.2.4 and
11 described in the Class Notice.

12 31. As shown above, each Class Member's share will increase or decrease proportionally
13 based on the number of workweeks he or she has in comparison to the pay periods of all the Class
14 Members combined. We believe this is an objective, reasonable measure because the value of an
15 individual's claim will tend to increase proportionally with his or her length of service (e.g., a class
16 member who works twice as long will tend to work twice as many hours, etc.).

17 32. In our experience in similar class action settlements, this kind of formula is reasonable
18 to administer. It also is objective and easier to explain to class members than more complicated
19 formulas. The workweeks to input into the formula for each class member will come directly from
20 Defendant's records.

21 **B. Class Members Will Be Notified of Their Estimated Award and Have the Ability to**
22 **Challenge Defendant's Workweek Data**

23 33. The proposed Class Notice is tailored to provide each Class Member with his or her
24 own approximate pay periods, as well as an estimate of the amount of the Settlement Share that he or
25 she will receive if the settlement is approved. This serves two purposes. First, it provides each Class
26 Member with the opportunity to know his or her approximate monetary settlement share before
27 deciding whether to object to or request exclusion from the settlement. Second, the Settlement
28 Agreement and Class Notice also provide Class Members a mechanism to challenge Defendant's

records as to their workweeks if they do not believe them to be accurate.

C. Narrow Release

34. Class Members who do not opt out of the settlement will have a narrow release that is limited to just those claims that were actually pled or could have been pled based on the alleged facts and/or legal theories in the FAC.

D. No Reversion to Defendant

35. Another significant provision of the settlement is that there will be no reversion of any of the \$420,000 Gross Settlement Amount to Defendant. Instead, any individual class payment that remains uncashed and cancelled after the void date, the funds will be transmitted to the Court-approved nonprofit organization or foundation consistent with the Code of Civil Procedure Section 384, subd. (b), Legal Aid at Work. SA ¶ 4.4.3.

E. PAGA Allocation

36. The FAC also alleged claims under California's Private Attorneys General Act (PAGA), California Labor Code section 2699 *et seq.* Under the PAGA, private individuals "step into the shoes" of the Labor Commissioner to pursue claims for civil penalties, with 75% of the penalties paid to the LWDA and another 25% to be paid to the aggrieved employees. Here, the parties have allocated \$100,000 for the PAGA Payment, with 75% of it earmarked for the LWDA. (The allocation is explained below.)

37. Pursuant to California *Labor Code* § 2699(l)(2), a copy of the Class Action Settlement Agreement was uploaded to the LWDA on October 11, 2022. A confirmation of the submission to LWDA is attached hereto as **Exhibit 2**.

IV. CERTIFICATION OF SETTLEMENT CLASS

38. The Parties have stipulated to provisional class certification for purposes of settlement only. SA at ¶ 12.1. Additionally, as discussed further in Plaintiff's motion, class certification under California Code of Civil Procedure § 382 is appropriate here.

A. The Proposed Class Is Numerous and Ascertainable

39. Defendant has identified approximately 340 employees who fit the class definition. As such, the Class is ascertainable based on Defendant's employment records and is numerous,

1 therefore satisfying the numerosity requirements in California Code of Civil Procedure § 382.

2 **B. The Central Issues that are Common to all Settlement Class Members Predominate**
3 **Over Any Individual Issues**

4 40. Plaintiff's allegations present common legal and factual questions, such as whether
5 Defendant applied the same compensation, and wage statement policies to all Class Members;
6 whether those policies or their implementation resulted in Labor Code violations; whether
7 Defendant's conduct was intentional; and whether Class Members are entitled to damages and/or
8 penalties. These questions can be resolved using Defendant's time and payroll records, corporate
9 representative testimony, and written policies and practices.

10 **C. Plaintiffs' Claims Are Typical of the Claims of the Settlement Class**

11 41. Both Plaintiffs satisfy the typicality requirement because they assert the same type of
12 injuries arising from the same conduct by Defendant as the absent Class Members. Both Plaintiffs
13 performed the same kind of work and was subject to the same uniform policies and practices as the
14 other members of the proposed Settlement Class, including Defendant's common policies and
15 practices related to compensation, and wage statements. Both Plaintiffs seek relief for these claims
16 and derivative claims on behalf of all Class Members. Thus, their claims arise from the same
17 employment practices and are based on the same legal theories as those applicable to the other Class
18 Members.

19 **D. Plaintiffs and Their Counsel Adequately Represent the Class**

20 42. As discussed above, Plaintiffs have retained and is represented by counsel with
21 substantial experience in wage and hour class action litigation. Additionally, there is no evidence of
22 antagonism between Plaintiffs interests and those of the Class Members. Plaintiffs have litigated this
23 case in good faith and their interests are aligned with those of the Settlement Class Members as they
24 both share a common interest in challenging the legality of Defendant's policies and procedures.

25 43. Throughout this case, Plaintiffs have remained available to, and regularly did, consult
26 with counsel both in person and via telephone. In addition, Plaintiffs reviewed documents and
27 provided invaluable information regarding the workings of the Defendant's company. Plaintiffs were
28 also actively involved in discussions regarding the resolution of this matter and approved the

1 settlement terms on behalf of themselves and the Class.

2 **V. NOTICE OF PROPOSED SETTLEMENT**

3 44. Class Members will be notified of the settlement by first class mail. The parties have
4 agreed to request that the Court appoint ILYM Group, Inc. (“ILYM”), as the Settlement
5 Administrator. ILYM is a well-qualified Settlement Administrator, as demonstrated by the separate
6 declaration being submitted by its representative, Sean Hartranft.

7 45. The Settlement Administrator will undertake its best efforts to ensure that the notice
8 is sent to the most current mailing address of each Class Member. Defendant will provide the
9 Settlement Administrator with a list of all Class Members and their most recently known mailing
10 addresses. The notice will be provided to the Class Members by First Class U.S. Mail. The Settlement
11 Administrator will conduct a national change of address search before the mailing, as well as skip
12 tracing and re mailing for any notices or settlement checks returned as undeliverable. Additionally,
13 ILYM will establish and maintain a website dedicated to this settlement on which ILYM will post the
14 Class Notice, a copy of the Settlement Agreement, the documents filed in connection with the
15 preliminary and final approval motions, and the Court’s Orders relating to the settlement. As
16 discussed in the Declaration of Sean Hartranft, ILYM estimates that administration expenses for the
17 settlement will be \$9,935.

18 46. The Class Notice will provide, among other things, a description of the case; the total
19 settlement amount; the categories and amounts of reductions that will be made from the total
20 settlement amount to get to the net settlement for distribution to the Class Members; the distribution
21 formula; the procedures for opting out of the settlement, objecting to the settlement, and disputing
22 settlement calculations; an explanation of how an objecting Class Member may preserve his or her
23 right to appeal a final approval order and judgment; an explanation of the class release for individuals
24 who do not opt out; a statement of the amount of attorneys’ fees and costs and service award sought;
25 and instructions on how to obtain copies of the Settlement Agreement and other related documents.

26 47. Each notice also will be individually tailored to provide the Class Member’s own pay
27 periods, as well as a preliminary calculation of the approximate amount of money they will receive in
28 the event all Class Members participate in the settlement. The proposed Notice of Class Action

Settlement is attached as **Exhibit A to Exhibit 1** to this Declaration.

VI. KULLAR ANALYSIS

A. Strengths, Risks and Complexities of the Case

48. In reaching the settlement, we considered Defendant’s potential exposure in the event we could prevail on all claims and collect full damages, and then moderated this theoretical exposure against the risks and delays presented by the case, including risks of class certification, demonstrating class liability, proving damages, responding to appeals, the possibility that developments in the law could harm Plaintiffs’ position during the pendency of any appeals, as well as the consequences of further delay to Class Members. There also were risks of not prevailing on some of the underlying causes of action.

49. While we remained confident in, and committed to, the merits of Plaintiffs’ case throughout the litigation and settlement process, we also were realistic regarding the risks at each stage going forward. First, the parties would have engaged in lengthy and complex motion practice. This would have included the risks of having class certification denied in whole or in part. Although we strongly believe that Plaintiffs would prevail on their motion for class certification, denial of class certification remains a risk. Indeed, obtaining class certification of a pattern and practice claim—even when meritorious—is difficult without facially unlawful policies. *See, e.g., Civil Rights Education and Enforcement Center v. Hospitality Properties Trust* (9th Cir. 2017) 867 F.3d 1093, 1104 (citing *Nordstrom v. Ryan* (9th Cir. 2014) 762 F.3d 903, 911). If Plaintiff’s wage claims were not certified, all or many of those eligible to recover under this settlement would have lost significant compensation, and may have been left with nothing at all.

50. Plaintiffs also faced the risk, post-certification, that they would not be able to prove class-wide liability on the merits based on “pattern and practice” evidence, without being able to point to written policies that were, by themselves, contrary to law. Assuming success on class certification, there would be further motion practice (including motions for summary judgment), and the likelihood of a class action trial on some or all issues. This would have carried substantial risks for both sides on the overarching liability questions of the wage and hour violations. In addition, assuming Plaintiffs prevailed on liability as to one or more of their claims, the measure of damages still would have been

1 hotly contested. Indeed, even if Plaintiffs prevailed on some or all of their claims, the measure of
2 damages presented further risk.

3 51. Furthermore, one or more appeals would be certain given the nature of this case.
4 Assuming we prevailed on class certification and liability, Defendant likely would appeal any number
5 of determinations regarding class action status, liability, evidentiary rulings, and damages, causing
6 potentially years of delay. Throughout it all, Defendant would maintain that it paid the Class Members
7 sufficiently under California law.

8 52. Based on our experience in this case and other wage and hour class actions, it is our
9 judgment that litigating this case through trial and likely appeals would have required 10,000 or more
10 hours of attorney and paralegal time (per side) and hundreds of thousands of dollars of out-of-pocket
11 expenses. This additional investment of resources would likely have caused the parties to become
12 more entrenched in their positions, making the case more difficult to settle at a later stage. These very
13 practical considerations confirm our judgment, as experienced class action attorneys in cases such as
14 this, that the proposed settlement provides fair value and an excellent result for the Class.

15 53. In sum, the result after trial and appeals was highly uncertain, except for the fact that
16 it would potentially mean years of delay. While it is possible that Plaintiff could have won more than
17 the current settlement value, it is also possible he could have won less (in either current value or
18 absolute terms), or nothing at all. In contrast, the total settlement amount of \$420,000 will result in
19 definite, immediate and substantial recoveries for the individual Class Members and the class overall.

20 54. The proposed Settlement, therefore, offers a guaranteed, significant value to the
21 Settlement Class Members that fairly and reasonably accounts for the very real risks and delays of
22 continued litigation, protracted discovery battles, motion practice, trial, and appeal, as explained
23 further below.

24 **B. Comparison of Settlement with Exposure Analysis**

25 55. In our view, the settlement represents an excellent result for the Class. Even after the
26 maximum attorneys' fees and costs that Plaintiffs may seek under the Settlement Agreement, the
27 service award permitted under the Settlement Agreement, the PAGA allocation, and the estimated
28 costs of settlement administration, an estimated Net Settlement Amount of approximately \$191,500

1 would be distributed to the approximately 340 members of the Settlement Class. This works out to an
2 average share of approximately \$563.24 per person. As I explained above, Class Members with longer
3 tenures will receive larger shares in proportion with the number of pay periods that they worked during
4 the liability period. This will bring substantial relief to the Class.

5 56. Although there is uncertainty in projecting trial-ready damages before significant
6 post-certification merits discovery has been conducted, the \$420,000 recovery still compares
7 favorably with our estimates of total exposure.

8 57. We retained a statistical consulting firm specializing in data analysis and damage
9 modeling, Berger Consulting Group, to conduct a damages analysis using Defendant's data and
10 incorporating Plaintiff's estimates as to wage statement and PAGA penalties. According to the data
11 Defendant provided prior to mediation, and the updated data provided, and upon further
12 extrapolations, there are approximately 340 Class Members.

13 58. Based upon the analysis of Defendant's records, Class Counsel's expert estimated
14 total damages, monetary penalties, interest and other relief that the Class would be awarded if
15 successful at trial on all of their claims would be a maximum of approximately \$1,779,072.50. This
16 figure is based on Plaintiff's assessment of a best-case-scenario. To have obtained such a result at
17 trial, Plaintiff would have had to prove that all Class Members were denied language premiums, shift
18 differential pay, and non-compliant wage statements—all figures that Defendant strongly disputed.

19 Exposure for Unpaid Wages and Failure to Pay Wages for Language Differentials

20 59. We calculated the total exposure based on Defendant's failure to pay language
21 differentials/shift differentials to be \$44,572.50. Plaintiffs alleged that Defendant failed to pay
22 language differentials as agreed and failed to calculate increases in the hourly rate of pay due to
23 employees who were Spanish speaking or multi/bilingual. However, Defendant contested the number
24 of individuals who were entitled to language differentials. This defense justified a substantial
25 compromise on the wage claim.

26 Exposure for Waiting Time Penalties

27 60. We estimated Defendant's exposure for waiting time penalties at approximately
28

1 \$226,800 based on 60 former employees. Plaintiff asserted that Defendant owed terminating
2 employees' wages and compensation for missed wages, as a matter of fact and law, and that Defendant
3 intentionally failed to perform an act which was required to be done, constituting "willful" conduct
4 and justifying "waiting-time" penalties under California Labor Code section 203.

5 61. Defendant argued employers are only obligated to pay waiting-time penalties if they
6 "willfully" failed to pay wages due and owing at the time of termination or resignation. Further,
7 Defendant argued that the scope of this claim is limited to Class Members who had wage claims,
8 which would amount to only a small percentage of Class Members. Considering both parties'
9 arguments and defenses, Class Counsel factored in a reduction of liability and damages for waiting
10 time penalties.

11 Exposure for Wage Statement Violations

12 62. We estimated wage statement penalties at approximately \$838,000 which assumed
13 violations in each pay period. A key basis for this claim was Plaintiff's allegation that Defendant's
14 failure to properly pay all wages due caused Plaintiff's wage statements to show inaccurate hours and
15 compensation. Specifically, Plaintiffs alleged that they could not easily determine the total hours
16 worked or the correct rate of pay for wages because the wage statements affirmatively stated the
17 wrong rate of pay for shift differentials and total hours worked. Thus, Plaintiff would have likely been
18 required to demonstrate violations in each pay period to recover wage statement penalties on this
19 scale.

20 63. Defendant argued that Plaintiff could not succeed on his Labor Code section 226
21 claim unless he demonstrated that the failure to issue lawful wage statements was "knowing and
22 intentional." Defendant argued that a "knowing and intentional" violation cannot be found where the
23 employer presents a "good faith dispute" that it complied with its wage statement obligations. See
24 *Maldonado v. Epsilon Plastics, Inc.* (2018) 22 Cal.App.5th 1308, 1337. In *Maldonado*, the court also
25 held that "only the absence of the hours worked will give rise to an inference of injury," and "the
26 absence of accurate wages earned will be remedied by the violated wage and hour law itself." The
27 *Maldonado* court denied the employees' claims for penalties on the inaccurate wage statements since
28 this would have constituted a double recovery. *Ibid.*

1 64. These defenses collectively justified a moderate compromise on the wage statement
2 claim.

3 Exposure for PAGA Penalties

4 65. Our calculation of Defendant's outside exposure for PAGA penalties was substantial.
5 Theoretically, Plaintiffs could have recovered as much as \$668,700 in PAGA penalties at trial.
6 However, it is unlikely that Plaintiffs would have recovered PAGA penalties on this scale. First, to
7 have triggered such PAGA penalties, Plaintiffs would have had to prevail on all of their underlying
8 claims. Additionally, under such circumstances, the Court may well have determined that awarding
9 full PAGA penalties would have been "unjust, arbitrary and oppressive, or confiscatory" under
10 California Labor Code section 2699(e)(2), and reduced them accordingly. Moreover, Plaintiffs'
11 exposure figures for the PAGA penalties were calculated by applying the higher "subsequent" penalty
12 rate for any violations that occurred after the first violation within the liability period. Defendant
13 would have strongly challenged this approach by pointing to case law that the subsequent rate is not
14 used until there is notice of a violation by a court or commissioner. *See, e.g., Jimenez v. Menzies*
15 *Aviation, Inc.* (N.D.Cal., Apr. 8, 2013, No. C 10-03477 SBA) 2013 WL 1411228, at *4; *Trang v.*
16 *Turbine Engine Components Techs. Corp.* (C.D.Cal., Dec. 19, 2012, No. CV 12-07658 DDP (RZx))
17 2012 WL 6618854, at *5. While Plaintiffs do not read the language of the statute this way, these
18 authorities present a risk that the Court might. Plaintiffs also faced the risk that the Court would follow
19 authority precluding Plaintiff from "stacking" penalties for the same or similar underlying violations
20 or that substantial penalties would be confiscatory.

21 **C. Summary**

22 66. Excluding the civil penalties, which could be completely discretionary, for the reasons
23 stated, the total estimated potential exposure, assuming certification and prevailing at trial, would be
24 around \$1,780,000.

25 67. Based on this analysis, the Maximum Settlement Amount of \$420,000 is
26 approximately 25% of the maximum potential exposure, which is an excellent settlement.

27 68. The foregoing discussion has sought to explain how the settlement amount is adequate
28 in light of the merits of Plaintiff's case. It has done this by explaining the legal basis for each of

1 Plaintiffs' causes of actions, summarizing the evidence that Class Counsel gathered in support of
2 those causes of action, and summarizing Defendant's legal and factual arguments that worked to
3 reduce and mitigate the strength of Plaintiff's case.

4 69. Class Counsel had to apply appropriate discounts in light of the facts and law as
5 discussed above. Thus, this settlement, like most others, was the product of compromise. Because of
6 these and other risks, a recovery of \$420,000 under the Settlement Agreement is an excellent result.
7 Under the Settlement, each of the 340 Class Members will receive a gross Individual Settlement Share
8 averaging \$563.24.

9 **D. The Risk, Expense, And Likely Duration of Further Litigation, As Well As the Risk of**
10 **Maintaining Class Action Status Through Trial**

11 70. The next *Clark/Kullar* factors recognize that settlements also consider the risks and
12 expenses posed by further litigation and, in the class-action context, the risk of non-certification.
13 Consequently, it is proper that trial courts should keep these considerations in mind when judging the
14 adequacy of class action settlements.

15 71. The Class could potentially receive a verdict of \$1,780,000 million as the maximum
16 potential exposure, as stated above. However, Plaintiffs believe in the fairness of the Settlement that
17 is based on factoring the uncertainty and risks to Plaintiffs involved in not prevailing on one or more
18 of the causes of action or theories alleged in their operative complaint, the possibility of losing at trial
19 and possible appeals. While Plaintiffs believe that they could prevail, Plaintiffs would need to prove
20 their and the certified Class are entitled to the full amount of penalties. As Defendant adamantly
21 disputes that it should not be liable for the full extent of the penalties, and that the PAGA claims are
22 not procedurally manageable, there is a possibility that Plaintiffs and the Class would be awarded less
23 or no penalties at trial.

24 72. Further litigation of this case posed real risks for a number of reasons. For instance,
25 there were the risks of unfavorable rulings on the merits of the various indeterminate legal issues
26 outlined in the previous section. In that section, it was observed that almost every cause of action was
27 subject to some unique indeterminacy of its own and that the derivative causes of action were subject
28 to a double indeterminacy, both their own and those of the causes of action on which they were based

1 on.

2 73. Next, the Parties disputed the effect of these and other issues on class certification
3 and decertification. Class Counsel maintained there were several legal and factual questions at issue
4 in this case that could best be decided on a class wide basis. Class Counsel contended the same policies
5 and practices applied to all Class Members. In other words, there are common questions
6 predominating over individual inquiries. Defendant disputed these contentions and insisted that the
7 *Brinker* decision called into question the certifiability of cases such as this one. Defendant also argued
8 its policies were compliant with the law, that it was never made aware that such alleged violations
9 were occurring, and that the diversity of their job classifications made individual questions
10 predominate. Plaintiff, in turn, disputed that the policies were lawful and argued the lawfulness of
11 such policies would give rise to common questions amenable to certification. Therefore, the Parties
12 had set positions on the propriety of certifiability and liability that did not admit of an easy resolution.

13 74. Finally, it is always preferable to reach a relatively early resolution of a dispute. This
14 is because, in addition to what has already been said, such resolutions save time and money that would
15 otherwise go to litigation. Most cases settle sooner or later. If this case ended up settling after further
16 litigation, the settlement amount would have taken into account the additional costs incurred, and
17 there might have been less available for Class Members after all was said and done. This is not just
18 an abstract contention. The Parties were moving into the phase of litigation where they would have
19 had to depose several people, such as managers, supervisors, and employees to establish liability for
20 trial. Discovery disputes would have undoubtedly arisen. The Parties were also aware a class action
21 and PAGA trial would be a complicated and expensive proceeding, and there was the likelihood of a
22 long, drawn-out appeals process. A class action and PAGA trial would have required the retention of
23 expensive expert witnesses, the accrual of extensive litigation costs, and the Parties would have had
24 to spend a substantial amount of time. Given the complexity and unsettled nature of the issues, it is
25 likely that any outcome at trial would have resulted in a lengthy and costly appeal. Finally, an appeal
26 would result in further delay for the Class Members who have already waited years for resolution in
27 this matter. In contrast, the Settlement provides real benefits for Class Members in the immediate
28 future. The benefits are not insignificant for anyone, especially given the current economic climate.

1 The risk and expense of further litigation largely outweighed any benefit that might have been gained
2 otherwise.

3 **E. Conclusion of The Clark/Kullar Analysis**

4 75. The foregoing discussion establishes the fairness of the class-action settlement in the
5 instant case. It has done this by analyzing the Settlement in light of the appellate decisions in *Clark*
6 and *Kullar*. This analysis has concluded the Settlement is fair, reasonable, and adequate. Class
7 Counsel conducted a thorough investigation of the subject wage-and-hour practices and engaged in
8 non-collusive, arm's-length negotiations to reach a settlement. Defendant has agreed to pay fair value
9 to settle Plaintiff's claims given the existence of legal uncertainty. From Class Counsel's substantial
10 experience in wage-and-hour class action lawsuits Class Counsel believe this case could not have
11 settled on better terms under the circumstances. A request is made that the Settlement be granted
12 preliminary approval so that those persons whom it was intended to benefit shall be afforded the
13 opportunity to determine its adequacy for themselves.

14 76. As another point of comparison, the class-wide recovery here also compares very
15 favorably with settlement amounts in several other wage-and-hour class action settlements. *See, e.g.,*
16 *Osegueda v. N. California Inalliance* (E.D.Cal., Jan. 15, 2020, No. 18-cv-00835 WBS EFB) 2020
17 WL 230201, at *6; (preliminary approval of a wage and hour class action settlement with an
18 approximate recovery of \$328.06 per class member); *Bolton v. U.S. Nursing Corp.* (N.D.Cal., Oct.
19 18, 2013, No. C 12-4466 LB) 2013 WL 5700403, at *2 (finally approving class action settlement of
20 California state law wage and hour class action, with approximate per-person recovery of \$595);
21 *Garnett v. ADT, LLC* (E.D. Cal. June 28, 2016) 2016 U.S. Dist. LEXIS 84006, at *9 (approving a
22 class action settlement in an employment case of approximately \$1.6 million to be distributed among
23 a class of 831 people); *Saldivar v. Priority One Med. Transp., Inc.* (C.D.Cal., Mar. 22, 2011, No. CV
24 09-04789 MMM (Ex)) 2011 WL 13213889, at *7 (finally approving class action settlement of wage
25 and hour class claims for approximate per-person recovery of \$530).

26 **VII. PROPOSED SERVICE PAYMENT**

27 77. Plaintiffs Ariana Carranza and Flora Candelaria Alvarez devoted their time and
28 provided an invaluable service to the prosecution of this case. Plaintiffs have devoted substantial time

1 and effort to this case by producing relevant documents, meeting and communicating with and
2 assisting their attorneys in prosecuting the case, reviewing complex legal documents, and engaging
3 in settlement negotiations for the benefit of the Class. They also have agreed to a release that is broader
4 than the class release.

5 78. The Settlement Agreement permits Plaintiff to seek a Service Payment in an amount
6 not more than \$10,000 each. We believe that this amount fairly reflects Plaintiffs' risks and their
7 contributions to achieve this settlement on behalf of the Class. This will be further discussed when
8 Plaintiffs file their motion for a service award and supporting declaration in connection with the final
9 fairness hearing.

10 **VIII. ATTORNEYS' FEES AND COSTS**

11 79. Plaintiffs' Counsel intend to file a separate motion for attorneys' fees and costs on a
12 date to be set by the Court. Under the Settlement Agreement, Defendant will not oppose a fee
13 application for \$147,000, plus reasonable costs and expenses (up to a maximum of \$20,000). The
14 separate motion for attorneys' fees and costs will provide a lodestar analysis as to the reasonableness
15 of the fees and costs sought and show how they fall within the range of fees awarded in similar class
16 action cases.

17 80. The forthcoming motion will support the reasonableness of the fee requested with
18 details as to the work Class Counsel performed for the benefit of the class and the hours devoted to
19 such work, the market hourly rates for each significant biller on this matter, and the reasonableness
20 of their corresponding lodestar.

21 **IX. EXHIBITS**

22 Attached hereto as **Exhibit 1** is a true and correct copy of the Class Action Settlement
23 Agreements between Plaintiffs and Defendant in this case.

24 Attached hereto as **Exhibit A to Exhibit 1** is a true and correct copy of the proposed class
25 notice, subject to court approval and formatting by the Settlement Administrator.

26 Attached hereto as **Exhibit 2** is a true and correct copy of the confirmation of the submission
27 of the Class Action Settlement and Release of Claims, which was uploaded to the LWDA on
28 October 11, 2022.

1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct. Executed on November 7, 2022 at Westlake Village, California.

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5 MARCUS J. BRADLEY
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EXHIBIT 1

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Attorneys for Defendants
HEALTH NET OF CALIFORNIA, INC. AND CENTENE
CORPORATION

(Additional counsel on next page)

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

FLORA CANDELARIA ALVAREZ, as an
individual and on behalf of all others similarly
situated,

Plaintiffs,

v.

HEALTH NET OF CALIFORNIA, INC.; and
DOES 1 through 50, inclusive

Defendants.

ARIANA CARRANZA, individually and on
behalf of other individuals similarly situated,

Plaintiff,

v.

HEALTH NET OF CALIFORNIA, INC., a
California corporation; CENTENE
CORPORATION, a Delaware corporation; and
DOES 1 through 50, inclusive,

Defendants.

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

Sacramento County Superior Court Case No.
34-2020-00289192

Assigned to Hon. Jill Talley, Department 25

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CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Ariana Carranza ("Plaintiff Carranza") and Plaintiff Flora Candelaria Alvarez ("Plaintiff Alvarez") (collectively "Plaintiffs") and Defendant Health Net of California, Inc. ("Health Net" or "Defendant"). Plaintiffs and Defendant collectively are referred to in this Agreement as the "Parties."

1. DEFINITIONS.

- 1.1. "Action" means the Plaintiff Carranza's lawsuit alleging wage and hour violations against Health Net of California, Inc. captioned *Ariana Carranza v. Health Net of California, Inc.*, 20STCV14774 ("Carranza Action") initiated on April 16, 2020 and originally filed in the Superior Court of the State of California, County of Los Angeles; and the Plaintiff Alvarez's lawsuit alleging wage and hour violations against Health Net of California, Inc. captioned *Flora Candelaria Alvarez v. Health Net of California, Inc.*, 34-2020-00289192, ("Alvarez Action") (collectively "Action") initiated on November 17, 2020 and originally filed in the Superior Court of the State of California, County of Sacramento.
- 1.2. "Administrator" means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses

in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

- 1.4. "Aggrieved Employee" means all current and former non-exempt employees of Defendant in the State of California who were paid language premium and/or shift differential wages from April 20, 2019 to January 31, 2022.
- 1.5. "Class" means all current and former non-exempt employees of Defendant in the State of California who were paid language premium and/or shift differential wages from April 16, 2016 to January 31, 2022.
- 1.6. "Class Counsel" means Marcus J. Bradley, Kiley L. Grombacher, and Lirit A. King of BRADLEY/GROMBACHER, LLP; Sahag Majarian II of LAW OFFICES OF SAHAG MAJARIAN II; Larry W. Lee and Max Gavron of DIVERSITY LAW GROUP, P.C. and William L. Marder of POLARIS LAW GROUP, LLP.
- 1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, as approved by the Court, to compensate Settlement Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.
- 1.8. "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period and PAGA Pay Periods.
- 1.9. "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources,

- 1 methods and means including, but not limited to, the National Change of Address
2 database, skip traces, and direct contact by the Administrator with Class Members.
- 3 1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION
4 SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be
5 mailed to Class Members in English with a Spanish translation in the form, without
6 material variation, attached as Exhibit A and incorporated by reference into this
7 Agreement.
- 8 1.12. "Class Period" means the period from April 16, 2016 to January 31, 2022.
- 9 1.13. "Class Representatives" means Plaintiff Carranza and Plaintiff Alvarez in the
10 operative complaints in the Actions seeking Court approval to serve as Class
11 Representatives.
- 12 1.14. "Class Representatives Service Payment" means the payment to the Class
13 Representatives for initiating the Action and providing services in support of the
14 Action.
- 15 1.15. "Court" means the Superior Court of California, County of Sacramento.
- 16 1.16. "Health Net" means named Defendant Health Net of California, Inc.
- 17 1.17. "Defense Counsel" means Steven A. Groode, Barbara A. Blackburn and Nathaniel H.
18 Jenkins of LITTLER MENDELSON P.C.
- 19 1.18. "Effective Date" is the later of (a) the last date to appeal final approval and judgment
20 by the Court and no appeal is filed; or (b) if an appeal, review or writ is sought from
21 the Judgment, the day after the Judgment is affirmed or the appeal, review or writ is
22 dismissed or denied, and the Judgment is no longer subject to further judicial review.
- 23 1.19. "Final Approval" means the Court's order granting final approval of the Settlement.
- 24 1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final
25 Approval of the Settlement.
- 26 1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final
27 Approval of the Settlement.
- 28

- 1.22. "Gross Settlement Amount" means Four Hundred Twenty Thousand Dollars (\$420,000) which is the total amount Health Net agrees to pay under the Settlement except as provided in Paragraph 8 below and except with respect to the employer's share of payroll taxes. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses, Class Representatives Service Payment and the Administrator's Expenses.
- 1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Pay Periods worked during the Class Period.
- 1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.
- 1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representatives Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Health Net for at least one day during the PAGA Period.

- 1.31. "PAGA Period" means the period from April 20, 2019 to January 31, 2022.
- 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. "PAGA Notice" means Plaintiffs' letter to Health Net and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$42,000) allocated 25% to the Aggrieved Employees (\$10,500) and the 75% to LWDA (\$31,500) in settlement of PAGA claims.
- 1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. "Plaintiffs" means Ariana Carranza and Flora Candelaria Alvarez, the named plaintiffs in the Action.
- 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.
- 1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.
- 1.41. "Released Parties" means: Health Net and each of its former and present parents, subsidiaries, affiliates, insurers, insurance policies, and benefit plans; each of the former and present officers, directors, employees, equity holders (partners, shareholders, holders of membership interests, etc.), agents, representatives, administrators, fiduciaries, and attorneys of the entities and plans described in this sentence; and any other predecessors, successors, transferees, and assigns of each of the persons and entities described in this sentence.
- 1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43. "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

2.1. On April 16, 2020, Plaintiff Carranza filed a Complaint alleging causes of action against Health Net alleging claims for (1) Failure to pay a language differential in violation of California Labor Code §1194; (2) Failure to furnish an accurate itemized wage statement upon payment of wages in violation of California Labor Code §226; (3) Failure to pay all wages at time of termination in violation of California Labor Code §§201-203; and (4) Penalties pursuant to Labor Code §§2698 et seq. for violations of Labor Code §§201, 202, 203, 1194, 510 and the applicable IWC Wage Order; and on November 17, 2020 Plaintiff Alvarez filed a Complaint alleging causes of action against Health Net alleging claims for (1) Violation of California Labor Code §§226(a); and (2) Violation of California Labor Code §2698, et seq. On April 6, 2022 the Parties filed a Joint Stipulated Petition for Coordination. On May 10, 2022, the Chair of the Judicial Council of California entered an order authorizing the presiding judge of the Superior Court of California, County of Sacramento to determine if coordination of the Action is appropriate. Health Net denies the allegations in the Action, denies any failure to comply with the laws identified in in the Plaintiff Carranza's Complaint and Plaintiff Alvarez's Complaint and denies any and all liability for the causes of action alleged.

- 1 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff Alvarez gave timely
2 written notice to Health Net and the LWDA by sending the PAGA Notice.
- 3 2.3. On November 18, 2021 the Parties participated in an all-day mediation presided over
4 by the Hon. Jay C. Gandhi (Ret.) which led to this Agreement to settle the Action.
- 5 2.4. Prior to mediation and negotiating the Settlement, Plaintiffs obtained, through formal
6 discovery including responses to interrogatories and request for requests production
7 of documents that included Defendant's relevant policies, Plaintiffs' personnel
8 records, earnings histories, and copies of wage statements. Plaintiffs' investigation
9 was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot*
10 *Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker*
11 *Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 12 2.5. The Court has not granted class certification.
- 13 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of
14 any other pending matter or action asserting claims that will be extinguished or
15 affected by the Settlement.

16 **3. MONETARY TERMS.**

- 17 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
18 Health Net promises to pay Four Hundred Twenty Thousand Dollars (\$420,000) and
19 no more as the Gross Settlement Amount and to separately pay any and all employer
20 payroll taxes owed on the Wage Portions of the Individual Class Payments. Health
21 Net has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior
22 to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will
23 disburse the entire Gross Settlement Amount without asking or requiring Participating
24 Class Members or Aggrieved Employees to submit any claim as a condition of
25 payment. None of the Gross Settlement Amount will revert to Health Net.
- 26 3.2. Payments from the Gross Settlement Amount. The Administrator will make and
27 deduct the following payments from the Gross Settlement Amount, in the amounts
28 specified by the Court in the Final Approval:

1 3.2.1. To Plaintiffs: Class Representatives Service Payment to the Class

2 Representatives of not more than \$10,000 each (in addition to any Individual
3 Class Payments (and, as to Plaintiff Alvarez, any Individual PAGA Payment)
4 the Class Representatives are entitled to receive as a Participating Class
5 Members). Health Net will not oppose Plaintiffs' request for Class
6 Representatives Service Payment that does not exceed this amount. As part of
7 the motion for Class Counsel Fees Payment and Class Litigation Expenses
8 Payment, Plaintiffs will seek Court approval for any Class Representatives
9 Service Payments no later than 16 court days prior to the Final Approval
10 Hearing. If the Court approves the Class Representatives Service Payment
11 less than the amounts requested, the Administrator will retain the remainder in
12 the Net Settlement Amount. The Administrator will pay the Class
13 Representatives Service Payment using IRS Form 1099. Plaintiffs assume full
14 responsibility and liability for employee taxes owed on the Class
15 Representatives Service Payment.

16 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35%,
17 which is currently estimated to be \$147,000 and a Class Counsel Litigation
18 Expenses Payment of not more than \$20,000. Health Net will not oppose
19 requests for these payments provided that do not exceed these amounts.

20 Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees
21 Payment and Class Litigation Expenses Payment no later than 16 court days
22 prior to the Final Approval Hearing. If the Court approves a Class Counsel
23 Fees Payment and/or a Class Counsel Litigation Expenses Payment less than
24 the amounts requested, the Administrator will allocate the remainder to the
25 Net Settlement Amount. Released Parties shall have no liability to Class
26 Counsel or any other Plaintiffs' Counsel arising from any claim to any portion
27 any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses
28 Payment. The Administrator will pay the Class Counsel Fees Payment and

1 Class Counsel Litigation Expenses Payment using one or more IRS 1099
2 Forms. Class Counsel assumes full responsibility and liability for taxes owed
3 on the Class Counsel Fees Payment and the Class Counsel Litigation
4 Expenses Payment and holds Health Net harmless, and indemnifies Health
5 Net, from any dispute or controversy regarding any division or sharing of any
6 of these Payments.

7 3.2.3. To the Administrator: The Administrator will pay out of the Gross Settlement
8 Amount to itself its reasonable fees and expenses that are documented and
9 approved by the Court in an amount not to exceed \$10,000. To the extent the
10 Settlement Administration Expenses that are documented and approved by the
11 Court are less than \$10,000 the remainder will be retained in the Net
12 Settlement Amount for distribution to Participating Class Members.

13 3.2.4. To Each Participating Class Member: An Individual Class Payment
14 calculated by (a) dividing the Net Settlement Amount by the total number of
15 Pay Periods worked by all Participating Class Members during the Class
16 Period and (b) multiplying the result by each Participating Class Member's
17 Pay Periods.

18 3.2.4.1. Tax Allocation of Individual Class Payments. Twenty percent (20%)
19 of each Participating Class Member's Individual Class Payment will
20 be allocated to settlement of wage claims (the "Wage Portion"). The
21 Wage Portions are subject to tax withholding and will be reported on
22 an IRS W-2 Form. The eighty percent (80%) of each Participating
23 Class Member's Individual Class Payment will be allocated to
24 settlement of claims for penalties and interest (the "Non-Wage
25 Portion"). The Non-Wage Portions are not subject to wage
26 withholdings and will be reported on IRS 1099 Forms. Participating
27 Class Members assume full responsibility and liability for any
28 employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of

Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Forty-Two Thousand Dollars (\$42,000) to be paid from the Gross Settlement Amount, with 75% (\$31,500) allocated to the LWDA PAGA Payment and 25% (\$10,500) allocated to the Individual PAGA Payments. One hundred percent (100%) of the PAGA Penalties is in settlement of claims for penalties and not be subject to wage withholdings, and shall be reported on IRS Form 1099.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of the PAGA Penalties (\$10,500) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

3.2.5.3. The Participating Class Members and Aggrieved Employees agree to hold harmless Health Net, Class Counsel, Defendant's Counsel, and the Settlement Administrator for any tax liability, including penalties and interest, arising out of or relating to the Participating Class

Members' or Aggrieved Employees' failure to pay taxes on any amounts paid pursuant to this Settlement.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Member and Aggrieved Employee Pay Periods. Based on a review of its records to date, Health Net estimates there are 340 Class Members who collectively worked a total of 12,000 Pay Periods.
- 4.2. Class Data. No later than 21 days after the Court enters an Order Granting Preliminary Approval of the Settlement, Health Net will provide to the Administrator an electronic database containing each Class Member's Class Data. If any or all of the Class Data is unavailable to Health Net, Health Net will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon the Class Data prior to when it must be submitted to the Administrator. This information will otherwise remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities, in order to carry out the reasonable efforts described in section 7, or pursuant to Health Net's express written authorization or by order of the Court. All Class Data will be used for settlement notification and settlement administration and shall not be used for any other purpose by Class Counsel or the Administrator. This provision shall not be construed to impede Class Counsel's ability to discharge their fiduciary duties to the Settlement Class, and if additional disclosures are necessary, Class Counsel will obtain written authorization of Health Net and/or an order from the Court. The Administrator shall provide reasonable and appropriate administrative, physical, and technical safeguards for any personally identifiable information ("PII") that it receives from Health Net; and promptly provide Health Net with notice if PII is subject to unauthorized access, use, disclosure, modification, or destruction.
- 4.3. Funding of Gross Settlement Amount. Health Net shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Health Net's

1 share of payroll taxes by transmitting the funds to the Administrator no later than 14
2 days after the Effective Date.

3 4.4. Payments from the Gross Settlement Amount. Within 7 days after Health Net funds
4 the Gross Settlement Amount, the Administrator will mail checks for all Individual
5 Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the
6 Administration Expenses Payment, the Class Counsel Fees Payment, the Class
7 Counsel Litigation Expenses Payment, and the Class Representatives Service
8 Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel
9 Litigation Expenses Payment and the Class Representatives Service Payment shall
10 not precede disbursement of Individual Class Payments and Individual PAGA
11 Payments.

12 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
13 Individual PAGA Payments and send them to the Class Members via First
14 Class U.S. Mail, postage prepaid. The face of each check shall prominently
15 state the date (not less than 180 days after the date of mailing) when the check
16 will be voided. The Administrator will cancel all checks not cashed by the
17 void date. The Administrator will send checks for Individual Settlement
18 Payments to all Participating Class Members (including those for whom Class
19 Notice was returned undelivered). The Administrator will send checks for
20 Individual PAGA Payments to all Aggrieved Employees including Non-
21 Participating Class Members who qualify as Aggrieved Employees (including
22 those for whom Class Notice was returned undelivered). The Administrator
23 may send Participating Class Members a single check combining the
24 Individual Class Payment and the Individual PAGA Payment. Before mailing
25 any checks, the Settlement Administrator must update the recipients' mailing
26 addresses using the National Change of Address Database.

27 4.4.2. The Administrator must conduct a Class Member Address Search for all other
28 Class Members whose checks are returned undelivered without USPS

1 forwarding address. Within 7 days of receiving a returned check the
2 Administrator must re-mail checks to the USPS forwarding address provided
3 or to an address ascertained through the Class Member Address Search. The
4 Administrator need not take further steps to deliver checks to Class Members
5 whose re-mailed checks are returned as undelivered. The Administrator shall
6 promptly send a replacement check to any Class Member whose original
7 check was lost or misplaced, requested by the Class Member prior to the void
8 date.

9 4.4.3. For any Class Member whose Individual Class Payment check or Individual
10 PAGA Payment check is uncashed and cancelled after the void date, the
11 Administrator shall transmit the funds represented by such checks to the
12 Court-approved nonprofit organization or foundation consistent with Code of
13 Civil Procedure Section 384, subd. (b), Legal Aid at Work ("Cy Pres
14 Recipient"). The Parties, Class Counsel and Defense Counsel represent that
15 they have no interest or relationship, financial or otherwise, with the intended
16 Cy Pres Recipient.

17 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments
18 will not result in any modification of previously credited hours of service or
19 other eligibility criteria under any employee pension or employee welfare
20 benefit plan sponsored by Health Net or any of the Released Parties or any
21 additional benefit payments (including without limitation vacation pay,
22 holiday pay, bonus pay, pension or 401(k) plan contributions) beyond those
23 provided by this Agreement to Plaintiffs or Participating Class Members, and
24 Plaintiffs and Participating Class Members will be deemed to have waived all
25 such claims, whether known or unknown by them, as part of their release of
26 claims under this Agreement.

27 **5. RELEASES OF CLAIMS.** Effective on the date when Health Net fully funds the entire
28 Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of

the Individual Class Payments, Plaintiffs, Class Members will release claims against all Released Parties as follows:

5.1. Plaintiffs' Releases. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or that could have been asserted based on the factual allegations asserted by the Plaintiffs in the Action, and (b) all PAGA claims that were, or that could have been asserted based on the factual allegations asserted by the Plaintiffs in the Action, Plaintiff Alvarez's PAGA Notice ("Plaintiffs' Release.") Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1. Plaintiffs' Waivers of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Releases, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2. Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and

present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged during the Class Period, based on the facts alleged in the Action including, e.g., (1) Failure to pay a language differential in violation of California Labor Code §1194; (2) Failure to furnish an accurate itemized wage statement upon payment of wages in violation of California Labor Code §226; (3) Failure to pay all wages at time of termination in violation of California Labor Code §§201-203; and (4) Penalties pursuant to Labor Code §§2698 et seq. for violations of Labor Code §§201, 202, 203, 1194, 510 and the applicable IWC Wage Order. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts alleged in the Action and PAGA Notices including, e.g., (1) Failure to pay a language differential in violation of California Labor Code §1194; (2) Failure to furnish an accurate itemized wage statement upon payment of wages in violation of California Labor Code §226; (3) Failure to pay all wages at time of termination in violation of California Labor Code §§201-203; and (4) Penalties pursuant to Labor Code §§2698 et seq. for violations of Labor Code §§201, 202, 203, 1194, 510 and the applicable IWC Wage Order.

6.4 Specifically excluded from Plaintiffs' Release are any claims alleged in *Spears, et al. v. Health Net of California, Inc.*, Case No. 34-2017-00210560-CU-OE-GDS, pending in the Superior Court of the State of California for Sacramento County.

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1. Health Net's Declaration in Support of Preliminary Approval. Within 30 days of the full execution of this Agreement, Health Net will prepare and deliver to Class Counsel a signed Declaration from Health Net and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient.

6.2. Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (v) signed declarations from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator, and/or the proposed Cy Pres; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), operative Complaints (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient.

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, such Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4. Notice to Class Members.

7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, and Pay Periods in the Class Data.

1 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14
2 days after receiving the Class Data, the Administrator will send to all Class
3 Members identified in the Class Data, via first-class United States Postal
4 Service ("USPS") mail, the Class Notice [with Spanish translation, if
5 applicable] substantially in the form attached to this Agreement as Exhibit A.
6 The first page of the Class Notice shall prominently estimate the dollar
7 amounts of any Individual Class Payment and/or Individual PAGA Payment
8 payable to the Class Member, and the number of Class and PAGA Pay
9 Periods (if applicable) used to calculate these amounts. Before mailing Class
10 Notices, the Administrator shall update Class Member addresses using the
11 National Change of Address database.

12 7.4.3. Not later than 3 business days after the Administrator's receipt of any Class
13 Notice returned by the USPS as undelivered, the Administrator shall re-mail
14 the Class Notice using any forwarding address provided by the USPS. If the
15 USPS does not provide a forwarding address, the Administrator shall conduct
16 a Class Member Address Search, and re-mail the Class Notice to the most
17 current address obtained. The Administrator has no obligation to make further
18 attempts to locate or send Class Notice to Class Members whose Class Notice
19 is returned by the USPS a second time.

20 7.4.4. The deadlines for Class Members' written objections, Challenges to Pay
21 Periods, and Requests for Exclusion will be extended an additional 14 days
22 beyond the 45 days otherwise provided in the Class Notice for all Class
23 Members whose notice is re-mailed. The Administrator will inform the Class
24 Member of the extended deadline with the re-mailed Class Notice.

25 7.4.5. If the Administrator, Health Net or Class Counsel is contacted by or otherwise
26 discovers any persons who believe they should have been included in the
27 Class Data and should have received Class Notice, the Parties will
28 expeditiously meet and confer in good faith in an effort to agree on whether to

1 include them as Class Members. If the Parties agree, such persons will be
2 Class Members entitled to the same rights as other Class Members, and the
3 Administrator will send, via email or overnight delivery, a Class Notice
4 requiring them to exercise options under this Agreement not later than 14 days
5 after receipt of Class Notice, or the deadline dates in the Class Notice, which
6 ever are later.

7 7.5. Requests for Exclusion (Opt-Outs).

8 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class
9 Settlement must send the Administrator, by fax, email, or mail, a signed
10 written Request for Exclusion not later than 45 days after the Administrator
11 mails the Class Notice (plus an additional 14 days for Class Members whose
12 Class Notice is re-mailed). A Request for Exclusion is a letter from a Class
13 Member or his/her representative that reasonably communicates the Class
14 Member's election to be excluded from the Settlement and includes the Class
15 Member's name, address and email address or telephone number. To be
16 valid, a Request for Exclusion must be timely faxed, emailed, or postmarked
17 by the Response Deadline.

18 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because
19 it fails to contain all the information specified in the Class Notice. The
20 Administrator shall accept any Request for Exclusion as valid if the
21 Administrator can reasonably ascertain the identity of the person as a Class
22 Member and the Class Member's desire to be excluded. The Administrator's
23 determination shall be final and not appealable or otherwise susceptible to
24 challenge. If the Administrator has reason to question the authenticity of a
25 Request for Exclusion, the Administrator may demand additional proof of the
26 Class Member's identity. The Administrator's determination of authenticity
27 shall be final and not appealable or otherwise susceptible to challenge.
28

1 7.5.3. Every Class Member who does not submit a timely and valid Request for
2 Exclusion is deemed to be a Participating Class Member under this
3 Agreement, entitled to all benefits and bound by all terms and conditions of
4 the Settlement, including the Participating Class Members' Releases under
5 Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating
6 Class Member actually receives the Class Notice or objects to the Settlement.

7 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is
8 a Non-Participating Class Member and shall not receive an Individual Class
9 Payment or have the right to object to the class action components of the
10 Settlement. Non-Participating Class Members who are Aggrieved Employees
11 are deemed to release Released PAGA Claims and are eligible for an
12 Individual PAGA Payment.

13 7.6. Challenges to Calculation of Pay Periods. Each Class Member shall have 45 days
14 after the Administrator mails the Class Notice (plus an additional 14 days for Class
15 Members whose Class Notice is re-mailed) to challenge the number of Class and/or
16 PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The
17 Class Member may challenge the allocation by communicating with the
18 Administrator via fax, email or mail. The Administrator must encourage the
19 challenging Class Member to submit supporting documentation. In the absence of
20 any contrary documentation, the Administrator is entitled to presume that the Pay
21 Periods contained in the Class Notice are correct so long as they are consistent with
22 the Class Data. The Administrator's determination of each Class Member's
23 allocation of Pay Periods shall be final and not appealable or otherwise susceptible to
24 challenge. The Administrator shall promptly provide copies of all challenges to
25 calculation of Pay Periods to Defense Counsel and Class Counsel and the
26 Administrator's determination the challenges.

27 7.7. Objections to Settlement.
28

1 7.7.1. Only Participating Class Members may object to the class action components
2 of the Settlement and/or this Agreement, including contesting the fairness of
3 the Settlement, and/or amounts requested for the Class Counsel Fees Payment,
4 Class Counsel Litigation Expenses Payment and/or Class Representatives
5 Service Payment.

6 7.7.2. Participating Class Members may send written objections to the
7 Administrator, by fax, email, or mail. In the alternative, Participating Class
8 Members may appear in Court (or hire an attorney to appear in Court) to
9 present verbal objections at the Final Approval Hearing. A Participating Class
10 Member who elects to send a written objection to the Administrator must do
11 so not later than 45 days after the Administrator's mailing of the Class Notice
12 (plus an additional 14 days for Class Members whose Class Notice was re-
13 mailed).

14 7.7.3. Non-Participating Class Members have no right to object to any of the class
15 action components of the Settlement.

16 7.8. Administrator Duties. The Administrator, as a condition of appointment, will agree
17 to be bound by this Agreement with respect to the performance of its duties and its
18 compensation. The Parties will also enter into a separate Services Agreement with
19 the Administrator to be drafted by Defendant's Counsel for review by Class Counsel
20 to confirm the Administrator's responsibilities. The Administrator has a duty to
21 perform or observe all tasks to be performed or observed by the Administrator
22 contained in this Agreement or otherwise.

23 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will
24 establish and maintain and use an internet website to post information of
25 interest to Class Members including the date, time and location for the Final
26 Approval Hearing and copies of the Settlement Agreement, Motion for
27 Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion
28 for Final Approval, the Motion for Class Counsel Fees Payment, Class

Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4. Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

1 7.8.5. Administrator's Declaration. Not later than 14 days before the date by which
2 Plaintiff is required to file the Motion for Final Approval of the Settlement,
3 the Administrator will provide to Class Counsel and Defense Counsel, a
4 signed declaration suitable for filing in Court attesting to its due diligence and
5 compliance with all of its obligations under this Agreement, including, but not
6 limited to, its mailing of Class Notice, the Class Notices returned as
7 undelivered, the re-mailing of Class Notices, attempts to locate Class
8 Members, the total number of Requests for Exclusion from Settlement it
9 received (both valid or invalid), the number of written objections and attach
10 the Exclusion List. The Administrator will supplement its declaration as
11 needed or requested by the Parties and/or the Court. Class Counsel is
12 responsible for filing the Administrator's declaration(s) in Court.

13 7.8.6. Final Report by Settlement Administrator. Within 10 days after the
14 Administrator disburses all funds in the Gross Settlement Amount, the
15 Administrator will provide Class Counsel and Defense Counsel with a final
16 report detailing its disbursements by employee identification number only of
17 all payments made under this Agreement. At least 15 days before any
18 deadline set by the Court, the Administrator will prepare, and submit to Class
19 Counsel and Defense Counsel, a signed declaration suitable for filing in Court
20 attesting to its disbursement of all payments required under this Agreement.
21 Class Counsel is responsible for filing the Administrator's declaration in
22 Court.

23 7.8.7. The Settlement Administrator shall have its own Employer Identification
24 Number under Internal Revenue Service Form W-9 and shall use its own
25 Employer Identification Number in calculating payroll withholdings for taxes
26 and shall transmit the required employers' and employees' share of the
27 withholdings to the appropriate state and federal tax authorities. The
28 Settlement Administrator shall establish a settlement fund that meets the

requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1 in which the Gross Settlement Amount and employer's share of payroll taxes shall be deposited.

8. **CLASS SIZE ESTIMATES.** Based on its records, Health Net estimates that, as of the date of this Settlement Agreement, (1) there are 340 Class Members and 12,000 Total Pay Periods during the Class period. If the number of Pay Periods with language premium and/or shift differential wages is more than 5% greater than these figures, Health Net agrees to either, at Health Net's sole option, modify the definition of "Class," "Aggrieved Employee," and "Class Period" to end as of the date that the number of Pay Periods reaches 5% more than the total above, or, increase the Gross Settlement Amount on a proportional basis (i.e., if there was a 9% increase in the number of Pay Periods, Health Net would agree to increase the Gross Settlement Amount by 4%).

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Health Net, at its sole discretion, shall have the right but not the obligation to revoke the Settlement. The Parties agree that, if Health Net exercises its revocation rights, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Health Net will remain responsible for paying all Settlement Administration Expenses incurred to that point. Health Net must notify Class Counsel and the Court of its election to revoke not later than 14 days after the Administrator sends the final Exclusion List to Defense Counsel.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel a reasonable period prior to filing the Motion for Final

1 Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in good
2 faith, to resolve any disagreements concerning the Motion for Final Approval.

3 10.1. Response to Objections. Each Party retains the right to respond to any objection
4 raised by a Participating Class Member, including the right to file responsive
5 documents in Court no later than five court days prior to the Final Approval Hearing,
6 or as otherwise ordered or accepted by the Court.

7 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
8 Approval on any material change to the Settlement (including, but not limited to, the
9 scope of release to be granted by Class Members), the Parties will expeditiously work
10 together in good faith to address the Court's concerns by revising the Agreement as
11 necessary to obtain Final Approval. The Court's decision to award less than the
12 amounts requested for the Class Representatives Service Payment, Class Counsel
13 Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator
14 Expenses Payment shall not constitute a material modification to the Agreement
15 within the meaning of this paragraph.

16 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment,
17 the Court will retain jurisdiction over the Parties, Action, and the Settlement solely
18 for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing
19 settlement administration matters, and (iii) addressing such post-Judgment matters as
20 are permitted by law.

21 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
22 conditions of this Agreement, specifically including the Class Counsel Fees Payment
23 and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement,
24 the Parties, their respective counsel, and all Participating Class Members who did not
25 object to the Settlement as provided in this Agreement, waive all rights to appeal
26 from the Judgment, including all rights to post-judgment and appellate proceedings,
27 the right to file motions to vacate judgment, motions for new trial, extraordinary
28 writs, and appeals. The waiver of appeal does not include any waiver of the right to

1 oppose such motions, writs or appeals. If an objector appeals the Judgment, the
2 Parties' obligations to perform under this Agreement will be suspended until such
3 time as the appeal is finally resolved and the Judgment becomes final, except as to
4 matters that do not affect the amount of the Net Settlement Amount.

5 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If, after
6 a notice of appeal, a petition for review, or a petition for certiorari, or any other
7 motion, petition, or application, the reviewing Court vacates, reverses, or modifies the
8 Judgment such that there is a material modification to the Settlement (including, but
9 not limited to, the scope of release to be granted by Participating Class Members),
10 and that Court's decision is not completely reversed and the Judgment is not fully
11 affirmed on review by a higher Court, then the Parties shall work together in good
12 faith to address any concerns raised by the reviewing Court and propose a revised
13 Settlement for the approval of the Court not later than fourteen days after the
14 reviewing Court's decision vacating, reversing, or materially modifying the Judgment
15 becomes Final. A vacation, reversal, or modification of the Court's award of the
16 Class Representatives Service Payment or the Class Counsel Fees Payment or Class
17 Counsel Litigation Expenses Payment will not constitute a vacation, reversal, or
18 material modification of the Judgment within the meaning of this paragraph, provided
19 that Health Net's obligation to make payments under this Settlement will remain
20 limited by the Gross Settlement Amount.

21 11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil
22 Procedure section 384, the Parties will work together in good faith to jointly submit and a
23 proposed amended judgment.

24 12. **ADDITIONAL PROVISIONS.**

25 12.1. No Admission of Liability, Class Certification or Representative Manageability for
26 Other Purposes. Health Net and the Released Parties deny that they have engaged in
27 any unlawful activity, have failed to comply with the law in any respect, have any
28 liability to anyone under the claims asserted in the Action, or that but for the

1 Settlement a class should be certified in the Action. This Agreement is entered into
2 solely for the purpose of compromising highly disputed claims. Nothing in this
3 Agreement is intended or should be construed as an admission by Health Net that any
4 of the allegations in the Actions have merit or that Health Net has any liability for any
5 claims asserted; nor should it be intended or construed as an admission by Plaintiffs
6 that Health Net's defenses in the Action have merit. This Settlement and the fact that
7 Plaintiffs and Health Net were willing to settle the Action will have no bearing on,
8 and will not be admissible in connection with, any litigation (other than solely in
9 connection with effectuating the Settlement pursuant to this Agreement). The Parties
10 agree that class certification and representative treatment is for purposes of this
11 Settlement only. If, for any reason the Court does grant Preliminary Approval, Final
12 Approval or enter Judgment, Health Net reserves the right to contest certification of
13 any class for any reasons, and Health Net reserves all available defenses to the claims
14 in the Action, and Plaintiffs reserve the right to move for class certification on any
15 grounds available and to contest Health Net's defenses. Whether or not the Judgment
16 becomes Final, neither the Settlement, this Agreement, any document, statement,
17 proceeding or conduct related to the Settlement or the Agreement, nor any reports or
18 accounting of those matters, will be (i) construed as, offered or admitted in evidence
19 as, received as, or deemed to be evidence for any purpose adverse to Plaintiffs or
20 Defendant or any of the Released Parties, including, but not limited to, evidence of a
21 presumption, concession, indication or admission by any of the Released Parties of
22 any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed,
23 referred to or offered in evidence against any of the Released Parties, in any further
24 proceeding in the Action, or any other civil, criminal or administrative action or
25 proceeding except for purposes of effectuating the Settlement pursuant to this
26 Agreement.

27 12.2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Health Net
28 and Defense Counsel separately agree that, until the Motion for Preliminary Approval

of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Health Net and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3. Limitation on Public Statements About Settlement. Neither Class Counsel nor Defendant's Counsel shall publicize the Settlement, other than filing documents with the Court. Plaintiffs, Class Counsel, Defendant and Defendant's Counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the Settlement. If Plaintiffs, Class Counsel, Defendant or Defendant's Counsel receives an inquiry about the Settlement from the media, they may respond only after the Motion for Preliminary Approval has been filed and only by confirming the accurate terms of the Settlement. Class Counsel and Defendant's Counsel agree to discuss the terms of this Settlement only in filings in the Action as required to approve the Settlement and in discussions with Class Members or the Settlement Administrator in the context of administering this settlement, except that

they may include the Action's title in a list of cases for which they were appointed Class Counsel for settlement purposes and provide the percentage of Attorneys' Fees or the Service Award amount awarded in declarations in support of future motions for settlement without providing any other information about the settlements. Class Counsel and Defendant's Counsel will not discuss the settlement with any third parties or otherwise publicize the settlement in any manner except as provided in this paragraph. Class Counsel and Defendant's Counsel will not use any information about the identities, contact information, or other data provided about the Class Members or Aggrieved Employees in the Action other than for purposes of the Action. All parties agree that this settlement is strictly confidential until the Preliminary Approval Motion is filed. This provision also does not limit Settlement Class Counsel from complying with ethical obligations, and does not limit the Settlement Administrator from posting court-filed documents on its website for viewing by Class Members after preliminary approval. Nothing in this provision shall prevent Defendant or Plaintiffs from making any required disclosures.

12.4. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.5. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.6. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Health Net, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably

required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.7. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.8. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.9. No Tax Advice. Neither Plaintiffs, Class Counsel, Health Net nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.10. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

12.11. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.12. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.

1 12.13. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
2 of this Agreement. This Agreement will not be construed against any Party on the
3 basis that the Party was the drafter or participated in the drafting.

4 12.14. Confidentiality. To the extent permitted by law, all agreements made, and orders
5 entered during Action and in this Agreement relating to the confidentiality of
6 information shall survive the execution of this Agreement.

7 12.15. Use and Return of Class Data. Information provided to Class Counsel pursuant to
8 Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to
9 Class Counsel by Health Net or the Administrator in connection with the mediation,
10 other settlement negotiations, or in connection with the Settlement, may be used only
11 with respect to this Settlement, and no other purpose, and may not be used in any way
12 that violates any existing contractual agreement, statute, or rule of court. Not later
13 than 30 days after the date when the Court discharges the Administrator's obligation
14 to provide a Declaration confirming the final pay out of all Settlement funds,
15 Plaintiffs and Class Counsel shall destroy, all paper and electronic versions of any
16 information provided to Class Counsel pursuant to Cal. Evid. Code §1152 and Class
17 Data received from Health Net and/or the Administrator and, if requested in writing,
18 confirm in writing to Defendant the destruction of all such documents and data.

19 12.16. Headings. The descriptive heading of any section or paragraph of this Agreement is
20 inserted for convenience of reference only and does not constitute a part of this
21 Agreement.

22 12.17. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
23 shall be to calendar days. In the event any date or deadline set forth in this
24 Agreement falls on a weekend or federal legal holiday, such date or deadline shall be
25 on the first business day thereafter.

26 12.18. Notice. All notices, demands or other communications between the Parties in
27 connection with this Agreement will be in writing and deemed to have been duly
28

given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff Alvarez:

Larry W. Lee (lwlee@diversitylaw.com)

Max W. Gavron (mgavron@diversitylaw.com)

Diversity Law Group, P.C.

515 S. Figueroa St., Suite 1250

Los Angeles, CA 90071

To Plaintiff Caranza:

Marcus J. Bradley, Esq.

(mbradley@bradleygrombacher.com)

Kiley L. Grombacher, Esq.

(kgrombacher@bradleygrombacher.com)

Bradley/Grombacher, LLP

31365 Oak Crest Drive, Suite 240

Westlake Village, California 91361

Telephone: (805) 270-7100

To Health Net:

Steven A. Groode (sgroode@littler.com)

Littler Mendelson, P.C.

1255 Treat Boulevard, Suite 600

Walnut Creek, CA 94597

Telephone: (925) 932-2468

Barbara Blackburn

(blackburn@littler.com)

Nate Jenkins (njenkins@littler.com)

Littler Mendelson, P.C.

500 Capitol Mall, Suite 2000

Sacramento, CA 95814

Telephone: (916) 830-7200

12.19. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

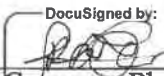
12.20. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The

Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

12.21. Continuing Jurisdiction. The Court shall retain continuing jurisdiction over the Action under CCP section 664.6 to ensure the continuing implementation of this Agreement and enforcement of the Settlement until performance in full of the terms of this Settlement.

12.22. Enforcement. Except with regard to the motions for preliminary approval, final approval, and attorneys' fees and costs as contemplated herein, should either party be required to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

Dated: 10/5/2022

DocuSigned by:

Ariana Carranza, Plaintiff

Dated: 10/5/2022

DocuSigned by:

Elena Gandelaria Alvarez, Plaintiff

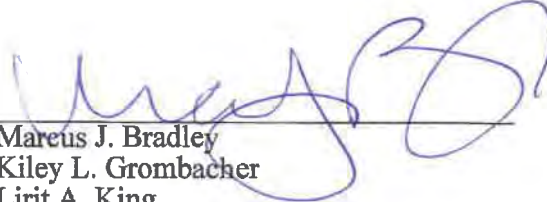
Dated: _____

[name]
For Defendant Health Net of California, Inc.

APPROVED AS TO FORM:

BRADLEY/GROMBACHER, LLP

Dated: 9/5/22


Marcus J. Bradley
Kiley L. Grombacher
Lirit A. King
Attorney for Plaintiff

LAW OFFICES OF SAHAG MAJARIAN II

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Dated: _____
Ariana Carranza, Plaintiff

Dated: _____
Flora Candelaria Alvarez, Plaintiff

Dated: Oct 7, 2022
Merdith Linhardt
Merdith Linhardt (Oct 7, 2022 09:52 CDT)
Merdith Linhardt [name]
For Defendant Health Net of California, Inc.

APPROVED AS TO FORM:

BRADLEY/GROMBACHER, LLP

Dated: _____
Marcus J. Bradley
Kiley L. Grombacher
Lirit A. King
Attorney for Plaintiff

LAW OFFICES OF SAHAG MAJARIAN II

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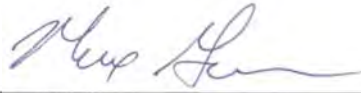
Dated: 10/6/2022

DocuSigned by:
Sahag Majarian
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Sahag Majarian II
Attorney for Plaintiff

DIVERSITY LAW GROUP, P.C.

Dated: 10/5/2022


Larry W. Lee
Max Gavron
Attorney for Plaintiff

POLARIS LAW GROUP, LLP

Dated: 9/5/2022

William L. Marder
Attorney for Plaintiff

LITTLER MENDELSON P.C.

Dated: _____

Steven A. Groode
Barbara A. Blackburn
Nathaniel H. Jenkins
Attorney for Defendant

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Dated: _____

Sahag Majarian II
Attorney for Plaintiff

DIVERSITY LAW GROUP, P.C.

Dated: _____

Larry W. Lee
Max Gavron
Attorney for Plaintiff

POLARIS LAW GROUP, LLP

Dated: _____

William L. Marder
Attorney for Plaintiff

LITTLER MENDELSON P.C.

Dated: October 5, 2022



Steven A. Groode
Barbara A. Blackburn
Nathaniel H. Jenkins
Attorney for Defendant

EXHIBIT A

1 EXHIBIT A

2 COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND
3 HEARING DATE FOR FINAL COURT APPROVAL

4 Ariana Carranza v. Health Net of California, Inc.,

5 and

6 Flora Candelaria Alvarez v. Health Net of California, Inc.,

7 ***The Superior Court for the State of California authorized this Notice. Read it carefully!***

8 ***It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

9
10 **You may be eligible to receive money** from the settlement of employee class action lawsuits
11 (“Action”) against Health Net of California, Inc. (referred to as “Health Net”) for alleged wage and
12 hour violations. The Action involves two cases: *Ariana Carranza v. Health Net of California, Inc.*,
13 20STCV14774, filed by a former employee on April 16, 2020 in the Superior Court of the State of
14 California, County of Los Angeles (“Carranza Action”); and *Flora Candelaria Alvarez v. Health Net*
15 *of California, Inc.*, 34-2020-00289192, (“Alvarez Action”) filed by a current employee on
16 November 17, 2020 in the Superior Court of the State of California, County of Sacramento. The
17 Carranza Action and Alvarez Action seek wages and penalties under the California labor laws,
18 including wages and penalties for (1) all current and former non-exempt employees of Health Net in
19 the State of California who were paid language premium and/or shift differential wages during the
20 Class Period from April 16, 2016 to January 31, 2022 (“Class”); and (2) penalties under the
21 California Private Attorney General Act (“PAGA”) for all current and former non-exempt
22 employees of Health Net in the State of California who were paid language premium and/or shift
23 differential wages during the PAGA Period from April 20, 2019 to January 31, 2022 (“Aggrieved
24 Employees”).

25 The proposed Settlement has two main parts: (1) a Class Settlement requiring Health Net to
26 fund Individual Class Payments, and (2) a PAGA Settlement requiring Health Net to fund Individual
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1 PAGA Payments and pay penalties to the California Labor and Workforce Development Agency
2 (“LWDA”).

3 Based on Health Net’s records, and the Parties’ current assumptions, your **Individual Class**
4 **Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is**
5 **estimated to be \$_____.** The actual amount you may receive likely will be different and will
6 depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then
7 according to Health Net’s records you are not eligible for an Individual PAGA Payment under the
8 Settlement because you didn’t work during the PAGA Period.)

9 The above estimates are based on Health Net’s records showing that **you worked _____ pay**
10 **periods** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If
11 you believe that you worked more pay periods during either period, you can submit a challenge by
12 the deadline date. See Section 4 of this Notice.

13 The Court has already preliminarily approved the proposed Settlement and approved this
14 Notice. The Court has not yet decided whether to grant final approval. Your legal rights are
15 affected whether you act or not act. Read this Notice carefully. You will be deemed to have
16 carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to
17 finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and
18 Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that
19 requires Health Net to make payments under the Settlement and requires Class Members and
20 Aggrieved Employees to give up their rights to assert certain claims against Health Net.

21 If you worked for Health Net during the Class Period and/or the PAGA Period, you have two
22 basic options under the Settlement:

- 23 (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement
24 and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As
25 a Participating Class Member, though, you will give up your right to assert Class Period
26 wage claims and PAGA Period penalty claims against Health Net.

(2) Opt-Out of the Class Settlement. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Health Net, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Health Net will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Health Net that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Health Net must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many pay periods you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Pay Periods and number of PAGA Period Pay Periods you worked according to Health Net’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1 **1. WHAT IS THE ACTION ABOUT?**

2 Plaintiffs are current and former Health Net employees. The Action accuses Health Net of
3 violating California labor laws by failing to pay a language differential, failing to furnish an accurate
4 itemized wage statement upon payment of wages, failing to pay all wages at the time of termination.
5 Based on the same claims, Plaintiffs have also asserted claims for civil penalties under the California
6 Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented
7 by attorneys in the Action: Marcus J. Bradley, Kiley L. Grombacher, and Lirit A. King of
8 BRADLEY/GROMBACHER, LLP; Sahag Majarian II of LAW OFFICES OF SAHAG
9 MAJARIAN II; Larry W. Lee and Max Gavron of DIVERSITY LAW GROUP, P.C. and William L.
10 Marder of POLARIS LAW GROUP, LLP (“Class Counsel.”)

11 Health Net strongly denies violating any laws or failing to pay any wages and contends it
12 complied with all applicable laws.

13 **2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?**

14 So far, the Court has made no determination whether Health Net or Plaintiffs are correct on the
15 merits.

16 In the meantime, Plaintiffs and Health Net hired a retired judge in an effort to resolve the Action
17 by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive
18 and time-consuming process of litigation. The negotiations were successful. By signing a lengthy
19 written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a
20 judgment ending the Action and enforcing the Agreement, Plaintiffs and Health Net have negotiated
21 a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed
22 Settlement is a compromise of disputed claims. By agreeing to settle, Health Net does not admit any
23 violations or concede the merit of any claims.

24 Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they
25 believe that: (1) Health Net has agreed to pay a fair, reasonable and adequate amount considering
26 the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is
27 in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily
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1 approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and
2 scheduled a hearing to determine Final Approval.

3 **3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?**

4 1. Health Net Will Pay \$420,000 as the Gross Settlement Amount (Gross Settlement). Health
5 Net has agreed to deposit the Gross Settlement into an account controlled by the
6 Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the
7 Individual Class Payments, Individual PAGA Payments, Class Representative Service
8 Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and
9 penalties to be paid to the California Labor and Workforce Development Agency
10 ("LWDA"). Assuming the Court grants Final Approval, Health Net will fund the Gross
11 Settlement not more than 14 days after the Judgment entered by the Court become final. The
12 Judgment will be final on the date the Court enters Judgment, or a later date if Participating
13 Class Members object to the proposed Settlement or the Judgment is appealed.

14 2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing,
15 Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from
16 the Gross Settlement, the amounts of which will be decided by the Court at the Final
17 Approval Hearing:

18 A. Up to \$147,000 (35% of the Gross Settlement] to Class Counsel for attorneys' fees
19 and up to \$20,000 for their litigation expenses. To date, Class Counsel have worked
20 and incurred expenses on the Action without payment.

21 B. Up to \$10,000 each as Class Representatives Award, totaling \$20,000, for filing the
22 Action, working with Class Counsel and representing the Class. A Class
23 Representatives Award will be the only monies Plaintiffs will receive other than
24 Plaintiffs' Individual Class Payment and any Individual PAGA Payment.

25 C. Up to \$10,000 to the Administrator for services administering the Settlement.
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1 D. Up to **\$42,000** for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and
2 25% in Individual PAGA Payments to the Aggrieved Employees based on their
3 PAGA Period Pay Periods.

4 Participating Class Members have the right to object to any of these deductions. The Court
5 will consider all objections.

- 6 3. Net Settlement Distributed to Class Members. After making the above deductions in
7 amounts approved by the Court, the Administrator will distribute the rest of the Gross
8 Settlement (the “Net Settlement”) by making Individual Class Payments to Participating
9 Class Members based on their Class Period Pay Periods.
- 10 4. Taxes Owed on Payments to Class Members. Plaintiff and HEALTH NET are asking the
11 Court to approve an allocation of **20%** of each Individual Class Payment to taxable wages
12 (“Wage Portion”) and **80%** to interest and penalties (“Non-Wage Portion.”). The Wage
13 Portion is subject to withholdings and will be reported on IRS W-2 Forms. Health Net will
14 separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA
15 Payments are counted as penalties rather than wages for tax purposes. The Administrator
16 will report the Individual PAGA Payments and the Non-Wage Portions of the Individual
17 Class Payments on IRS 1099 Forms.
- 18 Although Plaintiffs and Health Net have agreed to these allocations, neither side is giving
19 you any advice on whether your Payments are taxable or how much you might owe in taxes.
20 You are responsible for paying all taxes (including penalties and interest on back taxes) on
21 any Payments received from the proposed Settlement. You should consult a tax advisor if
22 you have any questions about the tax consequences of the proposed Settlement.
- 23 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual
24 Class Payments and Individual PAGA Payments will show the date when the check expires
25 (the void date). If you don’t cash it by the void date, your check will be automatically
26 cancelled, and the monies will irrevocably lost to you because they will be paid to a non-
27 profit organization or foundation (“Cy Pres”).
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6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **45 days**, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a signed letter from a Class Member setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Health Net. You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Health Net based on the PAGA Period facts alleged in the Action.
7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Health Net have agreed that, in either case, the Settlement will be void: Health Net will not pay any money and Class Members will not release any claims against Health Net.
8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Health Net has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the

1 Settlement. This means that unless you opted out by validly excluding yourself from the
2 Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against
3 Health Net or related entities for wages based on the Class Period facts and PAGA penalties
4 based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

5 The Participating Class Members will be bound by the following release:

6 All Participating Class Members, on behalf of themselves and their respective
7 former and present representatives, agents, attorneys, heirs, administrators,
8 successors, and assigns, release Released Parties from all claims that were
9 alleged, or reasonably could have been alleged, based on the Class Period
10 facts alleged in the Action including, e.g., (1) Failure to pay a language
11 differential in violation of California Labor Code §1194; (2) Failure to furnish
12 an accurate itemized wage statement upon payment of wages in violation of
13 California Labor Code §226; (3) Failure to pay all wages at time of
14 termination in violation of California Labor Code §§201-203; and (4)
Penalties pursuant to Labor Code §§2698 et seq. for violations of Labor Code
§§201, 202, 203, 1194, 510 and the applicable IWC Wage Order. Except as
set forth in Section 5.3 of this Agreement, Participating Class Members do not
release any other claims, including claims for vested benefits, wrongful
termination, violation of the Fair Employment and Housing Act,
unemployment insurance, disability, social security, workers' compensation,
or claims based on facts occurring outside the Class Period.

15 10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Health Net
16 has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all
17 Aggrieved Employees will be barred from asserting the PAGA claims described below
18 against Health Net, whether or not they exclude themselves from the Settlement. This means
19 that all Aggrieved Employees, including those who are Participating Class Members and
20 those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any
21 other PAGA claim against Health Net or its related entities based on the PAGA Period facts
22 alleged in the Action and resolved by this Settlement.

23 The Aggrieved Employees' Releases for Participating and Non-Participating Class Members
24 are as follows:

25 All Non-Participating Class Members who are Aggrieved Employees are
26 deemed to release, on behalf of themselves and their respective former and
27 present representatives, agents, attorneys, heirs, administrators, successors,
28 and assigns, the Released Parties from all claims for PAGA penalties that
were alleged, or reasonably could have been alleged, based on the PAGA
Period facts alleged in the Action and the PAGA Notices including, e.g., (1)
Failure to pay a language differential in violation of California Labor Code

§1194; (2) Failure to furnish an accurate itemized wage statement upon payment of wages in violation of California Labor Code §226; (3) Failure to pay all wages at time of termination in violation of California Labor Code §§201-203; and (4) Penalties pursuant to Labor Code §§2698 et seq. for violations of Labor Code §§201, 202, 203, 1194, 510 and the applicable IWC Wage Order.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Pay Periods worked by all Participating Class Members, and (b) multiplying the result by the number of Pay Periods worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$_____ by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

3. Pay Period Challenges. The number of Class Pay Periods you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Health Net's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax.

Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Health Net's calculation of Pay Periods based on Health Net's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Health Net's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

1 **5. HOW WILL I GET PAID?**

- 2 1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to
- 3 every Participating Class Member (i.e., every Class Member who doesn't opt-out) including
- 4 those who also qualify as Aggrieved Employees. The single check will combine the
- 5 Individual Class Payment and the Individual PAGA Payment.
- 6 2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single
- 7 Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class
- 8 Settlement (i.e., every Non-Participating Class Member).

9 **Your check will be sent to the same address as this Notice. If you change your address,**

10 **be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the**

11 **Administrator's contact information.**

12 **6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?**

13 Submit a written and signed letter with your name, present address, telephone number, and a

14 simple statement that you do not want to participate in the Settlement. The Administrator will

15 exclude you based on any writing communicating your request be excluded. Be sure to

16 personally sign your request, identify the Action as _____,

17 and include your identifying information (full name, address, telephone number, approximate

18 dates of employment, and social security number for verification purposes). You must make the

19 request yourself. If someone else makes the request for you, it will not be valid. **The**

20 **Administrator must be sent your request to be excluded by _____, or it will be**

21 **invalid.** Section 9 of the Notice has the Administrator's contact information.

22 **7. HOW DO I OBJECT TO THE SETTLEMENT?**

23 Only Participating Class Members have the right to object to the Settlement. Before deciding

24 whether to object, you may wish to see what Plaintiffs and Health Net are asking the Court to

25 approve. At least 16 days before the calendared Final Approval Hearing, Class Counsel and/or

26 Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the

27 reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and

28

1 Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and
2 litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representatives Service
3 Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of
4 this Notice) will send you copies of these documents at no cost to you. You can also view them
5 on the Administrator's Website _____ (url) _____ or the Court's website _____ (url) _____.

6 A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for
7 Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to
8 object, for example, that the proposed Settlement is unfair, or that the amounts requested by
9 Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written**
10 **objections to the Administrator is _____.** Be sure to tell the Administrator what you
11 object to, why you object, and any facts that support your objection. Make sure you identify the
12 Action _____ and include your name, current address, telephone number, and
13 approximate dates of employment for Health Net and sign the objection. Section 9 of this Notice
14 has the Administrator's contact information.

15 Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at
16 your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready
17 to tell the Court what you object to, why you object, and any facts that support your objection.
18 See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval
19 Hearing.

20 **8. CAN I ATTEND THE FINAL APPROVAL HEARING?**

21 You can, but don't have to, attend the Final Approval Hearing on _____ at _____ (time)
22 in Department _____ of the Sacramento Superior Court, located at _____. At the
23 Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of
24 the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will
25 invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You
26 can attend (or hire a lawyer to attend) either personally or virtually via _____. Check the
27 Court's website for the most current information.
28

1 It's possible the Court will reschedule the Final Approval Hearing. You should check the
2 Administrator's website _____ beforehand or contact Class
3 Counsel to verify the date and time of the Final Approval Hearing.

4 **9. HOW CAN I GET MORE INFORMATION?**

5 The Agreement sets forth everything Health Net and Plaintiffs have promised to do under the
6 proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement
7 documents is to go to _____ (specify entity) 's website at _____ (url) _____. You can also
8 telephone or send an email to Class Counsel or the Administrator using the contact information
9 listed below, or consult the Superior Court website by going to _____ and entering the Case
10 Number for the Action, Case No. _____. You can also make an appointment to
11 personally review court documents in the Clerk's Office at _____ by calling _____
12 _____.

13 **DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION** 14 **ABOUT THE SETTLEMENT.**

15 Larry W. Lee (SBN 228175)
16 Max W. Gavron (SBN 291697)
17 **DIVERSITY LAW GROUP, P.C.**
18 515 S. Figueroa St., Suite 1250
19 Los Angeles, CA 90071
20 (213) 488-6555
(213) 488-6554 facsimile
lwlee@diversitylaw.com
mgavron@diversitylaw.com

21 William L. Marder (SBN 170131)
22 **POLARIS LAW GROUP**
23 501 San Benito Street, Suite 200
24 Hollister, CA 95023
25 Tel: (831) 531-4214
26 Fax: (831) 634-0333
27 bill@polarislawgroup.com

28 Marcus J. Bradley, Esq. (SBN 174156)
Kiley L. Grombacher, Esq. (SBN 245960)
BRADLEY/GROMBACHER, LLP
31365 Oak Crest Drive, Suite 240
Westlake Village, California 91361
Telephone: (805) 270-7100

mbradley@bradleygrombacher.com
kgrombacher@bradleygrombacher.com

Settlement Administrator:

Name of Company: _____

Email Address: _____

Mailing Address: _____

Telephone: _____

Fax Number: _____

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 2

Suzette Boucher

From: DIR PAGA Unit <lwdadonotreply@dir.ca.gov>
Sent: Tuesday, October 11, 2022 10:56 AM
To: Suzette Boucher
Subject: Thank you for your Proposed Settlement Submission

10/11/2022 10:55:14 AM

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

Item submitted: Proposed Settlement

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA)
3) ss.
4 COUNTY OF LOS ANGELES)

5 I am employed in the County of Los Angeles, State of California. I am over the
6 age of 18 and not a party to the within action. My business address is 31365 Oak Crest
Drive, Suite 240, Westlake Village, CA 91361.

7 On November 7, 2022, I served the foregoing document described as:

- 8 **1) PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR PRELIMINARY**
9 **APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT;**
10 **MEMORANDUM OF POINTS AND AUTHORITIES**
11 **2) DECLARATION OF MARCUS J. BRADLEY IN SUPPORT**
12 **3) DECLARATION OF MAX W. GAVRON IN SUPPORT**
13 **4) DECLARATION OF LARRY W. LEE IN SUPPORT**
14 **5) DECLARATION OF WILLIAM L. MARDER IN SUPPORT**
15 **6) DECLARATION OF PLAINTIFF FLORA CANDELARIA IN SUPPORT**
16 **7) DECLARATION OF PLAINTIFF ARIANA CARRANZA IN SUPPORT**
17 **8) DECLARATION OF SEAN HARTRANFT RE: QUALIFICATIONS OF ILYM GROUP,**
18 **INC. AND SETTLEMENT ADMINISTRATOR**
19 **9) [PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS AND**
20 **REPRESENTATIVE ACTION SETTLEMENT**

21 on all interested parties in said action:

22 **SEE ATTACHED SERVICE LIST**

23 [X] **(VIA US MAIL)** I caused such envelope(s) to be deposited in the mail at Westlake
24 Village, California with postage thereon fully prepaid. I am "readily familiar" with the
25 firm's practice of collection and processing correspondence for mailing. It is deposited
26 with the U.S. Postal Service on that same day in the ordinary course of business. I am
27 aware that on motion of party served, service is presumed invalid if postal cancellation
28 date or postage meter date is more than one day after date of deposit for mailing in
affidavit.

[X] **(VIA ELECTRONIC MAIL)** I delivered the aforementioned document (s) by
electronic mail to the parties' email addresses as they are known to me on the attached
Service List. My email address is sboucher@bradleygrombacher.com. I did not receive,
within a reasonable period of time, any indication that the transmission was not
successful.

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

Executed on November 7, 2022 at Westlake Village, California.



Suzette Boucher

**Healthnet/Centene Cases
Sacramento Superior Court
Coordination Proceeding JCCP No. 5225**

Mailing List

(Via Electronic Mail Only) Steven S. Groode, Esq. Barbara A. Blackburn, Esq. Nathaniel H. Jenkins, Esq. Masada, Chopi, Esq. LITTLER MENDELSON 500 Capitol Mall, Suite 2000 Sacramento, CA 95814 SGroode@littler.com BBlackburn@littler.com NJenkins@littler.com SMasada@littler.com	Attorney for Defendants, HEALTH NET OF CALIFORNIA, INC. and CENTENE CORPORATION
(Via Electronic Mail Only) Max W. Gavron, Esq. Larry W. Lee, Esq. DIVERSITY LAW GROUP, P.C. 515 S. Figueroa Street, Suite 1250 Los Angeles, CA 90071 mgavron@diversitylaw.com lwlee@diversitylaw.com William L. Marder , Esq. POLARIS LAW GROUP 501 San Benito Street, Suite 200 Hollister, CA 95023 Tel: (831) 531-4214 Fax: (831) 634-0333 bill@polarislawgroup.co	Attorneys for Plaintiff FLORA CENDELARIA ALVAREZ
(Via U.S. Mail Only) Chair, Judicial Council of California Administrative Office of The Courts Attn: Office of Appellate Court Services (Civil Case Coordination) 455 Golden Gate Avenue, 5th Floor San Francisco, CA 94102-3688	
(Via U.S. Mail Only) The Honorable Jill H. Talley Superior Court of California, County of Sacramento 720 Ninth Street, Dept. 25 Sacramento, CA 95814	