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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA

CHUMANI BROWN, individually, and on
behalf of other members of the general public
similarly situated, and on behalf of other
aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

MED ONE GROUP, an unknown business
entity; MED ONE CAPITAL, INC., an
unknown business entity; MED ONE
CAPITAL FUNDING, LLC, an unknown
business entity; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: RG21095229

Honorable Jeffrey Brand
Department 22

CLASS ACTION

**SUPPLEMENTAL DECLARATION OF
ANNABEL BLANCHARD IN SUPPORT
OF PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

[Declaration of Katherine C. Den Bleyker; and
[Revised Proposed] Order filed concurrently
herewith]

Date: December 5, 2023
Time: 2:00 p.m.
Department: 22

Complaint Filed: April 6, 2021
FAC Filed: January 23, 2023
Trial Date: August 19, 2024

SUPPLEMENTAL DECLARATION OF ANNABEL BLANCHARD

I, Annabel Blanchard, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Chumani Brown (“Plaintiff”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

2. On August 2, 2023, Plaintiff filed a Motion for Preliminary Approval of Class Action Settlement (“Motion for Preliminary Approval”) and supporting documents seeking approval of the settlement reached by Plaintiff and Defendants Med One Group, Med One Capital, Inc., and Med One Capital Funding, LLC (“Defendants”) (together with Plaintiff, the “Parties”).

3. On October 10, 2023, the Court issued a tentative ruling (“October 10, 2023 Tentative Ruling”) by which it raised multiple points of inquiry with regards to the Motion for Preliminary Approval.

4. On October 12, 2023, the Court issued an Order adopting its October 10, 2023 Tentative Ruling and continuing the hearing on Plaintiff’s Motion for Preliminary Approval to November 14, 2023 at 2:00 p.m. in Department 22 of the above-captioned Court (“October 12, 2023 Order”). The October 12, 2023 Order is attached hereto as “**EXHIBIT 1.**”

5. On October 30, 2023, the Parties filed a Joint Stipulation to Continue Hearing on Plaintiff’s Motion for Preliminary Approval of Class Action Settlement, and Deadline to File Supplemental Papers in Support Thereof (“Joint Stipulation to Continue”). On November 6, 2023, the Court approved the Parties’ Joint Stipulation to Continue and entered an Order continuing the hearing on Plaintiff’s Motion for Preliminary Approval to December 5, 2023 at 2:00 p.m. in Department 22 of the above-captioned Court (“November 6, 2023 Order”).

METHOD FOR OBJECTING TO THE SETTLEMENT

6. The Court’s October 12, 2023 Order noted that the Court does not require written objections in order to appear at the final approval hearing, and cited to Paragraph 73 of the Settlement Agreement and Paragraph 15 of the Proposed Order (October 12, 2023 Order, pg.

2). Based on the Court’s guidance, the Parties have prepared the Amendment No. 1 to Stipulation of Class Action and PAGA Settlement (“Amendment No. 1”) attached as “**EXHIBIT 2**” to this declaration, which operates to clarify that a written objection is not required by the Court in order to appear and object at the final approval hearing and to clarify ambiguity regarding the definition of the Class Members, PAGA Members, and Workweeks, which are being defined based on weeks “employed by” Defendants, as opposed to weeks “worked for” Defendants. A redlined version of the Settlement Agreement, which reflects what changes were made to the language and terms of the original settlement agreement via Amendment No. 1 is attached as “**EXHIBIT 3**” to this declaration.

7. Also based on the Court’s guidance, the Parties have prepared a revised Notice of Class Action Settlement (“Class Notice”). The Parties had intended to attach the original Class Notice as “EXHIBIT A” to the original agreement, but inadvertently omitted the exhibit as an attachment to the original agreement and only attached it to the original proposed order submitted to the Court with the Motion for Preliminary Approval. The revised Class Notice is now attached as “EXHIBIT A” the Amendment No. 1 and also attached as “EXHIBIT 1” to the [Revised Proposed] Order Granting Preliminary Approval of Class Action Settlement (“Revised Proposed Order”), submitted concurrently herewith. A redlined version of the Class Notice, which reflects what changes were made to the original version of the document is attached as “**EXHIBIT 4**” to this declaration.

LWDA NOTICE

8. The Court’s October 12, 2023 Order directed Plaintiff to submit proof that she provided notice to the California Labor and Workforce Development Agency and Defendants of the Labor Code violations Plaintiff asserts Defendants have committed. The Parties had intended to attach said notice, which is referred to as the “January 28, 2021 Notice to the Labor & Workforce Development Agency” in the Settlement Agreement, as “Exhibit B” to the original agreement, but inadvertently omitted the exhibit as an attachment. The January 28, 2021 Notice to the Labor & Workforce Development Agency is now attached as “**EXHIBIT 5**” to this declaration and attached as “EXHIBIT B” the Amendment No. 1.

CORRECTIONS REGARDING COURT’S ADDRESS AND ONLINE ACCESS

9. The Court’s October 12, 2023 Order noted that the proposed order and proposed class notice filed on August 2, 2023 with the Motion for Preliminary Approval included an incorrect address for the Court and an outdated provision about access to court records. (October 12, 2023 Order, pg. 2). The errors flagged by the Court have now been corrected in the Revised Proposed Order that is submitted concurrently with this brief, as well as in the revised Class Notice attached thereto

INFORMAL DISCOVERY AND INVESTIGATION OF THE CLAIMS

10. The Court’s October 12, 2023 Order seeks further explanation of the investigation performed, the sample size for the sampling of class members, time period for Defendants’ policies, any differences in the policies regarding hourly and salaried employees, and what, if any violations the records demonstrated. As such, this information is discussed below.

11. Prior to engaging in mediation, Plaintiff conducted significant investigation and informal discovery regarding the facts of the case, including and not limited to, the exchange, review, and analysis of a large volume of information, documents, and data obtained from Plaintiff, Defendants, and other sources. The Parties agreed to conserve resources and cooperatively engage in informal discovery leading up to mediation.

12. Defendants produced a sampling of payroll records for twenty percent (20%) of the hourly, non-exempt putative class members, a sampling of timekeeping records for twenty percent (20%) of the hourly, non-exempt putative class members, 100% of the time records of salaried exempt customer relations specialist putative class members, and redacted list(s) containing each salaried exempt customer relations specialist putative class member’s employee ID number, job title, hire and separation dates, salaries, and average and median amounts of bonuses and/or commissions paid them during the period from January 28, 2020 to January 17, 2022. Defendants also produced Plaintiff’s employment records, which included payroll records for Plaintiff, as well as other employment-related information and documents. Defendants further produced: the company Employee Handbook representing written employment policies in effect during the period April 6, 2017 through May 8, 2022, which applied uniformly to both hourly, non-exempt

1 and salaried customer relations specialist putative class members; exemplars of meal and rest
2 period premiums paid to hourly, non-exempt putative class members; exemplar wage statements
3 provided to salaried exempt customer relations specialist putative class members; and information
4 regarding all salaried exempt job titles, job positions, and job descriptions. Defendants also
5 provided information regarding, and Plaintiff's counsel also independently confirmed, the
6 settlement completed in *Romero et al. v. Med One Capital, et al.* San Bernardino Case No.
7 CIVDS1905876, which settled class wage and hour claims for the period February 15, 2015
8 through March 31, 2020 and settled PAGA claims for the period January 28, 2020 through March
9 31, 2020, both with regards to non-exempt employees of Defendant.

10 13. **Time Period Covered by Defendants' Policies.** Defendants produced their
11 policies which were in effect during the covered the time period of April 6, 2017 to May 8, 2022.

12 14. **Differences in Policies Regarding Hourly and Salaried Employees.** Based on
13 Defendants' representations and Plaintiff's counsel's own investigations, it has been determined
14 that, during the time period at issue, Defendants' employment policies applied uniformly to all of
15 their employees, whether exempt or non-exempt, with the exception of those particular policies
16 about overtime and clocking in and out for meal periods, which were specifically relevant to
17 Defendants' hourly, non-exempt employees.

18 15. **Violations Demonstrated by the Record.** The records produced by Defendants
19 and reviewed by Plaintiff's counsel, and the violations reflected therein, are discussed in detail in
20 the "Estimate of the Value of the Claims" section of this declaration beginning at paragraph 20
21 below.

22 **ADDITIONAL INFORMATION ABOUT THE CLASS MEMBERS**

23 16. The Court's October 12, 2023 Order seeks additional information regarding the
24 number of putative class members that are or were hourly versus salaried employees, whether any
25 collective bargaining agreements or similar agreements apply to putative class members, and why
26 the distribution of settlement proceeds is the same for hourly and salaried putative class members.
27 As such, this information is discussed below.

28 ///

17. **Number of Hourly Class Members and Number of Salaried Class Members.**

Based on information provided by Defendants as of November 10, 2023:

a. The total number of Class Members is estimated to be approximately one hundred and twelve (112) individuals:

i. The number of current and former hourly-paid, non-exempt employees of Med One who worked in California at any time from April 1, 2020 to May 8, 2022 (“Hourly Class Members”) is estimated to be approximately ninety-nine (99) individuals with approximately 4,860 workweeks and an average hourly rate of pay of \$21.38.

ii. The number of current or former salaried customer relations specialist employees of Med One who were classified as “exempt” and worked in California at any time from April 6, 2017 to May 8, 2022 (“Salaried Class Members”) is estimated to be approximately thirteen (13) individuals with approximately 1,349 workweeks and an average hourly rate of pay of \$31.28.

b. The total number of PAGA Members is estimated to be approximately one hundred and ten (110) individuals:

i. The number of current or former hourly-paid, non-exempt employees of Med One who worked in California at any time from April 1, 2020 to May 8, 2022 (“Hourly PAGA Members”) is estimated to be approximately ninety-nine (99) individuals.

ii. The number of current or former salaried customer relations specialist employees of Med One who were classified as “exempt” and worked in California from January 28, 2020 to May 8, 2022 (“Salaried PAGA Members”) is estimated to be approximately eleven (11) individuals.

18. **Distribution to Hourly Class Members and Salaried Class Members.** In the above-captioned action, Plaintiff alleges and, based on her experience and investigations, contends that customer relations specialists were in fact performing non-exempt job duties that were similar or identical to those performed by hourly, non-exempt employees, although the customer relations specialists were salaried and classified as “exempt.” Plaintiff contends that the salaried exempt customer relations specialists were misclassified by Defendants, namely, that they should have

1 been classified as non-exempt employees all along, and that, because the circumstances and
2 conditions of their work were the same as for hourly, non-exempt employees (except for the
3 misclassification and related improper compensation), they were subjected to the same California
4 Labor Code violations as the hourly, non-exempt employees. As discussed further below, on the
5 one hand, salaried exempt customer relations specialists may have suffered (and likely did suffer)
6 more unpaid wage and meal and rest break violations as compared with hourly, non-exempt
7 employees. However, on the other hand, hourly, non-exempt employees may have suffered (and
8 likely did suffer) a larger sum of their business expenses not being reimbursed, and there was also
9 substantially more risk involved in successfully litigating, obtaining class certification regarding,
10 and proving that the salaried exempt customer relations specialists had been misclassified. For
11 example, when taking into account the risks associated with obtaining and maintaining class
12 certification, proving the merits of the claims, and proving the extent of damages, the realistic,
13 risk-adjusted value of the claims of Hourly Class Members and Salaried Class Members had
14 roughly the same workweek value. As such, there is good cause for the method of calculating and
15 distributing settlement payments to be the same for hourly, non-exempt employees and salaried
16 exempt customer relations specialists, as provided by the Settlement.

17 19. **Collective Bargaining Agreements.** Based on Plaintiff's counsel's investigation,
18 and based on information obtained from Plaintiff, Defendants, and other sources, there are no
19 collective bargaining agreements pertaining to the workforce which comprises the putative class
20 or group of putative aggrieved employees.

21 **ESTIMATE OF THE VALUE OF THE CLAIMS**

22 20. The Court's October 12, 2023 Order seeks additional explanation regarding
23 Plaintiff's valuation of the case (e.g., potential exposure on a claim-by-claim basis and any
24 discounts applied) that form the basis of why the settlement is within the "ballpark" of
25 reasonableness. As such, set forth below is further information about the value of the claims in
26 the above-captioned which are to be resolved by way of the Settlement.

27 ///

28 21. As set forth in the Declaration of Annabel Blanchard in Support of Plaintiff's Motion

1 for Preliminary Approval filed on August 2, 2023 (“Declaration of Annabel Blanchard” or
2 “Blanchard Decl.”), and discussed in the Motion for Preliminary Approval, both sides had the
3 opportunity to interview percipient witnesses, conducted informal discovery and investigations
4 into the facts of the case, and informally exchanged extensive information and class-wide data.
5 Class Counsel has considered information obtained through investigations, as well as class data
6 and other documents and information obtained from Plaintiff, Defendants, and other sources,
7 including, *inter alia*, a detailed sampling of hourly, non-exempt putative class members’ time and
8 pay data and 100% of time and pay data for salaried exempt customer relations putative class
9 members for the relevant periods. Based on the extensive information and materials, Class
10 Counsel created damages and penalties valuation models to evaluate and assess the claims and
11 negotiate fair, adequate, and reasonable terms for their resolution.

12 22. Plaintiff alleges that Defendants have violated the California Labor Code by
13 engaging in a uniform policy and systematic scheme of wage abuse against Plaintiff and the
14 putative class members, including, *inter alia*, failing to properly compensate overtime and
15 minimum wages, failing to provide compliant meal and rest periods and associated premium pay,
16 failing to timely pay wages and associated waiting-time penalties, failing to provide compliant
17 wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary
18 business expenses, and that Defendants thereby engaged in unfair business practices under the
19 California Business and Professions Code section 17200, *et seq.* and conduct that gives rise to
20 penalties pursuant to the Private Attorneys General Act (“PAGA”).

21 23. Plaintiff pleaded robust “off-the-clock” allegations on behalf of herself and the
22 putative hourly, non-exempt class members, contending that that putative non-exempt class
23 members were required by Defendants to work off-the-clock, prior to clocking in for their shifts,
24 after clocking out for their shifts, and during meal periods. Plaintiff also pleaded
25 “misclassification” allegations on behalf of herself and putative salaried class members,
26 contending that putative salaried class members performed predominantly non-exempt and non-
27 managerial work, were misclassified as “exempt” by Defendants, and required to work for long
28 durations without receiving compliant meal and rest periods and required compensation for all

1 hours worked (including and not limited to, the minimum required compensation and premium
2 pay for overtime). Specifically, Plaintiff contended that, based on day-to-day work activities that
3 putative salaried class members actually performed, as well as the various job duties and
4 responsibilities for such “exempt” customer relations specialist employees, Defendants
5 misclassified Plaintiff and other putative salaried class members as “exempt” without complying
6 with California law. Plaintiff contended that Defendants’ uniform policies, practices, and
7 procedures required putative class members to work in excess of eight (8) hours per day, and/or
8 forty (40) hours in a work week in order to meet Defendants’ work expectations. Plaintiff
9 contended that she and putative class members were required to perform work duties (including,
10 and not limited to, meeting and/or communicating with supervisors and other co-workers;
11 attending other work-related meetings; driving between appointments; auditing and restocking
12 inventory; and completing reports and paperwork) without pay and during what should have been
13 their meal and rest periods (and thus, putative class members were also deprived of meal and rest
14 periods and premium payments for those missed, short, late and/or interrupted meal periods which
15 were due to them under the law).

16 a. **Failure to Pay Overtime and Minimum Wages**

17 24. Plaintiff alleges that Defendants failed to pay all wages due to putative class
18 members, including overtime and minimum wages. Plaintiff contends that Defendants’ uniform
19 policies, practices, and procedures required putative class members to be readily available outside
20 of standard business hours in order to meet Defendants’ unreasonable workloads and extensive
21 travel expectations. Plaintiff contends that she and putative class members were required to
22 perform work duties, without pay and during what should have been their meal and rest periods
23 (and thus also, they were deprived of meal and rest periods due to them under the law). For
24 example, Plaintiff contends that she and other putative class members were pressured to perform
25 job duties, off-the-clock and/or in excess of eight (8) hours in a day, forty (40) hours in a week,
26 and/or six (6) consecutive days in a work week due to heavy workloads, and that putative class
27 members were discouraged from recording overtime hours and did not receive proper
28 compensation for all hours worked. Plaintiff contends that Defendants failed to include non-

1 discretionary bonuses, commissions, and incentives into their regular rate calculations for
2 purposes of paying overtime and that Defendants failed to properly compensate Plaintiff and all
3 putative class members at the overtime, minimum, and regular rates required by law, for all of the
4 hours that they worked.

5 25. California Labor Code section 510 provides that when an employee works more than
6 eight (8) hours in any workday, more than forty (40) hours in any workweek, and/or more than six
7 (6) consecutive days in a workweek, the employer must pay the employee at least one and one-
8 half times the employee's regular rate of pay for all overtime hours worked. The employer must
9 pay the employee no less than twice his or her regular rate of pay for hours worked in excess of
10 twelve (12) hours in one day or in excess of eight (8) hours on the seventh consecutive day of
11 work. California Labor Code section 1198 and the applicable Industrial Welfare Commission
12 ("IWC") Wage Order(s) provide that it is unlawful to employ persons without compensating them
13 at a rate of pay either time-and-one-half or two-times that person's regular rate of pay, depending
14 on the number of hours worked by the person on a daily or weekly basis.

15 26. California Labor Code section 1197 provides that it is unlawful to pay employees at
16 a rate less than the minimum wage. California Labor Code sections 1194, 1194.2, 1197, and
17 1197.1 provide that an employee may seek to recover unlawfully unpaid wages by court action, as
18 well as liquidated damages in an amount equal to the wages unlawfully not paid and interest
19 thereon. California Labor Code section 1197.1 provides for civil penalties, which, arguably, may
20 only be recovered by the Labor Commissioner during a one-year statute of limitations period, or
21 by an eligible employee through a PAGA claim.

22 27. Defendants contend, *inter alia*, that their overtime policies and practices comply
23 with the law, and that they paid putative class members all required compensation for all hours
24 worked. Defendants contended that they correctly classified the salaried customer relations
25 specialist putative class members as "exempt." Defendants also contended that they paid non-
26 exempt putative class members their overtime wages and did so using the correct overtime rate of
27 pay. Defendants further contended that non-exempt putative class members were required to
28 record all time worked, and that Defendants were not aware that any work had been performed

1 off-the-clock. Defendants also maintain that individual liability issues predominate, including, for
2 example: (a) whether each non-exempt putative class member worked off-the-clock; (b) whether
3 Defendants knew or should have known about off-the-clock work; (c) whether salaried customer
4 relations specialist putative class members were misclassified as “exempt” (e.g., whether these
5 putative class members spent more than 50% of their time performing “non-managerial” or “non-
6 exempt” duties and whether they had the requisite discretion and independent judgment); (d)
7 whether each putative class member worked hours for which he or she would be entitled to
8 overtime wages; and (e) whether Defendants knew or should have known that each putative class
9 member performed such overtime work. Defendants also contended that these circumstances
10 would raise highly individualized questions of fact and would pose challenges to certification and
11 the merits of the claims for overtime and minimum wages.

12 28. Plaintiff’s counsel considered the information obtained through its investigations as
13 well as documents, data, and information obtained from Defendants, and created damages
14 valuation models. Based thereon, it was determined that the estimated potential value of the
15 overtime claim for non-exempt putative class members is \$155,860.20 (4860 workweeks x 1 hour
16 of overtime wages x overtime hourly rate of \$32.07, which is based on the average hourly rate of
17 \$21.38) and that the estimated potential value of the minimum wage claim for non-exempt putative
18 class members is \$103,906.80 (4860 workweeks x 1 hour of unpaid minimum wages x average
19 hourly rate of \$21.38). Plaintiff’s counsel also determined that the estimated potential value of
20 the overtime claim for salaried customer relations specialist putative class members is \$126,590.16
21 (1349 workweeks x 2 hours of overtime wages x overtime hourly rate of \$46.92, which is based
22 on the estimated average hourly rate of \$31.28) and that the estimated potential value of the
23 minimum wage claim for putative salaried class members is \$42,196.72 (1349 workweeks x 1
24 hour of unpaid minimum wages x estimated average hourly rate of \$31.28).

25 29. However, this estimates exposure based on a class having been certified and Plaintiff
26 having proven all elements of the off-the-clock and misclassification allegations, and overtime and
27 minimum wage claims, despite risks associated with obtaining and maintaining certification, risks
28 to prevailing on the factual and legal theories and establishing liability, and significant additional

costs that would have to be incurred in order to certify a class and establish entitlement to compensation. Had the parties not settled, Plaintiff also faced the risk of the Court finding that individualized issues predominate, such that class treatment is not suitable. While Plaintiff's counsel disagrees with Defendants' arguments and factual contentions, Plaintiff's counsel recognizes the circumstances and realities of the case, applicable case law and regulations, the costs and expenses of further litigation and obtaining and maintaining certification, and risks to recovery, and applied appropriate discounts for them. With respect to the overtime claim for the non-exempt putative class members, at this juncture, a discount of 50% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$77,930.10), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$31,172.04), and a discount of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$12,468.82). Also, with respect to the minimum wage claim for the non-exempt putative class members, at this juncture, a discount of 50% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$51,953.40), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$20,781.36), and a discount of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$8,312.54). With respect to the overtime claim for the salaried exempt customer relations specialist putative class members, at this juncture, a discount of 60% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$50,636.06), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$15,190.82), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$4,557.25). Also, with respect to the minimum wage claim for the salaried exempt customer relations specialist putative class members, at this juncture, a discount

of 60% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$16,878.69), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$5,063.61), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$1,519.08).

b. **Failure to Provide Compliant Meal Periods and Associated Premiums**

31. Plaintiff's theory of liability is also based on Defendants' failure to provide timely, full, and/or uninterrupted meal periods. Plaintiff contended, *inter alia*, that Defendants' policies, practices, and procedures required putative class members to perform job duties during their meal periods and prevented them from regularly receiving compliant meal periods. For example, Plaintiff contended that she and other putative class members regularly suffered short, late, interrupted, and/or missed meals due to the need to communicate with co-workers and customers and finish mandatory or time-sensitive work. Plaintiff contended that she and other putative class members were pressured to constantly remain readily available to tend to work-related issues during their meal periods. Plaintiff further contended that Defendants failed to pay meal period premiums for missed, late, short, or interrupted meal periods.

32. Under California law, unless an exemption applies, an employer must provide an employee with uninterrupted meal periods of not less than thirty (30) minutes before the employee works more than five (5) hours, except that if the total work period per day of the employee is no more than six (6) hours, the meal period may be waived by mutual consent of both the employer and employee. Cal. Lab. Code § 512(a). Unless an exemption applies, a second meal period of not less than thirty (30) minutes is required if an employee works more than ten (10) hours per day, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and employee only if the first meal period was not waived. *Id.* An "on-duty" meal period may be agreed to only if "the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal period is agreed to." IWC Wage Orders 1 through 15, § 11; IWC

1 Wage Order 16, § 10. Unless an exemption applies, an employer must pay each employee to
2 whom it fails to “provide” a meal period one hour of wages at his or her regular rate of pay “for
3 each work day that the meal or rest period is not provided.” Cal. Lab. Code § 226.7(b).

4 33. Defendants contended that they had practices, policies, and procedures to provide
5 meal periods every workday to their employees that fully complied with California law.
6 Defendants argued that they did not act unlawfully to deprive putative class members of meal
7 periods. Defendants produced what they contended was evidence of 30-minute and 60-minute
8 recorded meal periods (and an analysis of the sampling of time records reflected 30-minute and
9 60-minute recorded meals for approximately 59.19% of eligible shifts). Defendants also
10 contended that there were multiple individual issues that would pose challenges to certification,
11 including and not limited to, (a) whether any meal periods were non-compliant, (b) why they were
12 non-compliant, and (c) whether putative class members were entitled to meal periods (or exempt).
13 Defendants contended that factual circumstances varied, impacting whether an employee was
14 entitled to a meal period and whether a given employee was deprived of the opportunity to take
15 legally-compliant, duty-free meal periods, raising highly individualized questions of fact that
16 would pose insurmountable hurdles to class certification.

17 34. Based on Plaintiff’s counsel’s investigations and analysis, it was determined that the
18 estimated potential value of this claim for non-exempt putative class members is \$103,906.80
19 (4860 workweeks x 1 meal period premium x average hourly rate of \$21.38) and the estimated
20 potential value of this claim for salaried exempt customer relations specialist putative class
21 members is \$84,393.44 (1,349 workweeks x 2 meal period premiums x average hourly rate of
22 \$31.28).

23 35. However, this estimates exposure based on a class having been certified and Plaintiff
24 having proven all elements of the off-the-clock and misclassification allegations and the meal
25 period claims, despite risks associated with obtaining and maintaining certification, risks to
26 prevailing on the factual and legal theories and establishing liability, and significant additional
27 costs that would have to be incurred in order to certify a class and establish entitlement to
28 compensation. Plaintiff’s counsel considered the risk of further litigating the case, including the

significant additional costs that will be incurred by both sides if the case does not settle, as litigating a class action through class certification, trial, and/or appeals is very expensive. Moreover, litigating meal period claims is inherently difficult as an employer's records, as is the case here, do not usually indicate when a meal period is interrupted. While Plaintiff's counsel disagreed with Defendants' arguments and factual contentions, Plaintiff's counsel recognizes the circumstances and realities of the case, applicable case law and regulations, costs and expenses of further litigation and obtaining and maintaining certification, and risks to recovery, and applied appropriate discounts for them. Regarding the non-exempt putative class members, at this juncture, a discount of 50% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$51,953.40), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$20,781.36), and a discount of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$8,312.54). Regarding the salaried exempt customer relations specialist putative class members, at this juncture, a discount of 60% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$33,757.38), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$10,127.21), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$3,038.16).

c. **Failure to Provide Compliant Rest Periods and Associated Premiums**

36. Plaintiff's theory of liability is also based on Defendants' failure to provide putative class members with timely, full, and/or uninterrupted rest periods. Plaintiff contended that Defendants' employment policies, practices, and procedures required putative class members to perform job duties during what should have been rest periods and prevented them from regularly receiving compliant rest periods. Plaintiff contended that she and other putative class members regularly suffered late, shortened, interrupted, and missed rest periods due to work requirements,

1 because they were interrupted with requests by supervisors and coworkers or for some other work-
2 related purposes. Plaintiff also contended that Plaintiff and putative class members were pressured
3 and encouraged to remain readily available at all times to tend to work-related issues.

4 37. Under California law, unless an exemption applies, an employer is required to
5 provide rest periods to all employees at the rate of ten (10) minutes for every four hours of work
6 or major fraction thereof. Cal. Lab. Code § 226.7. Unless an exemption applies, when an employer
7 fails to provide a compliant rest period, the employer is required to either (a) provide another rest
8 period or (b) pay one additional hour of pay at the regular rate of pay “for each work day that the
9 meal or rest period is not provided.” *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257,
10 271-72; Cal. Lab. Code § 226.7(b). Employees are exempt from the rest breaks law, if their duties
11 and responsibilities qualify for one or more of the exemptions under California or federal law. See
12 Cal. Lab. Code § 226.7(e); see e.g., 49 CFR § 395.

13 38. Defendants contended that they had methods, policies, and procedures to provide all
14 applicable rest periods every workday to putative class members that fully complied with the law.
15 Defendants argued that whether a putative class member was entitled to a rest period and the
16 reasons why a putative class member would have failed to receive a compliant rest period, raised
17 individual issues that would pose insurmountable hurdles to class certification.

18 39. Based on Plaintiff’s counsel’s investigations and analysis, it was determined that the
19 estimated potential value of the rest period claim was \$207,813.60 (4860 workweeks x 2 rest
20 period premiums x average hourly rate of \$21.38) for non-exempt putative class members and
21 \$168,786.88 (1349 workweeks x 4 rest period premiums x average hourly rate of \$31.28) for the
22 salaried exempt customer relations specialist putative class members.

23 40. However, this estimates exposure based on a class having been certified and Plaintiff
24 having proven all elements of the off-the-clock and misclassification allegations and the rest period
25 claims, despite risks associated with obtaining and maintaining certification, risks to prevailing on
26 the factual and legal theories and establishing liability, and significant additional costs that would
27 have to be incurred in order to certify a class and establish entitlement to compensation. Plaintiff’s
28 counsel also considered the risk of further litigating the case, as well as significant additional costs

that will be incurred by both sides if the case does not settle, as litigating a class action through class certification, trial, and/or appeals is very expensive. Moreover, litigating rest period claims is inherently difficult as an employer's records, as is the case here, do not usually indicate when a rest period is short, late, interrupted, or missed entirely. While Plaintiff's counsel disagreed with Defendants' arguments and factual contentions, Plaintiff's counsel recognized the circumstances and realities of the case, applicable case law and regulations, the costs and expenses associated with further litigation and certification, and risks to recovery, and applied appropriate discounts for them. At this juncture, regarding the non-exempt putative class members, a discount of 50% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$103,906.80), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$41,562.72), and a discount of 65% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$14,546.95). Regarding the salaried exempt customer relations specialist putative class members, a discount of 60% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$67,514.75), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$20,254.43), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$6,076.33).

d. **Failure to Timely Provide Wages During Employment and Upon Termination**

41. California Labor Code section 204 provides that, unless an exemption applies (e.g., under California Labor Code section 204(a)), wages (other than those wages due upon termination of an employee) earned by an employee between the 1st and 15th days, inclusive, of any calendar month, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and wages earned by an employee between the 16th and the last day, inclusive, of any calendar month, are due and payable between the 1st and the 10th day of the following month. Under California Labor Code section 210, either a statutory penalty or a civil penalty through

1 PAGA may be recovered for a violation of California Labor Code section 204, but not both.
2 Therefore, the value of this claim is considered as a part of the valuation of the PAGA claim set
3 forth below.

4 42. California Labor Code sections 201 and 202 provide that if an employer discharges
5 an employee, the wages earned and unpaid at the time of discharge are due and payable
6 immediately. If an employee quits his or her employment, his or her wages shall become due and
7 payable not later than seventy-two (72) hours of quitting, unless the employee has given seventy-
8 two (72) hours of notice of his or her intention to quit, in which case the employee is entitled to
9 his or her wages at the time of quitting.

10 43. California Labor Code section 203 provides that if an employer fails to pay an
11 employee all wages due at termination or within seventy-two (72) hours of resignation, in
12 accordance with sections 201 and 202, then that employee's wages shall continue as a penalty
13 until paid for a period of up to thirty (30) days from the date they were due. California Labor Code
14 section 203 further provides that the statute of limitations to recover the penalty is the same as the
15 statute of limitations for recovery of the unpaid wages from which the penalties arise, i.e. three
16 years.

17 44. Plaintiff alleged that Defendants intentionally and willfully failed to pay Plaintiff
18 and the other putative class members all wages due to them during employment and upon
19 termination, within the time period permissible under California law. For example, Plaintiff
20 alleged that putative class members are entitled to unpaid compensation arising from, *inter alia*,
21 misclassification, overtime work, off-the-clock work, and meal and rest period violations.

22 45. Based on information and data provided by Defendants, it is estimated that
23 approximately six (6) non-exempt putative class members had been terminated during the period
24 from April 1, 2020 to May 8, 2022, and approximately thirteen (13) salaried exempt customer
25 relations specialist putative class members had been terminated during the three-year statute of
26 limitations. Based on Plaintiff's counsel's investigations and analysis, it was determined that the
27 estimated potential value of the waiting-time penalties claim for terminated non-exempt putative
28 class members is \$30,787.20 collectively (6 individuals x [30 days x hourly rate of \$21.38 x 8

hours]), or approximately \$5,131.20 per individual, and the estimated potential value of the waiting-time penalties claim for terminated salaried exempt customer relations specialist putative class members is \$97,593.60 collectively (13 individuals x [30 days x hourly rate of \$31.28 x 8 hours]), or approximately \$7,507.20 per individual. However, this presumes that Plaintiff would prevail on the off-the-clock and misclassification allegations and underlying California Labor Code claims for failure to pay wages and provide compliant meal and rest periods, which is necessary to show that Defendants failed to timely pay wages that were due to the putative class members upon termination.

46. Defendants were adamant that no waiting-time penalties should be awarded. Defendants pointed out that waiting-time penalties are derivative of each and every other underlying alleged California Labor Code violation and contended that they paid the terminated employees all wages due and owing. Moreover, Defendants emphasized that, under California Labor Code section 203, employers are only obligated to pay waiting-time penalties if they “willfully” fail to pay wages due and owing at the time of termination or resignation, and not if there is a “good faith dispute that any wages are due,” as is the case here. Cal. Code Regs. tit. 8, § 13520. Additionally, Defendants contend that waiting-time penalties are not available for premiums associated with allegedly non-compliant meal and rest periods.

47. Plaintiff’s counsel also took into consideration the chances of prevailing on the off-the-clock and misclassification allegations and each of the underlying claims, as well as the additional hurdles of prevailing on the claim for waiting-time penalties, including the inherent difficulty in proving the “willful” prong of section 203, applicable case law and regulations, costs and expenses associated with further litigation and obtaining and maintaining certification, the circumstances and realities of the case, and risks to recovery, and applied appropriate discounts for them. With respect to the failure to timely pay wages claim, at this juncture, regarding the non-exempt putative class members, a discount of 55% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$13,854.24), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$5,541.70), and a

discount of 65% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$1,939.60). Regarding the salaried exempt customer relations specialist putative class members, a discount of 70% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$29,278.08), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$8,783.42), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$1,756.68).

e. **Wage Statement Violations**

48. Plaintiff also alleged that Defendants violated California Labor Code section 226(a) which states that an employer must provide an accurate and itemized wage statement, containing required information (including, *inter alia*, gross wages earned, total hours worked by the employee, number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, all deductions (which may be aggregated and shown as one item if deductions are made on written orders of the employee), net wages earned, the inclusive dates of the period for which the employee is paid, the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee), semimonthly or at the time of each payment of wages. Pursuant to California Labor Code section 226(j), a wage statement need not show the total hours worked by an employee if an exemption applies. Failure to furnish an accurate itemized wages statement entitles employees to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). See Cal. Lab. Code § 226(e). Arguably, actual damages may be sought, under a three-year statute of limitations, or, statutory penalties may be sought, under a one-year statute of limitations.

1 49. Based on data provided by Defendants, it is estimated that ninety-eight (98) non-
2 exempt putative class members worked during the one-year statutory limitations period, who
3 worked a total of four thousand four hundred eighteen (2,452) pay periods, and that eleven (11)
4 salaried exempt customer relations specialist putative class members worked during the one-year
5 statutory limitations period, who worked a total of four hundred fifty two (452) pay periods. Based
6 on Plaintiff's counsel's investigations and analysis, it was determined that the estimated potential
7 value of the wage statement claim for non-exempt putative class members is \$240,300.00 ([$\$50$
8 initial violation penalty x 98 initial violations] + [$\$100$ subsequent violation penalty x (2,354)
9 subsequent violations]), and the estimated potential value of the wage statement claim for salaried
10 exempt customer relations specialist putative class members is \$44,000.00 (11 individuals x
11 \$4,000 statutory maximum penalty.) .

12 50. Defendants contended that Plaintiff and putative class members suffered no actual
13 injury from the alleged wage statement violations. Defendants also contended that this claim is
14 entirely derivative of the foregoing allegations. In other words, Plaintiff would have to prove, for
15 example, that salaried exempt customer relations specialist putative class members were
16 misclassified, that non-exempt putative class members worked off-the-clock, that overtime was
17 worked, that all hours of work had not been properly recorded and compensated, and/or that non-
18 compliant meal and rest periods occurred and that Defendants did not pay premiums, etc., to
19 demonstrate that the wage statements were inaccurate. Defendants further contended, *inter alia*,
20 that if off-the-clock and/or overtime work occurred and was not reflected in the wage statements,
21 it was because the work was hidden from Defendants. Defendants also contended that no actual
22 injury can be shown. When assessing the value of this claim, Plaintiff's counsel considered these
23 factors, the derivative nature of this alleged violation, the chances of prevailing on each of the
24 underlying causes of action, applicable case law and regulations, costs and expenses associated
25 with further litigation and obtaining and maintaining certification, realities of the case, and risks
26 to recovery, and applied appropriate discounts for them. At this juncture, regarding the non-exempt
27 putative class members, a discount of 55% was applied to account for the risks associated with
28 obtaining and maintaining certification (bringing the value of the claim closer to \$108,135.00), a

discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$43,254.00), and a discount of 65% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$15,138.90). Regarding the salaried exempt customer relations specialist putative class members, a discount of 70% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$13,200.00), a discount of 75% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$3,300.00), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$660.00).

f. **Failure to Maintain Payroll Records**

51. Plaintiff alleged that Defendants had intentionally and willfully failed to keep accurate and complete payroll records showing the hours worked daily by, and the wages paid to, Plaintiff and the putative class members. Plaintiff also alleged that Defendants' intentional and willful failure to keep accurate payroll records violated the statutorily-protected right to accurate and complete payrolls records, and that Plaintiff and the putative class members have suffered injury and damage as a result.

52. Pursuant to California Labor Code section 1174(d), an employer shall keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records must be kept in accordance with rules established for this purpose by the Labor Commissioner, but in any case, shall be kept on file for not less than three years. Under California Labor Code section 1174.5, a willful violation of the employer's recordkeeping obligations set forth in California Labor Code section 1174(d) is subject to a civil penalty of \$500. Arguably, there is no private right of action for a payroll records violation, and the civil penalty for failure to keep requisite payroll records would only be recoverable by the

1 Labor Commissioner. However, Plaintiff has asserted a cause of action under PAGA, therefore,
2 the failure to keep payroll records is considered as a part of the valuation of the PAGA claim set
3 forth below.

4 53. Defendants contended that Plaintiff and putative class members suffered no actual
5 injury or damage from the alleged recordkeeping violations. Moreover, Defendants challenged
6 certification of the recordkeeping issue on the basis that individual liability issues predominated,
7 including (a) whether each putative class member's payroll records were not maintained properly,
8 and (b) whether Defendants' alleged failure to keep requisite payroll records was "willful." Like
9 the wage statement violations, this cause of action is entirely derivative of the allegations of failure
10 to pay overtime and minimum wages and failure to provide compliant meal and rest periods.

11 54. To prevail on the allegations of failure to keep requisite payroll records, Plaintiff
12 would have to prove that salaried exempt customer relations specialist putative class members
13 were misclassified, and that putative class members' hours of work had not been recorded and
14 compensated properly and accurately, that they suffered non-compliant meal and rest breaks, and
15 that Defendants failed to provide them premium pay due under the law, etc., in order to
16 demonstrate that Defendants failed to maintain accurate and complete payroll records.

17 55. As such, when assessing the allegations of failure to keep payroll records, Plaintiff's
18 counsel took the foregoing factors into account, as well as Defendants' defenses and contentions,
19 the derivative nature of this claim, the chances of prevailing on the other claims, the inherent
20 difficulty in proving the "willful" prong of California Labor Code section 1174.5, applicable case
21 law and regulations, costs and expenses of further litigation and obtaining and maintaining
22 certification, and risks to recovery, and applied appropriate discounts for settlement purposes.

23 g. **Unreimbursed Business Expenses**

24 56. Plaintiff contended that Defendants failed to reimburse Plaintiff and other putative
25 class members for necessary business expenses, including but not limited to, costs associated with
26 the purchase of office supplies and equipment, purchase and maintenance of clothing to comply
27 with Defendants' requirements, usage of personal cell phones, and usage of personal vehicles.
28 Based on investigations, Plaintiff and putative class members reported using their personal cell

1 phones for work. Plaintiff and putative class members alleged that they were required to use their
2 personal cell phones to carry out their job duties, such as responding to supervisor questions or
3 interacting with coworkers and customers. Plaintiff and putative class members also alleged they
4 were required to use their personal vehicles for traveling to hospitals and other locations to check
5 inventory, audit, and restock inventory. Furthermore, Plaintiff and putative class members
6 complained that they were required to purchase their own office supplies and equipment.

7 57. California Labor Code section 2802 requires an employer to indemnify their
8 employees for all necessary expenditures made by the employee in direct consequence of the
9 discharge of his or her duties, or of his or her obedience to the directions of the employer.

10 58. Defendants contended that they had policies and practices of reimbursing employees
11 for necessary business-related expenses, and produced what they contended was evidence that
12 they had reimbursed putative class members for business expenses. Defendants also contended
13 that, with respect to the alleged expenses for which Plaintiff and other putative class members
14 never requested reimbursement from Defendants, Defendants did not know and had no reason to
15 know that the alleged business-related expenses were incurred. Defendants further contended that
16 the reason for why a putative class member undertook certain expenses, while not others, and
17 failed to receive reimbursement for certain expenses while not others, would raise individual issues
18 that could not be certified.

19 59. Defendants also contended that the California Labor Code only requires
20 reimbursement of “necessary” expenses—as opposed to any expense that is incurred in the course
21 of performing work—and argued that distinguishing a necessary expense from an unnecessary one
22 would require individualized inquiry. See, Cal. Lab. Code § 2802; *Gattuso v. Harte-Hanks*
23 *Shoppers, Inc.* (2007) 42 Cal.4th 554. Furthermore, whether or not an expense was necessary,
24 would depend, in part, on the reasonableness of the employee’s choice, and whether or not an
25 expense was incurred, would have to be established by way of extensive individual factual inquiry
26 and/or statistical evidence. *Cochran v. Schwan’s Home Services, Inc.* (2014) 228 Cal.App.4th
27 1137.

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60. Based on Plaintiff's counsel's investigations and analysis, if Plaintiff proved that Defendants willfully failed to reimburse necessary business-related expenses to putative class members for vehicle use/gas, purchase of office supplies and equipment, purchase and maintenance of appropriate work clothing, and use of personal cell phones, the estimated potential value of this claim is \$51,030.00 (4,860 total workweeks x \$10.50 business expenses) for non-exempt putative class members and is \$10,117.50 (1,349 total workweeks x \$7.50 business expenses) for salaried exempt customer relations specialist putative class members. Plaintiff's counsel also took into consideration that, not only would it have to be established that expenses were incurred, but also that the nature of the expenses were such that Defendants were required to reimburse them. While Plaintiff's counsel disagreed with Defendants' arguments and factual contentions, Plaintiff's counsel considered Defendants' arguments, applicable case law and regulations, the costs and expenses associated with further litigation and obtaining and maintaining certification, the circumstances and realities of the case, and risks to recovery, and applied appropriate discounts for them. At this juncture, regarding non-exempt putative class members, a discount of 55% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$22,963.50), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$9,185.40), and a discount of 65% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$3,214.89). Regarding salaried exempt customer relations specialist putative class members, a discount of 60% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$4,047.00), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$1,618.80), and a discount of 75% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$404.70).

h. **Unfair Business Practices**

61. Plaintiff asserted a cause of action for Defendants' alleged violation of California's

1 Unfair Competition Law, California Business and Professions sections 17200, *et seq.* (“UCL”)
2 which prohibits any “unlawful, unfair or fraudulent business practices.” A violation of the UCL
3 may be predicated on the violation of any law. Arguably, California Business and Professions
4 Code section 17208 extends the statute of limitations on Plaintiff’s other allegations, which qualify
5 as unfair business practices, to four (4) years.

6 62. Plaintiff contended that each of Defendants’ alleged violations of the California
7 Labor Code and IWC Wage Orders constitute business practices that are either unlawful (i.e., is
8 forbidden by law) and/or unfair (i.e., harm to victim outweighs any benefit). In order to prevail
9 on the UCL cause of action, Plaintiff would have to prove that Defendants violated the predicate
10 provisions of law, and that the violations constitute unlawful and/or unfair business acts and
11 practices in violation of California Business and Professions Code sections 17200, *et seq.* Plaintiff
12 would have to prove that Defendants’ conduct throughout the time period at issue has been unfair,
13 unlawful, harmful, and injurious to Plaintiff and putative class members. With respect to the
14 UCL’s standing requirement, Plaintiff would also have to prove that she suffered an economic
15 injury as a result of Defendants’ conduct.

16 63. Also, claims brought under the UCL are equitable actions for injunctive or
17 restitutionary relief, and a court may take into consideration equitable defenses when fashioning
18 equitable remedies. Restitution under the UCL is limited to returning to Plaintiff and putative
19 class members monies unlawfully withheld, such as unpaid wages or unpaid meal or rest period
20 premiums, or restitutionary disgorgement. As such, the monetary recovery that could be obtained
21 through the UCL claim is considered as a part of the valuation of the other claims, including, *inter*
22 *alia*, for unpaid wages and meal and rest period violations contained *infra*.

23 64. As discussed above, Defendants vigorously challenged the likelihood of Plaintiff’s
24 success in establishing that any of provisions of the California Labor Code and IWC Wage Orders,
25 on which the UCL claim is predicated, were violated and that such violations were injurious.
26 Throughout this litigation, Defendants also challenged Plaintiff’s standing and adequacy to assert
27 class claims and contended there were individualized issues that would pose challenges to
28 certification. When assessing the likelihood of prevailing on this cause of action, Plaintiff’s

counsel considered all of the above, as well as Defendants' factual contentions and legal arguments, the chances of prevailing on the off-the-clock and misclassification allegations and other causes of action, costs and expenses associated with further litigation and obtaining and maintaining certification, and risks to recovery, and applied appropriate discounts for settlement purposes.

i. **PAGA Penalties**

65. Under the PAGA, civil penalties to be assessed and collected by the state labor agency for a violation of the California Labor Code, may, as an alternative, be recovered by an aggrieved employee Plaintiff. If the California Labor Code already specifies and provides a civil penalty for the violation of a provision of the California Labor Code, said civil penalty is recoverable by the aggrieved employee plaintiff. Additionally, the PAGA statute establishes a civil penalty that is recoverable by an aggrieved employee plaintiff, for violation of provisions of the California Labor Code for which the California Labor Code does not specifically provide for a civil penalty, as follows: one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation. Cal. Lab. Code § 2699(f). Pursuant to California Labor Code section 2699(i), seventy-five percent (75%) of the penalties recovered must be allocated to the State of California, with the remaining twenty-five percent (25%) allocated to the aggrieved employees. Arguably, the statute of limitations period applicable to a PAGA claim is one year prior to the filing of the complaint, under California Code of Civil Procedure section 340, however, recent case law seems to indicate that the time-limit or temporal scope is uncertain.

66. Defendants contended that violations of multiple provisions of the California Labor Code and IWC Wage Orders would not give rise to cumulative penalties, and at best, would only trigger an initial violation penalty and a subsequent violation penalty once per pay period, if at all.

67. Defendants contended that an important feature of the PAGA statute is that, when determining whether or not to assess a penalty, the trial court exercises the same discretion that the LWDA has and may reduce the penalties to be assessed against the employer pursuant to California Labor Code section 2699(e)(1)-(2). As such, Defendants contended that, with respect

1 to the PAGA claim, the Court is unlikely to assess cumulative penalties for the maximum number
2 of possible, separate California Labor Code and IWC Wage Order violations, because it would be
3 unjust, arbitrary, oppressive, and/or confiscatory, especially where certain conduct may be
4 regulated by multiple provisions of the California Labor Code and IWC Wage Orders that are
5 interrelated and work in tandem.

6 68. Defendants also maintained and continue to maintain that they had legally-compliant
7 employment policies and practices throughout the statutory period. Defendants denied and
8 continue to deny that they ever violated any provision of the California Labor Code or IWC Wage
9 Orders, and have argued, that, even if, *arguendo*, such violations occurred, they will not be treated
10 as having engaged in subsequent violations giving rise to heightened penalties. In other words,
11 Defendants maintain that heightened civil penalties for subsequent violations would not be
12 assessed unless it could be shown that Defendants had notice that they were violating the law, e.g.
13 because they had been cited by a labor agency or adjudged by a court to have done so. See, e.g.,
14 *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.4th 1157, 1209. Defendants maintain that they
15 would be able to show a lack of willfulness in the violations, such that the alleged California Labor
16 Code violations would not be considered “willful.” Defendants contended that, at best, even if a
17 violation giving rise to a penalty was shown for each pay period, only the lower civil penalty
18 associated with initial violations would apply.

19 69. Importantly, to prevail on the PAGA claim, Defendants contended that some courts
20 have required plaintiffs to show at the outset that they have suffered injury, in order to establish
21 standing, and that Plaintiff would also have to prove all requisite elements to prove violations of
22 the underlying California Labor Code and IWC Wage Order provisions, in order to show that
23 Defendants’ conduct gave rise to penalties. The allegations regarding misclassification, off-the-
24 clock work, unpaid wages, non-compliant meal and rest periods, and unreimbursed business
25 expenses are fundamental to this action; however, for the reasons discussed above, there were
26 substantial challenges to showing liability and exposure for these legal and factual theories and
27 claims. Defendants maintain that Plaintiff would not be able to establish violations of the
28 underlying California Labor Code and IWC Wage Order provisions and the fundamental

1 misclassification and off-the-clock allegations, and wage, meal and rest period, and business
2 expenses reimbursement violations. Defendants also contended that multiple individualized issues
3 vitiated the manageability of representative adjudication of the PAGA claim.

4 70. Defendants would also likely seek bifurcation of discovery and/or trial of the PAGA
5 claim – many courts have taken such an approach.

6 71. Defendants also maintained that, in addition to its strong arguments against the
7 underlying claims, taking the current unsettled state of law, it would be unjust to award the
8 maximum potential PAGA penalties. There was a dearth of law and guidance regarding trials
9 and/or assessment of penalties under the PAGA statute, and there is no clearly-established
10 methodology for the valuation and/or assessment of PAGA penalties.

11 72. Defendants also contended that before a PAGA claim could be tried, under existing
12 law, the court of law would have to be satisfied that the adjudication of the PAGA claim, based
13 on a theory of uniform wage and hour practices relating to a large group of aggrieved employees,
14 is sufficiently “manageable” so as not to interfere with Defendants’ right to due process.
15 Defendants asserted that the aggrieved employees worked different positions, and that their job
16 roles, job duties, work hours, and manner of compensation varied. Defendants contended that
17 there was variation as to the circumstances that could allegedly cause the aggrieved employees to
18 be misclassified, work off-the-clock, or to be deprived of the opportunity to take legally-compliant,
19 duty-free meal and/or rest periods. Defendants further contended that these issues presented
20 challenges to Plaintiff’s ability to show that a PAGA claim could be efficiently and manageably
21 adjudicated without abridging Defendants’ due process rights.

22 73. Defendants pointed to case law that held that, given the derivative nature of a PAGA
23 claim, it would stand or fall based on the alleged violations from which it derives, and the success
24 of showing, *inter alia*, misclassification, overtime work, off-the-clock work, failure to properly
25 pay wages, failure to reimburse for expenses, etc. Defendants also pointed to case law
26 demonstrating that courts have attributed little separate value to PAGA claims, for example,
27 allowing them to be resolved for \$0 where the other underlying California Labor Code claims are
28 being resolved. See, e.g. *Matter of Nordstrom Commission Cases* (2010) 186 Cal.App.4th 576,

588-590 (No abuse of discretion by the trial court in approving the allocation of \$0 toward PAGA penalties, where PAGA claim is resolved as a part of an overall resolution of the underlying California Labor Code violations); *Franco v. Ruiz Food Prods, Inc.* (E.D. Cal. Nov. 27, 2012) No. 1:10-cv-02354-SKO, 2012 WL 5941801, at *14 (approving allocation of \$10,000, out of the settlement of \$2.5 million, toward the settlement of the PAGA claim); *Garcia v. Gordon Trucking* (E.D. Cal. Oct. 31, 2012) No.1:10-CV-0324-AWI-SKO, 2012 WL 5364575, at *3 (approving the allocation of \$10,000, out of the settlement of \$3.7 million, toward the settlement of the PAGA claim); *Chu v. Wells Fargo Investments, LLC* (N.D. Cal. Feb. 16, 2011) No. C 05-4526 MHP, C 0647924 MHP, 2011 WL 672645, at *1 (approving the allocation of \$10,000, out of the settlement of \$6.9 million, toward the settlement of the PAGA claim); *Jack v. Hartford Ins. Co.* (S.D. Cal. Oct. 13, 2011) No. 3:09-cv-1683—MMA (JMA), 2011 WL 4899942, at *18 (approving the allocation of \$3,000, out of the settlement of \$1.2 million, toward the settlement of the PAGA claim); *Schiller v. David's Bridal, Inc.* (E.D. Cal. June 11, 2012) 2012 WL 2117001, at *14 (approving the allocation of \$10,000, out of the settlement of \$518,245, toward settlement of the PAGA claim).

74. Plaintiff's counsel also considered that "PAGA's penalty provisions are subject to a variety of equitable factors which" call for "qualitative evaluation and weighing of a variety of factors" by the trial court. *Laface v. Ralphs Grocery Co.* (Cal. Ct. App. 2022) 75 Cal.App.5th 388, 458. Plaintiff's counsel considered that a court may reduce the amount of PAGA penalties awarded to an employee based upon discretionary factors other than the employer's ability to pay, and that many trial courts have significantly reduced PAGA civil penalties or altogether declined to award PAGA civil penalties. See, e.g., *Fleming v Covidien, Inc.* (C.D. Cal. Aug. 12, 2011) No. ED CV10-01487 RGK (OPx), 2011 U.S. Dist. LEXIS 154590, at **8-9 (Out of \$2,800,000 PAGA penalties requested, the court awarded \$500,000.); *Thurman v. Bayshore Transit Management, Inc.* (2012) 203 Cal.App.4th 1112, 1136, *disapproved on other grounds* (Out of \$512,000 PAGA penalties requested, the court awarded \$358,588.); *Aguirre v Genesis Logistics* (C.D. Cal. Dec. 30, 2013) No. SACV 12-00687-JVS (ANx), 2013 U.S. Dist. LEXIS 189820, at **6-7 (Out of \$1,800,000 PAGA penalties requested, the court awarded \$500,000.); *Halevi v Aroma Bakery*

1 *Café, Inc.* (Aug. 30, 2013) Los Angeles County Superior Court No. 468146 (The court declined
2 to award PAGA penalties after trial, although at trial the court awarded wages to class, on the basis
3 that, *inter alia*, action was not prompted by availability of PAGA penalties, penalties were not
4 necessary to remedy ongoing or future violations, and plaintiffs did not offer evidence establishing
5 imposition of penalties on individual defendants would not be confiscatory.); *Makabi v Gedalia*
6 (Mar. 2, 2016) No. B261005, 2016 Cal. App. Unpub. LEXIS 1489, at **6-7 (Noting that the trial
7 court found in favor of plaintiffs on California Labor Code violation claims, but declined to award
8 any PAGA penalties.); *Arnold v San Diego Second Chance Program* (Dec. 18, 2017) San Diego
9 County Superior Court No. 37-2016-00018375 (No PAGA penalties awarded.); *Felczer v Apple*
10 *Inc.* (Sept. 13, 2017) San Diego County Superior Court No. 37-2011-00102593 (No PAGA
11 penalties awarded.); *Allen v American Multi-Cinema* (July 24, 2016) Alameda County Superior
12 Court No. RG11585502 (No PAGA penalties awarded.); *Atempa v Pama* (July 31, 2015) San
13 Diego County Superior Court (Out of PAGA penalties of \$456,133 sought, the court awarded
14 \$197,434.00.); *Driscoll v Granite Rock* (Sept. 20, 2011) Santa Clara County Superior Court No.
15 1-08-cv-103426 (The court declined to award PAGA penalties.); *In re Taco Bell Wage and Hour*
16 *Actions* (E.D. Cal. Apr. 8, 2016) No. 1:07-cv-01314-SAB, 2016 U.S. Dist. LEXIS 48557, at *41
17 (The court declined to award PAGA penalties after trial.); *Morales v Bridgestone Retail*
18 *Operations LLC* (Aug. 2, 2018) Orange County Superior Court No. 30-2017-00900244 (Out of \$7
19 million PAGA penalties requested, the court awarded \$425,000.); *Carrington v Starbucks Corp.*
20 (2018) 30 Cal.App.5th 504, 517, 529 (Out of \$75 million in penalties sought, the court affirmed
21 the trial court's \$150,000 PAGA penalty award based on 30,000 violations, which reduced the
22 penalty rate to \$5 per violation.). Overall, there were significant risks and uncertainty as to whether
23 or not the PAGA claim will be found to be manageable, whether or not Plaintiff will prevail on
24 the merits and establish entitlement to penalties, and the extent of penalties likely to be assessed.

25 75. Based on information provided by Defendants, it is estimated that ninety-nine (99)
26 non-exempt aggrieved employees worked during the period from April 1, 2020 to May 8, 2022
27 (i.e., the PAGA Period for non-exempt employees) and eleven (11) salaried exempt customer
28 relations specialist aggrieved employees worked during the period from January 28, 2020 to May

1 8, 2022 (i.e., the PAGA Period for the salaried exempt customer relations specialist aggrieved
2 employees). Based on Plaintiffs' counsel's investigations and analysis, it was determined that the
3 estimated potential PAGA penalties is approximately \$171,500.00 (98 individuals x \$1,750 civil
4 penalties) for non-exempt aggrieved employees and is approximately \$19,250.00 (11 individuals
5 x \$1,750 civil penalties) for salaried exempt customer relations specialist aggrieved employees,
6 which the Court could determine whether or not to assess and whether or not to reduce.

7 76. Plaintiff's counsel recognized the realities of Defendants' arguments, evidence and
8 information obtained through investigations as well as from Plaintiff, Defendants, and other
9 sources, the circumstances and realities of the case, the current state of the law, the costs of
10 continued litigation, and the risks to recovery, and applied appropriate discounts for them. At this
11 juncture, regarding the non-exempt aggrieved employees, a discount of 50% was applied to
12 account for the risks associated with establishing manageability and possible bifurcation of
13 discovery and/or trial (bringing the value of the claim closer to \$85,750.00), a discount of 50%
14 was applied to account for the risks associated with succeeding on the merits and establishing
15 liability (bringing the value of the claim closer to \$42,875.00), and a discount of 50% was applied
16 to account for the risks associated with proving the extent of penalties that are warranted and
17 possible discretionary reduction of penalties by the Court (bringing the value of the claim closer
18 to \$21,437.50). Regarding the salaried exempt customer relations specialist aggrieved employees,
19 a discount of 50% was applied to account for the risks associated with establishing manageability
20 and possible bifurcation of discovery and/or trial (bringing the value of the claim closer to
21 \$9,625.00), a discount of 50% was applied to account for the risks associated with succeeding on
22 the merits and establishing liability (bringing the value of the claim closer to \$4,812.50), and a
23 discount of 50% was applied to account for the risks associated with proving the extent of penalties
24 that are warranted and possible discretionary reduction of penalties by the Court (bringing the
25 value of the claim closer to \$2,406.25).

26 j. **Summary**

27 77. The foregoing discussion confirms that the amount of the Settlement is adequate in
28 light of the merits of this case, Plaintiff's allegations and causes of action, the evidence at issue

1 with respect to those allegations and causes of action, and legal and factual arguments and
2 circumstances which pose challenges to monetary recovery. The conclusion to be drawn from the
3 foregoing analysis is that neither class certification, liability, nor the ability to adjudicate and/or
4 recover monetary relief on a class-wide or PAGA representative basis is clear-cut, which is why
5 the Parties elected to settle this matter. Plaintiff's counsel recognized the circumstances and
6 realities of the case, applicable case law and regulations, the costs and expenses of further litigation
7 and certification, and risks to recovery, and applied appropriate discounts as discussed above. This
8 Settlement involves highly disputed claims and is the product of compromise.

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

11
12 Executed on this 28th day of November 2023, at Los Angeles, California.

13 

14 _____
Annabel Blanchard

EXHIBIT 1

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse

Chumani Brown

Plaintiff/Petitioner(s)

VS.

Med One Group et al

Defendant/Respondent(s)

No. RG21095229

Date: 10/12/2023

Time: 2:00 PM

Dept: 22

Judge: Jeffrey Brand

ORDER re: Hearing on Motion - Other

Motion for Preliminary

Approval; filed by Chumani

Brown (Plaintiff) filed by

Chumani Brown (Plaintiff) on

The Hearing on Motion - Other Motion for Preliminary Approval; filed by Chumani Brown (Plaintiff) scheduled for 10/12/2023 is continued to 11/14/2023 at 02:00 PM in Department 22 at Rene C. Davidson Courthouse.

The hearing on Plaintiff's Motion for Preliminary Approval is CONTINUED to November 14, 2023 at 2pm in Dept. 22.

At least 5 COURT days before the continued hearing date, the parties should submit a supplemental declaration with the required information and documents. To the extent the settlement, notice, and/or proposed order are revised, redlined versions should also be included.

Plaintiff needs to submit a supplemental declaration further explaining the investigation. (Blanchard Decl., ¶ 12.) The declaration needs to address, at a minimum, the sample size for the "sampling of Class Members"; the time period for Defendants' policies; any differences in the policies regarding hourly and salaried employees; and what, if any, violations the records demonstrated.

Further, the supplemental declaration should explain Plaintiff's valuation of the case (e.g., potential exposure on a claim-by-claim basis and any discounts applied) and why the proposed settlement is within the "ballpark" of reasonableness. (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133.)

The supplemental declaration should also provide additional information regarding hourly and salaried employees, including any information that would be considered in certification (e.g., how many putative class members are hourly vs. salary, whether any CBAs or similar agreements apply to either, and why the distribution of the settlement proceeds is the same for hourly and salaried employees).

ORDER re: Hearing on Motion - Other Motion for Preliminary Approval;
filed by Chumani Brown (Plaintiff) filed by Chumani Brown
(Plaintiff) on

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse

The Court does not require written objections in order to appear at the fairness hearing and will not approve of such a requirement. (Settlement Agreement, ¶ 73; Proposed Order, ¶15.) The ability to appear at the final hearing without submitting a written objection should be made clear in the notice.

Plaintiff needs to submit the LWDA notice. (*See Accurso v. In-N-Out Burgers* (2023) 94 Cal.App.5th 1128; *see also LaCour v. Marshalls of California, LLC* (2023) 94 Cal.App.5th 1172.)

The class notice should contain the following language:

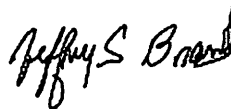
The pleadings and other records in this litigation may be examined online on the Alameda County Superior Court's website, known as "eCourt Public Portal," at <https://portal.alameda.courts.ca.gov>.

After arriving at the website, click the "Search" tab at the top of the page, then select the Document Downloads link, enter the case number and click "Submit." Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

The courtroom location in the proposed order should be revised to reflect that Dept. 22 is located in in the Administration Building at 1221 Oak Street. (Proposed Order, ¶ 13.)

Clerk is directed to serve copies of this order, with proof of service, to counsel and to self-represented parties of record.

Dated: 10/12/2023



Jeffrey Brand / Judge

SUPERIOR COURT OF CALIFORNIA COUNTY OF ALAMEDA		Reserved for Clerk's File Stamp
COURTHOUSE ADDRESS: Rene C. Davidson Courthouse 1225 Fallon Street, Oakland, CA 94612		FILED Superior Court of California County of Alameda 10/13/2023
PLAINTIFF/PETITIONER: Chumani Brown		Chad Finke, Executive Officer / Clerk of the Court By:  Deputy B. Mercado
DEFENDANT/RESPONDENT: Med One Group et al		
CERTIFICATE OF ELECTRONIC SERVICE CODE OF CIVIL PROCEDURE 1010.6		CASE NUMBER: RG21095229

I, the below named Executive Officer/Clerk of Court of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served one copy of the Order re: Hearing on Motion - Other Motion for Preliminary Approval; filed by Chumani Brown (Plaintiff) filed by Chumani Brown (Plaintiff) on entered herein upon each party or counsel of record in the above entitled action, by electronically serving the document(s) from my place of business, in accordance with standard court practices.

Katherine C. Den Bleyker
 O'Hagan Meyer LLP
 kdenbleyker@ohaganmeyer.com

Chad Finke, Executive Officer / Clerk of the Court

Dated: 10/13/2023

By:



B. Mercado, Deputy Clerk

SUPERIOR COURT OF CALIFORNIA COUNTY OF ALAMEDA	Reserved for Clerk's File Stamp
COURTHOUSE ADDRESS: Rene C. Davidson Courthouse 1225 Fallon Street, Oakland, CA 94612	FILED Superior Court of California County of Alameda 10/13/2023
PLAINTIFF/PETITIONER: Chumani Brown	Clad Fike, Executive Officer / Clerk of the Court By:  Deputy
DEFENDANT/RESPONDENT: Med One Group et al	B. Mercado
CERTIFICATE OF MAILING	CASE NUMBER: RG21095229

I, the below-named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the attached document upon each party or counsel named below by placing the document for collection and mailing so as to cause it to be deposited in the United States mail at the courthouse in Oakland, California, one copy of the original filed/entered herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid, in accordance with standard court practices.

Edwin Alwazian
Lawyers for Justice, PC
410 West Arden Avenue
Suite 203
Glendale, CA 91203-

Chad Finke, Executive Officer / Clerk of the Court

Dated: 10/13/2023

By:



B. Mercado, Deputy Clerk

CERTIFICATE OF MAILING

EXHIBIT 2

Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
Annabel Blanchard (SBN 258135)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff

Katherine C. Den Bleyker (SBN 257187)
Anne Osborn (SBN 335414)
O'HAGAN MEYER LLP
550 South Hope Street, Suite 2400
Los Angeles, California 90071
Tel: (213) 423-6006

Attorneys for Defendants

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

CHUMANI BROWN, individually, and on
behalf of other members of the general
public similarly situated and on behalf of
other aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

MED ONE GROUP, an unknown business
entity; MED ONE CAPITAL, INC., an
unknown business entity; MED ONE
CAPITAL FUNDING, LLC, an unknown
business entity; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: RG21095229

Honorable Jeffrey Brand
Department 22

CLASS ACTION

**AMENDMENT NO. 1 TO STIPULATION
OF CLASS ACTION AND PAGA
SETTLEMENT**

Complaint Filed: April 6, 2021
FAC Filed: January 23, 2023

1 Plaintiff Chumani Brown (“Plaintiff”) and Defendants Med One Group, Med One
2 Capital, Inc., and Med One Capital Funding, LLC (collectively, “Defendants”), pursuant to
3 Paragraph 87 of the Stipulation of Class Action and PAGA Settlement entered into on February
4 6, 2023 (“Original Agreement”), hereby agree to amend and supplant the following portions of
5 the Original Agreement, as stated herein. The amendments stated herein are incorporated by this
6 reference. Together, the Original Agreement and this Amendment No. 1 to Stipulation of Class
7 Action and PAGA Settlement shall be referred to as the “Settlement,” the “Agreement,” or the
8 “Settlement Agreement.”

9 **A. Paragraph 13 of the Original Agreement is hereby amended and supplanted in its**
10 **entirety, to state as follows:**

11 “Effective Date” shall mean the later of the following: (a) if no timely
12 objections to the Class Settlement are submitted or if all objections to the
13 Class Settlement are withdrawn, the date upon which the Court enters the
14 Final Approval Order and Judgment; (b) if an objection to the Class
15 Settlement is submitted and not withdrawn, the date after the last day for
16 filing an appeal from the Final Approval Order and Judgment and no such
17 appeal being filed; (c) if any timely appeals from the Final Approval Order
18 and Judgment are filed, the date of the resolution (or withdrawal) of any such
19 appeal in a way that does not alter the terms of the Settlement.

20 **B. Paragraph 73 of the Original Agreement is hereby amended and supplanted in its**
21 **entirety, to state as follows:**

22 Objection Procedures. To object to the Class Settlement in writing, a
23 Participating Class Member may postmark a complete Objection to the
24 Settlement Administrator on or before the Response Deadline. The written
25 Objection must be in conformity with Paragraph 37 above. The postmark date
26 will be deemed the exclusive means for determining that the Objection is
27 timely. In addition and also as an alternative, a Participating Class Member
28 may object to the Class Settlement by appearing at the Final Approval

Hearing to present their objection to the Class Settlement orally to the Court (i.e., a Class Member may appear at the Final Approval Hearing to present their objection to the Class Settlement without submitting a written Objection). At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Participating Class Members to submit objections to the Settlement or appeal from Final Approval of the Settlement. Class Counsel will not represent any Class Members with respect to any objections to the Settlement.

C. Paragraph 5 of the Original Agreement is hereby amended and supplanted in its entirety, to state as follows:

“Class” or “Class Member(s)” shall mean (1) all individuals who are current or former hourly-paid, non-exempt employees of Med One employed in California at any time from April 1, 2020 to May 8, 2022 (“Hourly Class Member(s)”); and (2) all individuals who are current or former salaried customer relations specialists employees of Med One who were classified as “exempt” employed in California at any time from April 6, 2017 to May 8, 2022 (“Salaried Class Member(s)”).

D. Paragraph 26 of the Original Agreement is hereby amended and supplanted in its entirety, to state as follows:

PAGA Member” or “PAGA Members” shall mean (1) all individuals who are current or former hourly-paid, non-exempt employees of Med One employed in California at any time from April 1, 2020 to May 8, 2022 (“Hourly PAGA Member(s)”); and (2) all individuals who are current or former salaried customer relations specialist employees of Med One who were classified as “exempt” employed in California from January 28, 2020 to May 8, 2022 (“Salaried PAGA Member(s)”).

E. Paragraph 45 of the Original Agreement is hereby amended and supplanted in its entirety, to state as follows:

“Workweeks” shall mean the number of weeks each Class Member was employed

by Med One during the Class Period. The Settlement Administrator will calculate the number of Workweeks by calculating the number of days each Class Member was employed by Med One during the Class Period, and dividing by seven (7).

F. The Notice of Class Action Settlement (“Class Notice”) attached to the Original Agreement as “Exhibit A” is hereby replaced with the revised Notice of Class Action Settlement attached hereto as “Exhibit A.”

G. “Exhibit B” attached hereto shall constitute the January 28, 2021 Notice to the Labor and Workforce Development Agency that was intended to be attached as “Exhibit B” to the Original Agreement but which inadvertently was not attached, and which is referenced throughout the Original Agreement and Class Notice.

IT IS SO AGREED:

Dated: November 28, 2023

LAWYERS for JUSTICE, PC

By: 
Annabel Blanchard
Attorneys for Plaintiff

Dated: November 28, 2023

O’HAGAN MEYER LLP

By: 
Katherine C. Den Bleyker
Anne Osborn
Attorneys for Defendants

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Chumani Brown v. Med One Group et al.
Superior Court of California for the County of Alameda, Case No. RG21095229

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment. Unless you request to be excluded from the Class Settlement, your legal rights may be affected with respect to the Class Settlement.

This Class Notice is designed to advise you of your rights and options, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class action settlement has been reached between Plaintiff Chumani Brown ("Plaintiff") and Defendants Med One Group, Med One Capital, Inc., and Med One Capital Funding, LLC (collectively, "Med One" or "Defendants") (together, Plaintiff and Defendants are referred to as the "Parties") in the case entitled *Chumani Brown v. Med One Group et al.*, Alameda County Superior Court, Case No. RG21095229 (the "Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the Settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the Settlement.

I. IMPORTANT DEFINITIONS

"Class" means (1) all individuals who are current or former hourly-paid, non-exempt employees of Med One employed in California at any time from April 1, 2020 to May 8, 2022 ("**Hourly Class Members**"); and (2) all individuals who are current or former salaried customer relations specialist employees of Med One who were classified as "exempt" employed in California at any time from April 6, 2017 to May 8, 2022 ("**Salaried Class Members**").

"Class Member" means a member of the Class.

"Class Period" means the period from April 1, 2020 to May 8, 2022 for the Hourly Class Members, and the period from April 6, 2017 to May 8, 2022 for the Salaried Class Members.

"Class Settlement" means the settlement and resolution of Released Class Claims (described in Section III.D below).

"PAGA Members" means (1) all individuals who are current or former hourly-paid, non-exempt employees of Med One employed in California at any time from April 1, 2020 to May 8, 2022 ("**Hourly PAGA Members**"); and (2) all individuals who are current or former salaried customer relations specialist employees of Med One who were classified as "exempt" employed in California from January 28, 2020 to May 8, 2022 ("**Salaried PAGA Members**").

"PAGA Settlement" means the settlement and release of Released PAGA Claims (described in Section III.D below).

"PAGA Period" means the period from April 1, 2020 to May 8, 2022 for Hourly PAGA Group Members, and the period from January 28, 2020 to May 8, 2022 for Salaried PAGA Group Members.

II. BACKGROUND OF THE ACTION

On January 28, 2021, Plaintiff provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that she contends were violated ("LWDA Letter" or "January 28, 2021 Notice to the Labor & Workforce Development Agency"). On April 6, 2021, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698 Et Seq. in the Alameda County Superior Court, Case No. RG21095229. On January 23, 2023, Plaintiff filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("First Amended Complaint"). Plaintiff alleges that Defendants failed to properly pay minimum and overtime wages, provide compliant meal

and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide compliant wage statements, keep requisite payroll records, reimburse business expenses, and, thereby engaged in unfair business practices in violation of the California Business & Professions Code section 17200, *et seq.* and conduct that gives rise to penalties under California Labor Code section 2698, *et seq.* (“PAGA”) Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendants deny all of the allegations in the Action or that they violated any law.

After investigation and analysis of the claims, the Parties engaged in good faith, arms-length negotiations, and as a result, the Parties reached a settlement. The Parties have since entered into the Stipulation of Class Action and PAGA Settlement, and Amendment No. 1 to the Stipulation of Class Action and PAGA Settlement (together, “Settlement,” “Agreement,” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Chumani Brown as representative of the Class (“Class Representative”), and the following counsel as counsel for the Class (“Class Counsel”):

Arby Aiwazian, Esq.
Joanna Ghosh, Esq.
Annabel Blanchard, Esq.
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Member, you do not need to take any action to receive an Individual PAGA Payment.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiff, Class Members, or PAGA Members. Plaintiff and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, PAGA Members, and the State of California. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Four Hundred Fifty Thousand Dollars (\$450,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount, less the following payments which are subject to approval by the Court: (1) attorneys’ fees in an amount not to exceed 35% of the Gross Settlement Amount (i.e., \$157,500.00 if the Gross Settlement Amount remains \$450,000.00) and reimbursement of litigation costs and expenses, in an amount not to exceed Twenty Thousand Dollars (\$20,000.00) (together, “Class Counsel’s Fees and Costs”) to Class Counsel; (2) Class Representative Incentive Payment in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff for her services in the Action (“Class Representative Incentive Payment”); (3) Settlement Administration Costs in an amount not to exceed Eight Thousand Dollars (\$8,000.00) to the Settlement Administrator (“Settlement Administration Costs”); and (4) the amount of One Hundred Thousand Dollars (\$100,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Penalties”). The PAGA Penalties will be distributed 75% (i.e., \$75,000.00) to the LWDA (“LWDA Payment”) and the remaining 25% (i.e., \$25,000.00) will be distributed to PAGA Members (“Employee PAGA Portion”).

Class Members are entitled to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of weeks each Class Member was employed by Med One during the Class Period (“Workweeks”). The Settlement Administrator has divided each Class Member’s individual Workweeks by the total Workweeks of all Class Members, and multiplied the resulting fraction by the Net Settlement Amount to arrive at each Class Member’s estimated Individual Settlement Share that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Participating Class Members”) will be issued their payment of their final Individual Settlement Payment. PAGA Members shall be issued payment of their Individual PAGA Payments regardless of whether they request exclusion from (opt out of) the Class Settlement.

Each Individual Settlement Share will be allocated as thirty-three and one third percent (33.33%) wages, which will be reported on an IRS Form W-2, and sixty-six and two thirds percent (66.66%) penalties, interest, and non-wage damages, which will be reported by the Settlement Administrator on an IRS Form 1099. Each Individual Settlement Share shall be subject to reduction for the employee’s share of payroll taxes due on the wages portion of Individual Settlement Share. The employer’s share of payroll taxes and contributions in connection with the wages portion of the Individual Settlement Shares (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

PAGA Members are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the Employee PAGA Portion (“Individual PAGA Payment”), based on each PAGA Member’s Workweeks during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator has divided each PAGA Member’s individual PAGA Workweeks by the total PAGA Workweeks of all PAGA Members and multiplied the resulting fraction by the Employee PAGA Portion to arrive at each PAGA Member’s Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C below).

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported by the Settlement Administrator on an IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Participating Class Members and Individual PAGA Payments will be mailed to PAGA Members at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendants’ Records

According to Defendants’ records:

During the period from April 1, 2020 to May 8, 2022, you are credited with [____] Workweeks, as an Hourly Class Member.

During the period from April 6, 2017 to May 8, 2022, you are credited with [____] Workweeks, as a Salaried Class Members.

During the period from April 1, 2020 to May 8, 2022, you are credited with [____] PAGA Workweeks, as an Hourly PAGA Member.

During the period from January 28, 2020 to May 8, 2022, you are credited with [____] PAGA Workweeks, as a Salaried PAGA Member.

If you wish to dispute the Workweeks credited to you, you must submit a written Workweeks dispute (“Workweeks dispute”) that: (1) contains the title of the Action (*Chumani Brown v. Med One Group et al.*, RG21095229) or something similar to the title of the Action (e.g. “*Chumani Brown v. Med One Group et al.*”); (2) contains your full name, address, telephone number, signature, date, and last four digits of your Social Security number; (3) contains a clear statement explaining that you dispute the number of Workweeks credited to you during the Class Period and/or the PAGA Period; (4) attaches any available documentation to support your position; and (5) is submitted to the Settlement Administrator by mail at the specified address listed in Section IV.B below, postmarked **no later than [Response Deadline]**.

C. Your Estimated Individual Settlement Payment and Individual PAGA Payment

As explained above, your estimated Individual Settlement Share and/or Individual PAGA Payment is based on the number of Workweeks and/or PAGA Workweeks credited to you.

**Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED].
The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share.**

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED].

The settlement approval process may take multiple months. Your Individual Settlement Share and/or Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and/or Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

D. Released Claims

Upon the Effective Date, Plaintiff and all Participating Class Members fully release and discharge Released Parties from any and all Released Class Claims for the Class Period.

Upon the Effective Date, Plaintiff, the State of California with respect to PAGA Members, and all PAGA Members fully release and discharge Released Parties from any and all Released PAGA Claims for the PAGA Period.

“Released Class Claims” means any and all claims, demands, rights, liabilities and causes of action against the Released Parties that were pled in the Operative Complaint, or which could have been pled in the Operative Complaint based on the factual allegations therein, that arose during the Class Period, including but not limited to causes of action for failure to pay overtime wages (Cal. Lab. Code §§ 204, 510, 1194, 1197, 1198, and applicable provisions of the relevant Industrial Wage Order); failure to provide meal periods and associated premium payments (Cal. Lab. Code §§ 226.7, 512, and applicable provisions of the relevant Industrial Wage Order); failure to provide rest periods and associated premium payments (Cal. Lab. Code §§ 226.7, 512, 516, and applicable provisions of the relevant Industrial Wage Order); failure to pay minimum wage (Cal. Lab. Code §§ 558, 1194, 1197, 1197.1, 1198 and applicable provisions of the relevant Industrial Wage Order); failure to timely pay wages upon termination of employment and waiting time penalties (Cal. Lab. Code §§ 201, 202, 203); failure to timely pay wages during employment (Cal. Lab. Code §§ 204); failure to furnish accurate wage statements (Cal. Lab. Code § 226, *et seq.*); failure to keep requisite payroll records (Cal. Lab. Code § 1174); failure to reimburse business expenses (Cal. Lab. Code §§ 2800, 2802); all claims for unfair competition (Cal. Bus. & Prof. Code §§ 17200, *et seq.*) based on the aforementioned alleged California Labor Code violations, and all claims for attorneys’ fees and costs relating to the Released Class Claims, that could have been premised on the facts, claims, causes of action or legal theories described above.

“Released PAGA Claims” means all claims, demands, rights, liabilities and causes of action for civil penalties under California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698 *et seq.*) against the Released Parties, based on the January 28, 2021 Notice to the Labor & Workforce Development Agency, that arose during the PAGA Period, including but not limited to claims for civil penalties for violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 4-2001 and 7-2001, and all related claims for attorneys’ fees and costs.

“Released Parties” means Defendants and each of their parent companies, subsidiaries, affiliates, d/b/a’s, current and former management companies, shareholders, members, owners, agents (including without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), and any of their predecessors, successors, and assigns.

E. Attorneys’ Fees and Litigation Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to thirty five percent (35%) of the Gross Settlement Amount (i.e., an amount of up to \$157,500.00 if the Gross Settlement Amount remains \$450,000.00) and reimbursement of litigation costs and expenses in an amount of up to Twenty Thousand Dollars (\$20,000.00) (together “Class Counsel’s Fees and

Costs”), subject to approval by the Court. The Class Counsel’s Fees and Costs awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, the Class Members, the PAGA Members, and the State of California on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Class Representative Incentive Payment to Plaintiff

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars (7,500.00), in recognition of her services in connection with the Action (“Class Representative Incentive Payment”). The Class Representative Incentive Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to any Individual Settlement Payment and/or Individual PAGA Payment that she may be entitled to under the Settlement.

G. Administration Costs to Settlement Administrator

Costs of administering the Settlement are estimated not to exceed Eight Thousand Dollars (\$8,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members and PAGA Members of the Settlement, processing Requests for Exclusion, Objections, and Workweeks disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Class Claims described in Section III.D above.

If you are a PAGA Member, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims described in Section III.D above. Class Members who opt-out of the Class Settlement, and who are also PAGA Members, shall still be bound to the PAGA Settlement and any judgment that may be entered by the Court with respect to the PAGA Released Claims.

Class Members and PAGA Members will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless they retain their own counsel, in which event they will be responsible for their own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a written request (“Request for Exclusion”), which must: (1) contain your full name, address, telephone number, and last four digits of your Social Security number, your signature, and the date; (2) contain a clear statement referencing the case title of the Action (*Chumani Brown v. Med One Group et al.*, RG21095229) and requesting to be excluded from the Class Settlement, similar to the following: “I wish to exclude myself from the class settlement reached in the matter of *Chumani Brown v. Med One Group*.”; and (3) be sent to the Settlement Administrator, postmarked by **no later than [Response Deadline]** at the following address:

[Settlement Administrator]

[Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and validly Request for Exclusion will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement (and

the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a Request for Exclusion will be deemed Participating Class Members, and will be bound by all terms of the Class Settlement, including those pertaining to the release of Released Class Claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. All PAGA Members will be bound by the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, regardless of whether they submit a Request for Exclusion from the Class Settlement.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement, as long as you have not submitted a Request for Exclusion, by submitting a written objection to the Settlement Administrator (“Objection”). In addition, or as an alternative, you may object to the Class Settlement by appearing at the Final Approval Hearing (i.e., you can appear at the Final Approval Hearing and present an objection without submitting a written Objection).

An Objection must: (1) contain the title of the Action (*Chumani Brown v. Med One Group et al.*, RG21095229) or something similar to the title of the Action (e.g., “*Chumani Brown v. Med One Group et al.*”); (2) contain your full name, address, telephone number, signature, and last four digits of your Social Security number; (3) clearly state all grounds for your objection and include legal support, if any, for your objection; (4) state whether you intend to appear at the Final Approval Hearing, either in person or through counsel; (5) if represented by separate counsel, contain the name, address, bar number, and telephone number of your representing attorney; and (6) be mailed to the Settlement Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 22 of the Alameda Superior Court, located at Administration Building, 1221 Oak Street, Oakland, California 94612, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Class Counsel’s Fees and Costs, Class Representative Incentive Payment to Plaintiff, LWDA Payment to the LWDA, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

The pleadings and other records in the Action may be examined online on the Alameda County Superior Court’s website, known as “eCourt Public Portal,” at <https://eportal.alameda.courts.ca.gov>. After arriving at the website, click the “Search” tab at the top of the page, then select the “Document Downloads” link, enter the case number and click “Submit.” Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT B

January 28, 2021

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

**Re: MED ONE GROUP; MED ONE CAPITAL, INC.; MED ONE CAPITAL
FUNDING, LLC**

Dear Representative:

We have been retained to represent Chumani Brown against Med One Group, Med One Capital, Inc, and Med One Capital Funding, LLC (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as “Med One”) for violations of California wage-and-hour laws. Ms. Brown seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”) and all other remedies available under PAGA, including an amount sufficient to recover underpaid wages pursuant to Labor Code section 558.

Ms. Brown seeks these remedies on behalf of the State of California and “aggrieved employees,” as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Med One employed Ms. Brown as a salaried employee misclassified as “exempt” in the State of California, from approximately December 2019 to approximately October 2020.

The “aggrieved employees” that Ms. Brown may seek penalties on behalf of are: (a) all current and former hourly-paid or non-exempt individuals who were employed by any of the above-referenced entities within the State of California (“aggrieved employees in subgroup A”), and (b) all current and former salaried customer relations specialists, or persons who held similar job titles and/or performed similar job duties, misclassified as “exempt” who were employed by any of the above-referenced entities within the State of California (“aggrieved employees in subgroup B”).

With regard to aggrieved employees in subgroup A, based on the following facts and theories, Med One has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, and 7-2001. With regard to aggrieved employees in subgroup B, based on the following facts and theories, Med One has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California

Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, and 7-2001.

Ms. Brown and the other aggrieved employees in subgroup B did not and/or do not earn in excess of one and one-half times the minimum wage, and/or less than half of their compensation is earned through commissions.

Ms. Brown and the other aggrieved employees in subgroup B did not and/or do not customarily and regularly exercise discretion and independent judgment in matters of consequence to Med One's business and were not and/or are not "primarily engaged" (more than one-half of the employee's work time) in performing managerial/exempt tasks. Furthermore, Ms. Brown and the other aggrieved employees in subgroup B did not and/or do not spend at least half of their work time doing office or non-manual work directly related to managerial policies or the general business operations of Med One. Therefore, Ms. Brown and other aggrieved employees in subgroup B were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked because Med One misclassified them as "exempt."

Med One required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, making phone calls, traveling, driving, and responding to work related inquiries from managers/supervisors.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Ms. Brown and other aggrieved employees in subgroup A worked in excess of 8 hours in a day and 40 hours in a week without overtime compensation. Additionally, during the relevant time period, Ms. Brown and other aggrieved employees in subgroup B worked in excess of 8 hours in a day and 40 hours in a week without overtime compensation because Med One misclassified them as "exempt." Therefore, Ms. Brown and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Med One required Ms. Brown and other aggrieved employees in subgroup A to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods. Additionally, during the relevant time period, Med One required Ms. Brown and other aggrieved employees in subgroup B to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods because Med One misclassified them as "exempt."

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, Med One failed to pay Ms. Brown and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Med One failed to pay Ms. Brown and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Med One did not provide Ms. Brown and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Med One were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Ms. Brown and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above. The wage statements provided by Med One also included inaccurate rates of pay for Ms. Brown and other aggrieved employees.

California Labor Code section 2810.5 requires an employer to provide written notice to an employee, at the time of hiring, containing the following information:

The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable. Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances. The regular payday designated by the employer in accordance with the requirements of this code. The name of the employer, including any "doing business as" names used by the employer. The physical address of the employer's main office or principal place of business, and a mailing address, if different. The telephone number of the employer. The name, address, and telephone number of the employer's workers' compensation insurance carrier. That an

employee: may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates. Any other information the Labor Commissioner deems material and necessary.

Med One failed to provide aggrieved employees with the requisite notice in violation of California Labor Code section 2810.5.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Ms. Brown and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Ms. Brown and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Ms. Brown and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Ms. Brown and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Med One failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Ms. Brown and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Med One did not provide Ms. Brown and other aggrieved employees in subgroup A with the minimum wages to which they were entitled for work performed "off-the-clock." Additionally, during the relevant time period, Med One did not pay Ms. Brown or other aggrieved employees in subgroup B with the minimum wages to which they were entitled for work performed "off-the-clock" because Med One misclassified them as "exempt."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, and 7-2001, require that for

each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Med One failed to pay Ms. Brown and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Ms. Brown and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Med One failed to pay Ms. Brown and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Ms. Brown and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Ms. Brown and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Med One. These costs include, but are not limited to, the use of personal cell phones for business related tasks, the use of personal phones for business-related tasks, the use of personal vehicles for business related tasks, the purchasing of clothing and shoes in compliance with the company's dress code, and the purchasing of supplies and tools for business-related purposes.

Therefore, on behalf of all aggrieved employees, Ms. Brown seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA.

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If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,



Edwin Aiwarzian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Med One Group
c/o Larry Stevens
President and CEO
10712 South 1300 East
Sandy, UT 84094

Med One Capital, Inc
Med One Capital Funding, LLC
c/o C T Corporation System
Agent for Service of Process
818 West Seventh Street, Suite 930
Los Angeles, CA 90017

LAWYERS FOR
JUSTICE
A PROFESSIONAL CORPORATION

410 WEST ARDEN AVENUE, SUITE 203
GLENDALE, CALIFORNIA 91203

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Extra Services & Fees (check box, add fee as appropriate)

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| ☐ Return Receipt (electronic) | \$ | |
| ☐ Certified Mail Restricted Delivery | \$ | |
| ☐ Adult Signature Required | \$ | |
| ☐ Adult Signature Restricted Delivery | \$ | |

Postage

Postmark
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Med One Group
c/o Larry Stevens
President and CEO
10712 South 1300 East
Sandy, UT 84094

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Med One Group
c/o Larry Stevens
President and CEO
10712 South 1300 East
Sandy, UT 84094



9590 9402 5577 9274 5511 19

2. Article Number (Transfer from service label)

2017 2680 0000 0469 1801

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent☐ Addressee

Date of Delivery

Received by (Printed Name)

Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

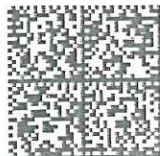
3. Service Type	
☐ Adult Signature	☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery	☐ Registered Mail™
☐ Certified Mail®	☐ Registered Mail Restricted Delivery
☐ Certified Mail® Restricted Delivery	☐ Return Receipt for Merchandise
☐ Collect on Delivery	☐ Signature Confirmation™
☐ Collect on Delivery Restricted Delivery	☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery Restricted Delivery red Mail	

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Domestic Return Receipt

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EXHIBIT 3

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

2 This Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff CHUMANI BROWN
4 (“Plaintiff” or “Class Representative”) and Defendants MED ONE GROUP, MED ONE CAPITAL,
5 INC., and MED ONE CAPITAL FUNDING, LLC (collectively “Med One” or “Defendants”)
6 (collectively with Plaintiff, the “Parties”).

7 This Settlement Agreement shall be binding on Plaintiff, Class Members (as defined herein),
8 the State of California as to the employment of aggrieved employees (as set forth herein) and on
9 Defendants, subject to the terms and conditions hereof and the approval of the Court.

10 **DEFINITIONS**

11 1. “Action” refers to the putative class action entitled *Chumani Brown v. Med One*
12 *Group et al.*, filed in Alameda County Superior Court on April 6, 2021, Case No. RG21095229.

13 2. “Class Counsel” means Edwin Aiwazian, Arby Aiwazian, Joanna Ghosh, and
14 Annabel Blanchard of Lawyers for Justice, P.C., counsel for Plaintiff, who will seek to be appointed
15 counsel for the Class.

16 3. “Class Counsel’s Fees and Costs” shall mean attorneys’ fees agreed upon by the
17 Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and
18 all costs incurred and to be incurred by Class Counsel in the Action, including, but not limited to,
19 costs associated with documenting the Settlement, providing any notices required as part of the
20 Settlement or Court order, securing the Court’s approval of the Settlement, administering the
21 Settlement, and expenses for any experts. Class Counsel will request attorneys’ fees not to exceed
22 thirty-five percent (35%) of the Gross Settlement Amount (i.e., up to One Hundred Fifty Seven
23 Thousand Five Hundred Dollars [\$157,500] if the Gross Settlement Amount remains \$450,000) and
24 reimbursement of actual costs and expenses associated with Class Counsel’s litigation and
25 settlement of the Action, in an amount not to exceed Twenty Thousand Dollars (\$20,000), subject
26 to Court approval.

27 4. “Class List” shall mean a complete list of all Class Members that Defendants will
28 diligently and in good faith compile from their records and provide to the Settlement Administrator

1 within thirty (30) calendar days after Preliminary Approval. The Class List will be formatted in a
2 readable Microsoft Office Excel spreadsheet and will include each Class Member's: (1) last known
3 full name; (2) last known mailing address; (3) last known telephone number (if available); (4) social
4 security number; (5) start, end, and re-hire dates of employment as a Class Member during the Class
5 Period; and (6) such other information as is necessary for the Settlement Administrator to be able to
6 calculate individual Class Member Workweeks. Because social security numbers are included in
7 the list, the Settlement Administrator will maintain the list in confidence, and shall only access and
8 use the list to administer the Settlement in conformity with the Court's orders.

9 5. "Class" or "Class Member(s)" shall mean (1) all individuals who are current or
10 former hourly-paid, non-exempt employees of Med One ~~employedwho worked~~ in California at any
11 time from April 1, 2020 to May 8, 2022 ("Hourly Class Member(s)"); and (2) all individuals who
12 are current or former salaried customer relations specialists employees of Med One who were
13 classified as "exempt" ~~employedand worked~~ in California at any time from April 6, 2017 to May 8,
14 2022 ("Salaried Class Member(s)");

15 6. "Class Period" means April 1, 2020 to May 8, 2022 for the Hourly Class Members
16 and April 6, 2017 to May 8, 2022 for the Salaried Class Members.

17 7. "Class Representative" shall mean Plaintiff Chumani Brown.

18 8. "Class Representative Incentive Payment" shall mean the amounts to be paid to the
19 Class Representative, as set forth in Paragraph 58 below, in addition to her Individual Settlement
20 Payment and Individual PAGA Payment, in recognition of her efforts in assisting with the
21 prosecution of the Action.

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

23 10. "Court" shall mean the Alameda County Superior Court of California.

24 11. "Defendants" shall mean, collectively, Med One Group, Med One Capital Funding,
25 LLC and Med One Capital, Inc.

26 12. "Defense Counsel" shall mean Katherine C. Den Bleyker of Lewis Brisbois Bisgaard
27 & Smith LLP.

28 13. "Effective Date" shall mean the later of the following: (a) if no timely objections [to](#)

1 the Class Settlement are submitted~~filed~~ or if all objections to the Class Settlement are withdrawn,
2 the date upon which the Court enters the Final Approval Order and Judgment; (b) if an objection to
3 the Class Settlement is submitted~~filed~~ and not withdrawn, the date after the last day for filing an
4 appeal from the Final Approval Order and Judgment and no such appeal being filed; (c) if any timely
5 appeals from the Final Approval Order and Judgment are filed, the date of the resolution (or
6 withdrawal) of any such appeal in a way that does not alter the terms of the Settlement.

7 14. "Employee PAGA Portion" shall mean the amount that is Twenty-Five percent
8 (25%) of the PAGA Penalties, in the amount of Twenty-Five Thousand Dollars and Zero Cents
9 (\$25,000.00), available for distribution to PAGA Members.

10 15. "Final Approval" shall mean the Court entering an order granting final approval of
11 the Settlement.

12 16. "Final Approval Hearing" shall mean the hearing at which the Court will consider
13 and determine whether the Settlement should be granted Final Approval.

14 17. "Gross Settlement Amount" shall mean the amount of Four Hundred Fifty Thousand
15 Dollars and Zero Cents (\$450,000.00) to be paid by Defendants in full resolution of all Released
16 Class Claims, Released PAGA Claims, and the Action, which is inclusive of the Class Counsel's
17 Fees and Costs, Class Representative Incentive Payment, Settlement Administration Costs, PAGA
18 Penalties (consisting of LWDA Payment and Employee PAGA Portion), and Individual Settlement
19 Shares. Defendants shall pay the Employer Taxes in addition to the Gross Settlement Amount. The
20 Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will
21 return to Defendants.

22 18. "Individual PAGA Payment" shall mean the amount payable from the Employee
23 PAGA Portion to each PAGA Member.

24 19. "Individual Settlement Payment" shall mean the amount payable from the Net
25 Settlement Amount to each Participating Class Member, which is the Participating Class Member's
26 Individual Settlement Share reduced by the employee's share of taxes and withholdings with respect
27 to the wage portion of the Individual Settlement Share, as provided in Paragraph 62 below.
28 Individual Settlement Payments shall be paid by a settlement check made payable to Participating

1 Class Members.

2 20. "Individual Settlement Share" shall mean the *pro rata* share of the Net Settlement
3 Amount that a Class Member may be eligible to receive under the Settlement Agreement, to be
4 calculated in accordance with Paragraph 62 below.

5 21. "LWDA" shall mean the California Labor and Workforce Development Agency.

6 22. "LWDA Payment" shall mean the amount that is Seventy-Five percent (75%) of the
7 PAGA Penalties, in the amount of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00), to
8 be paid to the LWDA.

9 23. "Net Settlement Amount" shall mean the portion of the Gross Settlement Amount
10 that is available for distribution to Participating Class Members after the following amounts are
11 deducted from the Gross Settlement Amount: (1) Class Counsel's Fees and Costs, (2) Settlement
12 Administration Costs, (3) Class Representative Incentive Payment to Plaintiff, and (4) PAGA
13 Penalties to be paid to the LWDA and PAGA Members.

14 24. "Class Notice" shall mean the Notice of Class Action Settlement, substantially in the
15 form attached hereto as "**Exhibit A**," that will be mailed to Class Members' last known addresses
16 and which will provide Class Members with information regarding the Action and information
17 regarding the Settlement of the Action.

18 25. "PAGA" shall mean the Private Attorneys General Act of 2004 pursuant to
19 California Labor Code Section 2698, *et seq.*

20 26. "PAGA Member" or "PAGA Members" shall mean (1) all individuals who are
21 current or former hourly-paid, non-exempt employees of Med One ~~employed who worked~~ in
22 California at any time from April 1, 2020 to May 8, 2022 ("Hourly PAGA Member(s)"); and (2) all
23 individuals who are current or former salaried customer relations specialist employees of Med One
24 who were classified as "exempt" ~~employed and worked~~ in California from January 28, 2020 to May
25 8, 2022 ("Salaried PAGA Member(s)").

26 27. "PAGA Penalties" shall mean the amount that the Parties have agreed to allocate as
27 civil penalties in order to settle claims arising under PAGA. The Parties have agreed to allocate One
28 Hundred Thousand Dollars and Zero Cents (\$100,000.00) of the Gross Settlement Amount as PAGA

1 Penalties. Seventy-Five percent (75%) of the PAGA Penalties in the amount of Seventy-Five
2 Thousand Dollars and Zero Cents (\$75,000.00) shall be paid directly to the LWDA (i.e., the LWDA
3 Payment) in accordance with Labor Code §§ 2698 *et seq.* The remaining Twenty-Five percent (25%)
4 of the PAGA Penalties in the amount of Twenty-Five Thousand Dollars and Zero Cents
5 (\$25,000.00), shall be distributed to PAGA Members (collectively, the amount is the “Employee
6 PAGA Portion” and individually these payments are “Individual PAGA Payment(s)”). PAGA
7 Members will receive an Individual PAGA Payment regardless of their decision to participate in (or
8 opt out of) the Class Settlement, if the PAGA Penalties are approved by the Court.

9 28. “PAGA Period” shall mean April 1, 2020 to May 8, 2022 for the Hourly PAGA
10 Group Members and January 28, 2020 to May 8, 2022 for the Salaried PAGA Group Members.

11 29. “PAGA Settlement” means the settlement and resolution of Released PAGA Claims.

12 30. “PAGA Workweeks” shall mean the number of weeks of employment for each
13 PAGA Member during the PAGA Period. The Settlement Administrator will calculate the number
14 of PAGA Workweeks by calculating the number of days each PAGA Member was employed during
15 the PAGA Period, and dividing by seven (7).

16 31. “Parties” shall mean Plaintiff and Defendants as defined above.

17 32. “Participating Class Members” shall mean all Class Members who do not submit a
18 valid and timely Request for Exclusion.

19 33. “Participating Hourly Class Members” shall mean all Hourly Class Members who
20 do not submit a valid and timely Request for Exclusion.

21 34. “Participating Salaried Class Members” shall mean all Salaried Class Members who
22 do not submit a valid and timely Request for Exclusion.

23 35. “Plaintiff” shall mean Chumani Brown.

24 36. “Preliminary Approval” shall mean the Court entering an order granting preliminary
25 approval of the Class Settlement.

26 37. “Objection” shall mean a Class Member’s complete and timely written objection to
27 the Class Settlement. For an Objection to be complete, it must include: (a) the Participating Class
28 Member’s full name, address, telephone number, last four digits of his or her Social Security

1 number, and signature; (b) the title of the Action or something similar to the title of the Action (e.g.,
2 “Chumani Brown v. Med One Group et al.”) (c) a written statement of all grounds for the objection
3 accompanied by legal support, if any, for such objection; (d) whether the Participating Class
4 Member intends to appear at the Final Approval Hearing, either in person or through counsel; and
5 (e) if represented by separate counsel, the name, address, bar number, and telephone number of the
6 Participating Class Member’s representing attorney. For an Objection to be timely, it must be post-
7 marked by the Response Deadline and received by the Settlement Administrator.

8 38. “Released Class Claims” shall collectively mean any and all claims, demands, rights,
9 liabilities and causes of action against the Released Parties that were pled in the Operative
10 Complaint, or which could have been pled in the Operative Complaint based on the factual
11 allegations therein, that arose during the Class Period, including but not limited to causes of action
12 for failure to pay overtime wages (Cal. Lab. Code §§ 204, 510, 1194, 1197, 1198, and applicable
13 provisions of the relevant Industrial Wage Order); failure to provide meal periods and associated
14 premium payments (Cal. Lab. Code §§ 226.7, 512, and applicable provisions of the relevant
15 Industrial Wage Order); failure to provide rest periods and associated premium payments (Cal. Lab.
16 Code §§ 226.7, 512, 516, and applicable provisions of the relevant Industrial Wage Order); failure
17 to pay minimum wage (Cal. Lab. Code §§ 558, 1194, 1197, 1197.1, 1198 and applicable provisions
18 of the relevant Industrial Wage Order); failure to timely pay wages upon termination of employment
19 and waiting time penalties (Cal. Lab. Code §§ 201, 202, 203); failure to timely pay wages during
20 employment (Cal. Lab. Code §§ 204); failure to furnish accurate wage statements (Cal. Lab. Code
21 § 226, *et seq.*); failure to keep requisite payroll records (Cal. Lab. Code § 1174); failure to reimburse
22 business expenses (Cal. Lab. Code §§ 2800, 2802); all claims for unfair competition (Cal. Bus. &
23 Prof. Code §§ 17200, *et seq.*) based on the aforementioned alleged California Labor Code violations,
24 and all claims for attorneys’ fees and costs relating to the Released Class Claims, that could have
25 been premised on the facts, claims, causes of action or legal theories described above.

26 39. “Released PAGA Claims” shall mean all claims, demands, rights, liabilities and
27 causes of action for civil penalties under California Labor Code Private Attorneys General Act of
28 2004 (Cal. Lab. Code § 2698 *et seq.*) against the Released Parties, based on the January 28, 2021

1 Notice to the Labor & Workforce Development Agency, that arose during the PAGA Period,
2 including but not limited to claims for civil penalties for violations of California Labor Code §§
3 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800,
4 and 2802, and applicable Wage Orders of the Industrial Welfare Commission, including but not
5 limited to Industrial Welfare Commission Wage Order Nos. 4-2001 and 7-2001, and all related
6 claims for attorneys' fees and costs.

7 40. "Released Parties" shall mean Defendants and each of their parent companies,
8 subsidiaries, affiliates, d/b/a's, current and former management companies, shareholders, members,
9 owners, agents (including without limitation, any investment bankers, accountants, insurers,
10 reinsurers, attorneys and any past, present or future officers, directors and employees), and any of
11 their predecessors, successors, and assigns.

12 41. "Request for Exclusion" shall mean a written statement submitted by a Class
13 Member requesting to be excluded from the Class Settlement. To be valid, the Request for Exclusion
14 must contain: (a) the Class Member's full name, address, telephone number, and the last four digits
15 of the Class Member's Social Security number, signature, and date; and (b) a clear statement
16 referencing the case title of the Action and requesting to be excluded from the settlement of the class
17 claims similar to the following: "I wish to exclude myself from the class settlement reached in the
18 matter of *Chumani Brown v. Med One Group*. To be timely, the Request for Exclusion must be post-
19 marked by the Response Deadline and received by the Settlement Administrator.

20 42. "Response Deadline" shall mean the date that is sixty (60) days after the Settlement
21 Administrator mails the Class Notice to Class Members and the last date on which Class Members
22 may submit Requests for Exclusion from the Class Settlement, written Objections to the Class
23 Settlement, or Workweek disputes. In the event the 30th day falls on a Sunday or Federal holiday,
24 the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.
25 The Response Deadline for Requests for Exclusion or Objections will be extended fifteen (15)
26 calendar days for any Class Member who is re-mailed a Class Notice by the Settlement
27 Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response
28 Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response

1 Deadline may also be extended by express agreement between Class Counsel and Defendant. Under
2 no circumstances, however, will the Settlement Administrator have the authority to unilaterally
3 extend the Response Deadline.

4 43. “Settlement Administrator” shall mean Simpluris, Inc., or any other third-party class
5 action settlement administrator agreed to by the Parties and approved by the Court for purposes of
6 administering this Settlement. The Parties each represent that they do not have any financial interest
7 in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator
8 that could create a conflict of interest.

9 44. “Settlement Administration Costs” shall mean the costs payable from the Gross
10 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering
11 this Settlement, including, but not limited to, printing, distributing, and tracking documents for this
12 Settlement, calculating/confirming the Workweeks from the information contained in the Class List,
13 calculating each Participating Class Member’s Individual Settlement Share and Individual
14 Settlement Payment, calculating each PAGA Member’s Individual PAGA Payment, tax reporting,
15 distributing payments due under the Settlement, providing necessary reports and declarations, and
16 other duties and responsibilities set forth herein to process this Settlement, and as requested by the
17 Parties or the Court. Settlement Administration Costs shall not exceed Eight Thousand Dollars
18 (\$8,000).

19 45. “Workweeks” shall mean the number of weeks each Class Member was employed
20 byworked-at Med One during the Class Period. The Settlement Administrator will calculate the
21 number of Workweeks by calculating the number of days each Class Member was employed
22 byworked-at Med One during the Class Period, and dividing by seven (7).

23 RECITALS

24 46. On January 28, 2021, Plaintiff provided written notice by online submission to the
25 Labor and Workforce Development Agency and by certified mail to Defendants of the specific
26 provisions of the California Labor Code that were allegedly violated, a true and correct copy of
27 which is attached hereto as “Exhibit B” (“January 28, 2021 Notice to the Labor & Workforce
28 Development Agency”).

1 47. On April 6, 2021, Plaintiff commenced the Action by filing a Complaint for
2 Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698,
3 Et Seq.

4 48. On June 7, 2021, Defendants filed an Answer to Plaintiff’s Complaint, denying all
5 material allegations set forth in the Action and asserting numerous affirmative defenses.

6 49. On December 7, 2022, Plaintiff filed a First Amended Class Action Complaint for
7 Damages & Enforcement Under the Private Attorneys General Act, California Labor Code §2698,
8 Et. Seq. (“Operative Complaint”) alleging eleven (11) causes of action against Defendants for failure
9 to properly pay minimum and overtime wages, provide compliant meal and rest periods and
10 associated premium payments, timely pay wages during employment and pay associated waiting-
11 time penalties, timely pay wages upon termination of employment, provide compliant wage
12 statements, maintain complete and accurate payroll records, reimburse necessary business-related
13 expenses, for unfair business practices (pursuant to California Business and Professions Code
14 Section 17200 et seq.), and civil penalties pursuant to PAGA.

15 50. Class Counsel in the Action diligently investigated the claims against Defendants,
16 including any and all applicable defenses and the applicable law, and obtained and reviewed
17 extensive information, data, and documents to assess the claims and allegations.

18 51. The Parties also engaged in an exchange of informal discovery prior to attending a
19 private mediation in an effort to resolve the case. On February 9, 2022, the Parties attended a full-
20 day, private mediation with an experienced wage and hour mediator, Jeffrey Krivis, and reached an
21 agreement to settle the present case shortly thereafter, pursuant to Mr. Krivis’ mediator’s proposal.

22 52. The settlement discussions were conducted at arm’s-length, and the Settlement is the
23 result of an informed and detailed analysis of Defendants’ potential liability and total exposure in
24 relation to the costs and risks associated with continued litigation. Based on the documents
25 produced, as well as Class Counsel’s own independent investigation and evaluation, Class Counsel
26 believes that the settlement with Defendants for the consideration and on the terms set forth in this
27 Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class
28 Members in light of all known facts and circumstances, including the risk of significant delay and

1 uncertainty associated with litigation and various defenses asserted by Defendants.

2 **TERMS OF AGREEMENT**

3 53. Settlement Consideration. Defendants shall fund the Gross Settlement Amount
4 following Final Approval by the Court and the occurrence of the Effective Date. The following will
5 be paid out of the Gross Settlement Amount: (1) Class Counsel's Fees and Costs, (2) Settlement
6 Administration Costs, (3) Class Representative Incentive Payment to Plaintiff, (4) PAGA Penalties
7 to be paid to the LWDA and PAGA Members, and (5) the Individual Settlement Shares to be paid
8 to Participating Class Members. Any employer-side payroll taxes due on the Individual Settlement
9 Shares shall be paid by Defendants separately from and in addition to the Gross Settlement Amount.
10 Aside from the employer-side payroll taxes noted, or at the option of Defendants as specified in
11 Paragraph 54 below, Defendants shall not be required under any circumstances to pay more than the
12 Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the
13 Gross Settlement Amount will revert to Defendants.

14 54. Defendants' Option to Increase the Gross Settlement Amount. As of February 9,
15 2022, Defendants represented that the number of total Workweeks through February 9, 2022 was
16 Four Thousand Six Hundred (4,600). If the actual number of Workweeks for Hourly Class Members
17 during the period April 1, 2020 to May 8, 2022 and Workweeks for Salaried Class Members during
18 the April 6, 2017 to May 8, 2022 is more than Five Thousand Sixty (5,060), then Defendants shall,
19 in their sole discretion, have the option to either:

- 20 (a) end the Class Period and end the PAGA Period on the date that the
21 total Workweeks reach 5,060; or
22 (b) increase the Gross Settlement Amount, as defined in Paragraph 17
23 above, on a proportional basis for Workweeks in excess of Five
24 Thousand Sixty (5,060).

25 55. Funding of the Gross Settlement Amount. Within twenty-one (21) calendar days of
26 the Effective Date of the Settlement, Defendants will deposit the Gross Settlement Amount into a
27 Qualified Settlement Fund ("QSF") to be established by the Settlement Administrator. Defendants
28 shall provide all information necessary for the Settlement Administrator to calculate necessary

1 payroll taxes including their official name, eight (8) digit state unemployment insurance tax ID
2 number, and other information requested by the Settlement Administrator, no later than seven (7)
3 calendar days of the Effective Date.

4 56. Distribution of the Gross Settlement Amount. Within fourteen (14) calendar days of
5 the funding of the Settlement, the Settlement Administrator will issue the following payments: (1)
6 Individual Settlement Payment checks to all Participating Class Members and Individual PAGA
7 Payment checks to all PAGA Members; (2) LWDA Payment to the LWDA; (3) the Class
8 Representative Incentive Payment to Plaintiff; (4) Class Counsel's Fees and Costs to Class Counsel,
9 and (5) Settlement Administration Costs to the Settlement Administrator.

10 57. Class Counsel's Fees and Costs. Defendants agree not to oppose or impede any
11 application or motion by Class Counsel for attorneys' fees of up to thirty-five percent (35%) of the
12 Gross Settlement Amount (i.e., One Hundred Fifty-Seven Thousand Five Hundred Dollars
13 (\$157,500) if the Gross Settlement Amount remains \$450,000) plus the reimbursement of actual
14 costs and expenses associated with Class Counsel's litigation and settlement of the Action, in an
15 amount not to exceed Twenty Thousand Dollars (\$20,000), subject to Court approval, which will
16 be paid from the Gross Settlement Amount. Any portion of the requested fees or costs that is not
17 awarded by the Court to Class Counsel shall become part of the Net Settlement Amount and
18 distributed to Participating Class Members as provided in this Agreement. Any adjustments made
19 by the Court to the requested fees and costs shall not be deemed a material modification of this
20 Agreement.

21 58. Class Representative Incentive Payment. Defendants agree not to oppose or object
22 to any application or motion by Plaintiff for a Class Representative Incentive Payment of Seven
23 Thousand Five Hundred Dollars and Zero Cents (\$7,500.00). The Class Representative Incentive
24 Payment to Plaintiff is in exchange for the release of Released Class Claims, release of Released
25 PAGA Claims, and general release of Plaintiff's individual claims, as provided herein, and for
26 Plaintiff's time, effort, and risk in bringing and prosecuting the Action. Any adjustments made by
27 the Court to the requested Class Representative Incentive Payment shall not be deemed a material
28 modification of this Agreement. In the event that the Court reduces or does not approve the requested

1 Class Representative Incentive Payment, the Settlement Agreement remains in full force and effect;
2 Plaintiff shall not have the right to revoke the Agreement for that reason; it shall remain binding;
3 and any portion of the requested Class Representative Incentive Payment that is not awarded to the
4 Class Representative shall become part of the Net Settlement Amount and distributed to
5 Participating Class Members as provided in this Agreement.

6 59. Settlement Administration Costs. The Settlement Administrator will be paid for the
7 reasonable costs of administration of the Settlement and distribution of payments from the Gross
8 Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not
9 exceed Eight Thousand Dollars (\$8,000). To the extent that Settlement Administration Costs are
10 less than Eight Thousand Dollars (\$8,000), the difference between Eight Thousand Dollars (\$8,000)
11 and the actual costs of settlement administration shall become part of the Net Settlement Amount
12 and distributed to Participating Class Members as provided in this Agreement.

13 60. PAGA Penalties. One Hundred Thousand Dollars and Zero Cents (\$100,000.00) of
14 the Gross Settlement Amount shall be allocated from the Gross Settlement Amount for settlement
15 of claims for civil penalties under the PAGA. The Settlement Administrator shall pay seventy-five
16 percent (75%) of the PAGA Penalties, or Seventy-Five Thousand Dollars and Zero Cents
17 (\$75,000.00), to the LWDA (i.e., the LWDA Payment). The remaining twenty-five percent (25%)
18 of the PAGA Penalties, or Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) (i.e., the
19 Employee PAGA Portion), will be distributed to PAGA Members on a *pro rata* basis based on their
20 PAGA Workweeks. PAGA Members shall be issued payment of their share of the Employee PAGA
21 Portion regardless of their decision to opt-out of the Class Settlement.

22 61. Net Settlement Amount for Payment of Class Claims. The Net Settlement Amount
23 will be distributed to Participating Class Members through Individual Settlement Shares in
24 accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$ 450,000.00
Class Representative Incentive Payment:	\$ 7,500.00
Class Counsel's Fees:	\$ 157,500.00
Class Counsel's Costs:	\$ 20,000.00

PAGA Penalties: \$ 100,000.00
Settlement Administration Costs: \$ 8,000.00
Estimated Net Settlement Amount: \$ 157,000.00

62. Calculations of Payments to Participating Class Members and PAGA Members.

(a) Calculation of Individual Settlement Shares. The Settlement Administrator will determine the total number of Workweeks for each Participating Class Member and the total aggregated number of Workweeks worked by all Participating Class Members during the Class Period. The Settlement Administrator will be provided with such information, by Defendant, as is necessary to calculate each Participating Class Member's Workweeks and the aggregated number of Workweeks. The amount that each Participating Class Member will be eligible to receive will be calculated by dividing each Participating Class Member's individual Workweeks by the total Workweeks of all Participating Class Members, and multiplying the resulting fraction by the Net Settlement Amount.

(b) Calculation of Individual PAGA Payments. The Settlement Administrator will determine the total number of PAGA Workweeks for each PAGA Member and the total aggregated number of PAGA Workweeks worked by all PAGA Members during the PAGA Period. The Settlement Administrator will be provided with such information, by Defendant, as is necessary to calculate each PAGA Member's PAGA Workweeks and the aggregated number of PAGA Workweeks. The amount that each PAGA Member will receive will be calculated by dividing each PAGA Member's individual PAGA Workweeks by the total PAGA Workweeks of all PAGA Members, and multiplying the resulting fraction by the Employee PAGA Portion. PAGA Members shall be issued payment of their Individual PAGA Payment regardless of whether they opt out of the Class Settlement.

(c) Tax Allocation of Individual Settlement Payments and Individual PAGA Payments. All Individual Settlement Shares will be allocated as follows: thirty-three and one third percent (33.33%) of each Individual Settlement Share will be allocated as wages, and sixty-six and two thirds percent (66.66%) shall be allocated as interest, penalties,

1 and non-wage damages. The portion of the Individual Settlement Shares allocated to wages
2 will be reported by the Settlement Administrator on an IRS Form W-2, and the portion of
3 the Individual Settlement Shares allocated to interest, penalties, and non-wage damages will
4 be reported by the Settlement Administrator on an IRS Form-1099 (if required). The
5 Individual PAGA Payments are non-wage payments that will be reported by the Settlement
6 Administrator on an IRS Form-1099 (if required).

7 63. No Credit Toward Benefit Plans. The payments made to Plaintiff, Participating Class
8 Members, and PAGA Members under this Settlement, will not be utilized to calculate any additional
9 benefits under any benefit plans to which any Participating Class Members and/or PAGA Members
10 may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock
11 purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is
12 the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or
13 amounts to which any Participating Class Members and/or PAGA Members may be entitled under
14 any benefit plans.

15 64. Settlement Administration Process. The Parties agree to cooperate in the
16 administration of the Settlement and to make all reasonable efforts to control and minimize the costs
17 and expenses incurred in administration of the Settlement. The Settlement Administrator will
18 provide the following services:

- 19 (a) Establish and maintain a Qualified Settlement Fund.
- 20 (b) Calculate the Individual Settlement Payment that each Participating Class
21 Member shall receive and the Individual PAGA Payment that each PAGA
22 Member shall receive.
- 23 (c) Print and mail the Class Notice.
- 24 (d) Perform address searches as detailed in Paragraph 67, including conduct
25 additional address searches and skip traces for mailed Class Notices that are
26 returned as undeliverable.
- 27 (e) Process Requests for Exclusion, Objections, calculate Participating Class
28 Members' Individual Settlement Payments and PAGA Members' Individual

1 PAGA Payments, field inquiries or disputes from Class Members and/or PAGA
2 Members. This service will include payment calculations, printing and issuance
3 of settlement payment checks, and preparation of any necessary IRS W2 and
4 1099 Tax Forms. Basic accounting for and payment of employee tax
5 withholdings will also be included as part of this service.

6 (f) Inform Defendants of their employer-side payroll tax liability and making all
7 necessary deposits and payments to the necessary taxing authorities for the
8 payments received for employer-share of payroll taxes.

9 (g) Supply Class Counsel with a draft declaration at the conclusion of the period
10 for submission of Requests for Exclusion, Objections, and Workweeks
11 disputes.

12 (h) Provide declarations and/or other information to this Court as requested by the
13 Parties and/or the Court.

14 (i) Provide weekly status reports to counsel for the Parties.

15 (j) Posting a copy of the Final Approval Order and Judgment online at the
16 Settlement Administrator's website for a period of sixty (60) days pursuant to
17 California Rule of Court 3.769.

18 65. Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval,
19 Defendants will provide the Class List to the Settlement Administrator.

20 66. Class Notice by First-Class U.S. Mail. Within fourteen (14) calendar days after
21 receiving the Class List from Defendants, the Settlement Administrator will mail the Class Notice
22 to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing
23 addresses identified in the Class List.

24 67. Confirmation of Contact Information in the Class List. Prior to mailing, the
25 Settlement Administrator will perform a search based on the National Change of Address Database
26 for information to update and correct for any known or identifiable address changes. Any Class
27 Notice returned to the Settlement Administrator as non-deliverable on or before the Response
28 Deadline will be sent within five (5) business days via regular First-Class U.S. Mail to the

1 forwarding address affixed thereto and the Settlement Administrator will indicate the date of such
2 re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator
3 will promptly attempt to determine the correct address using a skip-trace, or other comparable search
4 database, using the name, address and/or Social Security number of the Class Member involved,
5 and will then perform a single re-mailing of the Class Notice within five (5) business days. If any
6 Class Notice sent to a Class Member who is a current employee is returned to the Settlement
7 Administrator as undeliverable, then, the Settlement Administrator shall request that Defendants
8 undertake reasonable efforts to facilitate the Settlement Administrator's obtaining the current
9 address from the Class Member within seven (7) calendar days of the Settlement Administrator's
10 request for assistance. Those Class Members to whom a Class Notice is re-mailed, whether by skip-
11 trace or by request, will have their Response Deadline extended to the date that is fifteen (15)
12 calendar days after the original Response Deadline.

13 68. Class Notice. All Class Members will be mailed a Class Notice. Each Class Notice
14 will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's
15 principal terms; (c) the Class definition; (d) the total individual number of Workweeks credited to
16 each respective Class Member for the Class Period; (e) the total individual number of Workweeks
17 credited to each respective PAGA Member for the PAGA Period; (f) the estimated Individual
18 Settlement Share he or she is eligible to receive and the formula for calculating the Individual
19 Settlement Share; (g) the estimated Individual PAGA Payment he or she is eligible to receive and
20 the formula for calculating the Individual PAGA Payment; (h) the dates which comprise the Class
21 Period and PAGA Period; (i) the deadlines by which the Class Member must postmark Requests for
22 Exclusion from the Class Settlement, Objections to the Class Settlement, or Workweeks disputes;
23 (j) the claims to be released, as set forth herein; and (k) the Final Approval Hearing date, time, and
24 location.

25 69. Workweeks Dispute. Class Members and PAGA Members will have an opportunity
26 to dispute the number of Workweeks during the Class Period and/or PAGA Period which they have
27 been credited in writing. Such disputes must: (a) contain the disputing individual's full name,
28 address, telephone number, and the last four digits of his or her Social Security number, signature,

1 and date; (b) the title of the Action or something similar to the title of the Action (e.g., “Chumani
2 Brown v. Med One Group et al.”); (c) contain a clear statement explaining that the Class Member
3 and/or PAGA Member disputes the number of Workweeks credited to him or her during the Class
4 Period and/or PAGA Period and the reasons for doing so; and (d) if available, attach documentation
5 to support the Class Member and/or PAGA Member’s position. The date of the postmark on the
6 return mailing envelope receipt confirmation will be the exclusive means to determine whether a
7 Workweeks dispute has been timely submitted. All Workweeks disputes must be submitted to the
8 Settlement Administrator, who will certify jointly to Class Counsel and Defense Counsel the
9 Workweeks dispute were timely submitted. Absent evidence rebutting Defendants’ records,
10 Defendants’ records will be presumed determinative. However, if a Class Member and/or PAGA
11 Member produces evidence contrary to Defendants’ records by the Response Deadline, the
12 Settlement Administrator shall notify Class Counsel and Defense Counsel to discuss and resolve the
13 dispute, including providing all available relevant information to all counsel. The Parties will resolve
14 all disputes jointly, which shall be final and binding on any Class Member and/or PAGA Member
15 disputing Workweeks, and shall thereafter instruct the Settlement Administrator how to proceed in
16 processing the dispute. If the Parties cannot reach an agreement, disputes shall be referred to the
17 Settlement Administrator for a determination and if the dispute remains unresolved after that, the
18 dispute shall be submitted to the Court for final determination. All such disputes are to be submitted
19 to the Court prior to the Final Approval Hearing, for resolution by the Court.

20 70. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
21 Class Settlement must sign and postmark a written Request for Exclusion to the Settlement
22 Administrator by the Response Deadline. The Request for Exclusion in conformity with Paragraph
23 41 above. The date of the postmark on the return mailing envelope receipt confirmation will be the
24 exclusive means to determine whether a Request for Exclusion has been timely submitted. All
25 Requests for Exclusion must be submitted to the Settlement Administrator, who will certify jointly
26 to Class Counsel and Defense Counsel the Requests for Exclusion that were timely submitted. All
27 Class Members who do not request exclusion from the Class Settlement will be bound by the Class
28 Settlement if the Settlement is granted final approval by the Court. All PAGA Members will be

1 bound to the PAGA Settlement regardless of whether or not they submit a valid and timely Request
2 for Exclusion.

3 71. Defendants' Right to Rescind. If ten percent (10%) or more of the Class Members
4 elect not to participate in the Settlement, Defendants may, at their own individual election, rescind
5 the Agreement and all actions taken in furtherance of it will be thereby null and void. Defendants
6 must meet and confer with Class Counsel prior to exercising this right and must make clear their
7 intent to rescind the Agreement within thirty (30) calendar days of the Response Deadline. If
8 Defendants exercise their right to rescind the Agreement, Defendants shall be responsible for all
9 Settlement Administration Costs incurred to the date of rescission.

10 72. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
11 Member who does not affirmatively opt-out of the Class Settlement by submitting a timely and valid
12 Request for Exclusion will be bound by all of its terms, including those pertaining to the release of
13 Released Class Claims, as well as any Judgment that may be entered by the Court if it grants Final
14 Approval to the Class Settlement. Class Members who opt-out of the Class Settlement shall not be
15 bound by the Judgment or release of Released Class Claims, however, they will still be bound to the
16 PAGA Settlement and Judgment with respect thereto if they are a PAGA Member.

17 73. Objection Procedures. To object to the Class Settlement in writing, a Participating
18 Class Member ~~may~~must postmark a complete Objection to the Settlement Administrator on or
19 before the Response Deadline. The written Objection must be in conformity with Paragraph 37
20 above. The postmark date will be deemed the exclusive means for determining that the Objection
21 is timely. In addition and also as an alternative, a Participating Class Members may object to the
22 Class Settlement who fail to object in the manner specified above will be foreclosed from making a
23 written Objection, but shall still have a right toby appearing at the Final Approval Hearing ~~in order~~
24 to ~~orally~~ present his or her objection to the Class Settlement orally to the Court (i.e., a Class Member
25 may appear at the Final Approval Hearing to present their objection to the Class Settlement without
26 submitting a written Objection). At no time will any of the Parties or their counsel seek to solicit or
27 otherwise encourage Participating Class Members to submit objections to the Settlement or appeal
28 from Final Approval of the Settlement. Class Counsel will not represent any Class Members with

1 respect to any objections to the Settlement.

2 74. Certification Reports and Declarations.

3 a. The Settlement Administrator will provide Defense Counsel and Class
4 Counsel a weekly report which certifies: (a) the number of Class Members who have submitted
5 Requests for Exclusion; (b) the number of re-mailed and/or undeliverable Class Notices; and (c)
6 whether any Class Member and/or PAGA Member has submitted a Workweeks dispute. The
7 Settlement Administrator will also provide a declaration for filing with the Court in advance of the
8 Final Approval Hearing that: (a) provides the number of Class Members who have submitted timely
9 and valid Requests for Exclusion and provides these individuals' names; (b) provides the number
10 of re-mailed and/or undeliverable Class Notices; (c) attaches copies of all Objections received; and
11 (d) provides such other data and information as Class Counsel and Defense Counsel deem
12 appropriate (e.g., a breakdown of how settlement funds are contemplated to be distributed and
13 estimated average payment amounts).

14 b. Additionally, the Settlement Administrator will provide to counsel for all
15 Parties any updated reports regarding the administration of the Settlement Agreement as needed or
16 requested.

17 75. Cancellation of Settlement Checks. Any checks issued by the Settlement
18 Administrator to Participating Class Members and PAGA Members will be negotiable for one
19 hundred eighty (180) calendar days after initial issuance, thereafter, the check will be cancelled and
20 the funds associated with such cancelled checks, subject to Court approval, shall be distributed to
21 Legal Aid at Work. The Parties each represent that they do not have any financial interest in Legal
22 Aid at Work or otherwise have a relationship with Legal Aid at Work that could create a conflict of
23 interest. The Individual Settlement Payments provided to Participating Class Members and to
24 PAGA Members shall prominently state the expiration date or a statement that the settlement
25 payment check will expire in one hundred eighty (180) days, or alternatively, such a statement may
26 be made in a letter accompanying the check(s). Expired checks will not be reissued, except for good
27 cause and as mutually agreed by the Parties in writing.

28 76. Administration of Taxes by the Settlement Administrator. The Settlement

1 Administrator will be responsible for issuing to the Plaintiff, Participating Class Members, PAGA
2 Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all
3 amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for
4 forwarding all payroll taxes and penalties to the appropriate government authorities.

5 77. Tax Liability. Defendants make no representation as to the tax treatment or legal
6 effect of the payments called for hereunder, and Plaintiff, Participating Class Members, and PAGA
7 Members are not relying on any statement, representation, or calculation by Defendants or by the
8 Settlement Administrator in this regard. Plaintiff, Participating Class Members, and PAGA
9 Members understand and agree that except for Defendants' payment of the employer's portion of
10 any payroll taxes, they will be solely responsible for the payment of their own share of any taxes
11 and penalties due in connection with the payments made to them under the Settlement and described
12 herein. Defendants' share of any employer-side payroll taxes and other required employer
13 withholdings due on the Individual Settlement Shares, including, but not limited to, Defendants'
14 FICA and FUTA contributions ("Employer Taxes"), shall be paid separate and apart from the Gross
15 Settlement Amount.

16 78. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
17 the "acknowledging party" and each Party to this Agreement other than the acknowledging party,
18 an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written
19 communication or disclosure between or among the Parties or their attorneys and other advisers, is
20 or was intended to be, nor shall any such communication or disclosure constitute or be construed or
21 be relied upon as, tax advice within the meaning of United States Treasury Department circular 230
22 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her
23 or its own, independent legal and tax counsel for advice (including tax advice) in connection with
24 this Agreement, (b) has not entered into this Agreement based upon the recommendation of any
25 other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any
26 communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty
27 that may be imposed on the acknowledging party, and (3) no attorney or advisor to any other party
28 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax

1 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
2 acknowledging party of the tax treatment or tax structure of any transaction, including any
3 transaction contemplated by this Agreement.

4 79. Release by Participating Class Members, PAGA Members, and Plaintiff on behalf of
5 the LWDA and the State of California.

6 a. Upon the Effective Date and full funding of the Gross Settlement Amount, in
7 exchange for the consideration set forth in this Agreement, Plaintiff and
8 Participating Class Members shall fully release and discharge the Released
9 Parties from any and all Released Class Claims for the Class Period (i.e., the
10 period April 1, 2020 to May 8, 2022 for the Participating Hourly Class
11 Members and the period April 6, 2017 to May 8, 2022 for the Participating
12 Salaried Class Member). This release shall be binding on Plaintiff and all
13 Participating Class Members, including each of their respective attorneys,
14 agents, spouses, executors, representatives, guardians ad litem, heirs,
15 successors, and assigns, and shall inure to the benefit of the Released Parties,
16 who shall have no further or other liability or obligation to Plaintiff or any
17 Participating Class Member with respect to the Released Class Claims,
18 except as expressly provided herein.

19 b. Plaintiff, the State of California with respect to PAGA Members, and all
20 PAGA Members, regardless of whether they submit timely and valid
21 Requests for Exclusion from the Class Settlement, shall fully release and
22 discharge the Released Parties from any and all Released PAGA Claims for
23 the PAGA Period (i.e., the period April 1, 2020 to May 8, 2022 for the Hourly
24 PAGA Group Members and the period January 28, 2020 to May 8, 2022 for
25 the Salaried PAGA Group Members).

26 80. Release of Additional Claims & Rights by Plaintiff. Upon the Effective Date in
27 consideration of Defendants' promises and agreements as set forth herein, Plaintiff shall be deemed
28 to release all claims related to her employment or alleged employment with the Released Parties

1 including all claims alleged in the Action, and all claims known and unknown, without exception,
2 except as may be prohibited by law. Specifically, Plaintiff shall be deemed to waive all rights and
3 benefits afforded by California Civil Code Section 1542, which provides:

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

9 This release specifically excludes claims for unemployment insurance, disability, social
10 security, and workers' compensation (with the exception of claims arising pursuant to California
11 Labor Code Sections 132(a) and 4553).

12 81. Nullification of Agreement. In the event that: (a) the Court does not finally approve
13 the Settlement as provided herein; (b) the Court strikes or does not approve any material term of this
14 Agreement; or (c) the Settlement does not become final as written and agreed to by the Parties for
15 any other reason, then this Agreement, and any documents generated to bring it into effect, will be
16 null and void, all amounts deposited into the QSF will be returned to Defendants, and the Parties
17 shall be returned to their original respective positions. Any order or judgment entered by the Court
18 in furtherance of this Agreement will likewise be treated as void from the beginning. Pursuant to
19 California Evidence Code § 1152, this Agreement is inadmissible in any proceeding, except a
20 proceeding to approve, interpret, or enforce this Agreement. If Final Approval does not occur, the
21 Parties agree that this Agreement is void, and remains protected by California Evidence Code
22 § 1152. Should the Court fail to approve this Agreement for any reason, the Parties agree that they
23 will return to and attend mediation with mediator Jeffrey Krivis in an effort to reach an agreement
24 that may be approved by the Court.

25 82. Preliminary Approval Hearing. Plaintiff will file an unopposed motion before the
26 Court to request Preliminary Approval of the Agreement, and the entry of a Preliminary Approval
27 order for: (a) conditional certification of the Class for settlement purposes only, (b) Preliminary
28 Approval of the proposed Agreement, and (c) setting a date for a Final Approval Hearing. The

1 Preliminary Approval order will provide for the Class Notice to be sent to all Class Members as
2 specified herein. In conjunction with the Preliminary Approval Motion, Plaintiff will submit this
3 Agreement, which sets forth the terms of the Settlement, and will include the proposed Class Notice
4 attached as “**Exhibit A.**” Class Counsel will be responsible for drafting all documents necessary to
5 obtain Preliminary Approval.

6 83. Final Settlement Approval Hearing and Entry of Judgment. Upon completion of the
7 Class Notice process, including the expiration of the deadlines to postmark Requests for Exclusion
8 or Objections to the Class Settlement, a Final Approval Hearing will be conducted to determine the
9 Final Approval of the Settlement Agreement along with the amounts properly payable for: (a)
10 Individual Settlement Shares; (b) PAGA Penalties; (c) Class Counsel’s Fees and Costs; (d) Class
11 Representative Incentive Payment for Plaintiff; and (d) Settlement Administration Costs. Class
12 Counsel will be responsible for drafting all documents necessary to obtain Final Approval. In
13 connection with the Final Approval Hearing, Class Counsel will request that the Court make a
14 finding that the Settlement is fair, reasonable and adequate and that the Class Notice process
15 satisfied the requirements of due process. Class Counsel will be responsible for drafting the
16 application for attorneys’ fees and costs to be heard at the Final Approval Hearing. Any failure by
17 the Court to fully and completely approve the Agreement as to the Action or the entry of any Order
18 by the Court with regard to the Action which has the effect of modifying material terms of this
19 Agreement or preventing the full and complete approval of the Agreement as written and agreed to
20 by the Parties, will result in this Agreement and all obligations under this Agreement being null and
21 void. Defendants agree they shall not oppose the granting of the Motion for Final Approval,
22 provided Defendants have not exercised their right to rescind pursuant to this Agreement.

23 84. Judgment and Continued Jurisdiction. Upon expiration of the Response Deadline,
24 with the Court’s permission, a Final Approval Hearing shall be conducted to determine Final
25 Approval of the Settlement. Pursuant to California Rule of Court 3.769(h), after granting Final
26 Approval, the Court shall retain jurisdiction over the Parties to enforce the terms of the judgment.

27 85. Exhibits Incorporated by Reference. The terms of this Agreement include the terms
28 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth

1 herein. Any Exhibits to this Agreement are an integral part of the Settlement.

2 86. Entire Agreement. This Agreement and any attached Exhibits constitute the entire
3 Agreement among these Parties, and no oral or written representations, warranties or inducements
4 have been made to any Party concerning this Agreement or its Exhibits other than the
5 representations, warranties and covenants contained and memorialized in the Agreement and its
6 Exhibits.

7 87. Amendment or Modification. Prior to filing a motion for Preliminary Approval and
8 submitting this Agreement to the Court, this Agreement may be amended or modified only by a
9 written instrument signed by counsel for all Parties or their successors-in-interest. After filing a
10 motion for Preliminary Approval and submitting this Agreement to the Court, this Agreement may
11 be amended or modified only by a written instrument signed by counsel for all Parties or their
12 successors-in-interest and subject to Court approval.

13 88. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
14 and represent they are expressly authorized by the Parties whom they represent to negotiate this
15 Agreement and to take all appropriate action required or permitted to be taken by such Parties
16 pursuant to this Agreement to effectuate its terms and to execute any other documents required to
17 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other
18 and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to
19 reach agreement on the form or content of any document needed to implement the Settlement, or on
20 any supplemental provisions that may become necessary to effectuate the terms of this Settlement,
21 the Parties may seek the assistance of the Court to resolve such disagreement.

22 89. Binding on Successors and Assigns. This Agreement will be binding upon, and inure
23 to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

24 90. California Law Governs. All terms of this Agreement hereto will be governed by and
25 interpreted according to the laws of the State of California.

26 91. Execution and Counterparts. This Agreement is subject only to the execution of all
27 Parties. However, the Agreement may be executed in one or more counterparts. All executed
28 counterparts and each of them, including facsimile and scanned copies of the signature page, will

1 be deemed to be one and the same instrument provided that counsel for the Parties will exchange
2 among themselves original signed counterparts.

3 92. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
4 this Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
5 Settlement after extensive arms-length negotiations, taking into account all relevant factors, present
6 and potential.

7 93. Invalidity of Any Provision. Before declaring any provision of this Agreement
8 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
9 consistent with applicable precedents so as to define all provisions of this Agreement valid and
10 enforceable.

11 94. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
12 class certification for purposes of the Settlement only; except, however, that either party may appeal
13 any court order that materially alters the terms of the Agreement.

14 95. Class Action Certification for Settlement Purposes Only. The Parties agree to
15 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
16 Settlement is not approved, the stipulation to certification will be void. The Parties further agree that
17 certification for purposes of the Settlement is not an admission that class action certification is
18 proper under the standards applied to contested certification motions and that this Agreement will
19 not be admissible in this or any other proceeding as evidence that either: (a) a class action should be
20 certified, or (b) Defendants are liable to Plaintiff or any Class Member.

21 96. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
22 dispute that has arisen between them and to avoid the burden, expense and risk of continued
23 litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, that they
24 have violated any federal, state, or local law; violated any regulations or guidelines promulgated
25 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any
26 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged
27 in any other unlawful conduct with respect to its employees. Neither this Agreement, nor any of its
28 terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission

1 or concession by Defendants of any such violations or failures to comply with any applicable law.
2 Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its
3 terms and provisions shall not be offered or received as evidence in any action or proceeding to
4 establish any liability or admission on the part of Defendants or to establish the existence of any
5 condition constituting a violation of, or a non-compliance with, federal, state, local or other
6 applicable law.

7 97. Captions. The captions and section numbers in this Agreement are inserted for the
8 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
9 provisions of this Agreement.

10 98. Waiver. No waiver of any condition or covenant contained in this Agreement or
11 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
12 constitute a further waiver by such party of the same or any other condition, covenant, right or
13 remedy.

14 99. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
15 and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly
16 against one Party than another merely by virtue of the fact that it may have been prepared by counsel
17 for one of the Parties, it being recognized that, because of the arms-length negotiations between the
18 Parties, all Parties have contributed to the preparation of this Agreement.

19 100. Representation By Counsel. The Parties acknowledge that they have been
20 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
21 and that this Agreement has been executed with the consent and advice of counsel and reviewed in
22 full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
23 Agreement.

24 101. All Terms Subject to Final Court Approval. All amounts and procedures described
25 in this Agreement herein will be subject to Final Approval by the Court.

26 102. Cooperation and Execution of Necessary Documents. The Parties agree to cooperate
27 to promote participation in the Settlement, and in seeking court approval of the Settlement. The
28 Parties and their counsel agree not to take any action to encourage any Class Members to opt out of

1 and/or object to the Settlement.

2 103. Enforcement and Continuing Jurisdiction of the Court. To the extent consistent with
3 class action procedure, this Agreement shall be enforceable by the Court pursuant to California Code
4 of Civil Procedure § 664.6. The Court shall retain continuing jurisdiction over the Settlement and
5 over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and
6 intent of this Agreement, and to adjudicate any claimed breaches of this Agreement. The Court may
7 award reasonable attorneys' fees and costs to the prevailing Party in any motion or action taken and
8 based on an alleged violation of any material term of the Agreement.

9 104. Voluntary Agreement. The Parties acknowledge that they have entered into this
10 Agreement voluntarily, on the basis of their own judgment and without coercion, duress, or undue
11 influence of any Party, and not in reliance on any promises, representations, or statements made by
12 the other Parties other than those contained in this Agreement. Each of the Parties hereto expressly
13 waives any right he/it might ever have to claim that this Agreement was in any way induced by
14 fraud.

15 105. Confidentiality. Other than the filing of the Motion for Preliminary Approval and the
16 Motion for Final Approval of the Agreement with the Court, submission of this Agreement and
17 other submissions required to be made to the Labor and Workforce Development Agency pursuant
18 to PAGA, Plaintiff and Class Counsel agree not to disclose or publicize the Agreement contemplated
19 herein, the fact of the Agreement, its terms or contents, or the negotiations underlying the
20 Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Class
21 Members, the Court, and as shall be contractually and/or legally required to effectuate the terms of
22 the Agreement as set forth herein in any manner. Nothing in this Agreement shall limit Defendants'
23 ability to fulfill disclosure obligations reasonably required by law or in furtherance of business
24 purposes, including the fulfillment of obligations stated in this Agreement or limit Class Counsel's
25 communications with the Class Members in furtherance of approval of this Settlement.

26 106. Binding Agreement. The Parties warrant that they understand and have full authority
27 to enter into this Settlement, and further intend that this Agreement will be fully enforceable and
28 binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding

1 to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might
2 apply under federal or state law.

3 **IT IS SO AGREED.**

4

5 Dated: _____, 2022

6

Chumani Brown, Plaintiff and Proposed Class
Representative

7

8

9

MED ONE GROUP

10 Dated: _____, 2022

11

By: _____
Its: _____

12

13

MED ONE CAPITAL, INC.

14 Dated: _____, 2022

15

By: _____
Its: _____

16

MED ONE CAPITAL FUNDING, LLC

17 Dated: _____, 2022

18

By: _____
Its: _____

19

APPROVED AS TO FORM:

20

LAWYERS *for* JUSTICE, PC

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22 Dated: _____, 2022

23

Edwin Aiwasian
Attorneys for Plaintiff and Proposed Class Counsel

24

25

LEWIS BRISBOIS BISGAARD & SMITH LLP

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27 Dated: _____, 2022

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Katherine C. Den Bleyker

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Attorneys for Defendants Med One Group, Med One Capital, Inc., and Med One Capital Funding, LLC

EXHIBIT 4

NOTICE OF CLASS ACTION SETTLEMENT

Chumani Brown v. Med One Group et al.
Superior Court of California for the County of Alameda, Case No. RG21095229

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment ~~and, unless~~. Unless you request to be excluded from the ~~settlement~~Class Settlement, your legal rights may be affected with respect to the Class Settlement.

This Class Notice is designed to advise you of your rights and options, and how you can request to be excluded from the ~~settlement~~Class Settlement, object to the ~~settlement~~Class Settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class action settlement has been reached between Plaintiff Chumani Brown ("Plaintiff") and Defendants Med One Group, Med One Capital, Inc., and Med One Capital Funding, LLC (collectively, "Med One" or "Defendants") (together, Plaintiff and Defendants are referred to as the "Parties") in the case entitled *Chumani Brown v. Med One Group et al.*, Alameda County Superior Court, Case No. RG21095229 (the "Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the Settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the ~~settlement~~Settlement.

I. IMPORTANT DEFINITIONS

"Class" means (1) all individuals who are current or former hourly-paid, non-exempt employees of Med One ~~who worked~~employed in California at any time from April 1, 2020 to May 8, 2022 ("**Hourly Class Members**"); and (2) all individuals who are current or former salaried customer relations specialist employees of Med One who were classified as "exempt" ~~and worked~~ employed in California at any time from April 6, 2017 to May 8, 2022 ("**Salaried Class Members**").

"Class Member" means a member of the Class.

"Class Period" means the period from April 1, 2020 to May 8, 2022 for the Hourly Class Members, and the period from April 6, 2017 to May 8, 2022 for the Salaried Class Members.

"Class Settlement" means the settlement and resolution of Released Class Claims (described in Section III.D below).

"PAGA Members" means (1) all individuals who are current or former hourly-paid, non-exempt employees of Med One ~~who worked~~employed in California at any time from April 1, 2020 to May 8, 2022 ("**Hourly PAGA Members**"); and (2) all individuals who are current or former salaried customer relations specialist employees of Med One who were classified as "exempt" ~~and worked~~employed in California from January 28, 2020 to May 8, 2022 ("**Salaried PAGA Members**").

"PAGA Settlement" means the settlement and release of Released PAGA Claims (described in Section III.D below).

"PAGA Period" means the period from April 1, 2020 to May 8, 2022 for Hourly PAGA Group Members, and the period from January 28, 2020 to May 8, 2022 for Salaried PAGA Group Members.

II. BACKGROUND OF THE ACTION

On January 28, 2021, Plaintiff provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that she contends were violated ("~~LWDA Letter~~," or "January 28, 2021 Notice to the Labor & Workforce Development Agency"). On April 6, 2021, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698 Et Seq. in the Alameda County Superior Court, Case No. RG21095229. On January 23, 2023, Plaintiff filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("First Amended

Complaint”). Plaintiff alleges that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide compliant wage statements, keep requisite payroll records, reimburse business expenses, and, thereby engaged in unfair business practices in violation of the California Business & Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under California Labor Code section 2698, *et seq.* (“PAGA”) Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendants deny all of the allegations in the Action or that they violated any law.

After investigation and analysis of the claims, the Parties engaged in good faith, arms-length negotiations, and as a result, the Parties reached a settlement. The Parties have since entered into the Stipulation of Class Action and PAGA Settlement (~~“Settlement,” and Amendment No. 1 to the Stipulation of Class Action and PAGA Settlement (together, “Settlement,” “Agreement,” or “Settlement Agreement”)~~).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Chumani Brown as representative of the Class (“Class Representative”), and the following counsel as counsel for the Class (“Class Counsel”):

Arby Aiwazian, Esq.
Joanna Ghosh, Esq.
Annabel Blanchard, Esq.
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Member, you do not need to take any action to receive an Individual PAGA Payment.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiff, Class Members, or PAGA Members. Plaintiff and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, PAGA Members, and the State of California. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Four Hundred Fifty Thousand Dollars (\$450,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount, less the following payments which are subject to approval by the Court: (1) attorneys’ fees in an amount not to exceed 35% of the Gross Settlement Amount (i.e., \$157,500.00 if the Gross Settlement Amount remains \$450,000.00) and reimbursement of litigation costs and expenses, in an amount not to exceed Twenty Thousand Dollars (\$20,000.00) (together, “Class Counsel’s Fees and Costs”) to Class Counsel; (2) Class Representative Incentive Payment in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff for her services in the Action (“Class Representative Incentive Payment”); (3) Settlement Administration Costs in an amount not to exceed Eight Thousand Dollars (\$8,000.00) to the Settlement Administrator (“Settlement Administration Costs”); and (4) the amount of One Hundred Thousand Dollars (\$100,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Penalties”). The PAGA Penalties will be distributed 75% (i.e., \$75,000.00) to the LWDA (“LWDA Payment”) and the remaining 25% (i.e., \$25,000.00) will be distributed to PAGA

Members (“Employee PAGA Portion”).

Class Members are entitled to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of weeks each Class Member ~~worked at~~was employed by Med One during the Class Period (“Workweeks”). The Settlement Administrator has divided each Class Member’s individual Workweeks by the total Workweeks of all Class Members, and multiplied the resulting fraction by the Net Settlement Amount to arrive at each Class Member’s estimated Individual Settlement Share that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Participating Class Members”) will be issued their payment of their final Individual Settlement Payment. PAGA Members shall be issued payment of their Individual PAGA Payments regardless of whether they request exclusion from (opt out of) the Class Settlement.

Each Individual Settlement Share will be allocated as thirty-three and one third percent (33.33%) wages, which will be reported on an IRS Form W-2, and sixty-six and two thirds percent (66.66%) penalties, interest, and non-wage damages, which will be reported by the Settlement Administrator on an IRS Form 1099. Each Individual Settlement Share shall be subject to reduction for the employee’s share of payroll taxes due on the wages portion of Individual Settlement Share. The employer’s share of payroll taxes and contributions in connection with the wages portion of the Individual Settlement Shares (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

PAGA Members are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the Employee PAGA Portion (“Individual PAGA Payment”), based on ~~the number of workweeks of~~ each PAGA MemberMember’s Workweeks during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator has divided each PAGA Member’s individual PAGA Workweeks by the total PAGA Workweeks of all PAGA Members and multiplied the resulting fraction by the Employee PAGA Portion to arrive at each PAGA Member’s Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C below).

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported by the Settlement Administrator on an IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Participating Class Members and Individual PAGA Payments will be mailed to PAGA Members at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendants’ Records

According to Defendants’ records:

During the period from April 1, 2020 to May 8, 2022, you are credited ~~as having worked with~~ [_____] Workweeks, as an Hourly Class Member.

During the period from April ~~16~~, 2017 to May 8, 2022, you are credited ~~as having worked with~~ [_____] Workweeks, as a Salaried Class Members.

During the period from April 1, 2020 to May 8, 2022, you are credited ~~as having worked with~~ [_____] PAGA Workweeks, as an Hourly PAGA Member.

During the period from January 28, 2020 to May 8, 2022, you are credited ~~as having worked with~~ [_____] PAGA Workweeks, as a Salaried PAGA Member.

If you wish to dispute the Workweeks credited to you, you must submit a written Workweeks dispute (“Workweeks dispute”) that: (1) contains the title of the Action (*Chumani Brown v. Med One Group et al.*, RG21095229) or something similar to the title of the Action (e.g. “*Chumani Brown v. Med One Group et al.*”); (2) contains your full name, address, telephone number, signature, date, and last four digits of your Social Security number; (3) contains a clear statement explaining that you dispute the number of Workweeks credited to you during the Class Period and/or the PAGA Period; (4) attaches ~~any~~ available documentation to support your position; and (5) is submitted to the Settlement Administrator by mail at the specified address listed in Section IV.B below, postmarked **no later than [Response Deadline]**.

C. Your Estimated Individual Settlement Payment and Individual PAGA Payment

As explained above, your estimated Individual Settlement Share and/or Individual PAGA Payment is based on the number of Workweeks and/or PAGA Workweeks credited to you.

**Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED].
The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share.**

-Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED].

The settlement approval process may take multiple months. Your Individual Settlement Share and/or Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and/or Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

D. Released Claims

Upon the Effective Date, Plaintiff and all Participating Class Members ~~waive, fully~~ release, and discharge Released Parties ~~off from~~ any and all Released Class Claims for the Class Period.

Upon the Effective Date, Plaintiff, the State of California with respect to PAGA Members, and all PAGA Members, ~~waive, fully~~ release and discharge Released Parties ~~off from~~ any and all Released PAGA Claims for the PAGA Period.

“Released Class Claims” means any and all claims, demands, rights, liabilities and causes of action against the Released Parties that were pled in the Operative Complaint, or which could have been pled in the Operative Complaint based on the factual allegations therein, that arose during the Class Period, including but not limited to causes of action for failure to pay overtime wages (Cal. Lab. Code §§ 204, 510, 1194, 1197, 1198, and applicable provisions of the relevant Industrial Wage Order); failure to provide meal periods and associated premium payments (Cal. Lab. Code §§ 226.7, 512, and applicable provisions of the relevant Industrial Wage Order); failure to provide rest periods and associated premium payments (Cal. Lab. Code §§ 226.7, 512, 516, and applicable provisions of the relevant Industrial Wage Order); failure to pay minimum wage (Cal. Lab. Code §§ 558, 1194, 1197, 1197.1, 1198 and applicable provisions of the relevant Industrial Wage Order); failure to timely pay wages upon termination of employment and waiting time penalties (Cal. Lab. Code §§ 201, 202, 203); failure to timely pay wages during employment (Cal. Lab. Code §§ 204); failure to furnish accurate wage statements (Cal. Lab. Code § 226, *et seq.*); failure to keep requisite payroll records (Cal. Lab. Code § 1174); failure to reimburse business expenses (Cal. Lab. Code §§ 2800, 2802); all claims for unfair competition (Cal. Bus. & Prof. Code §§ 17200, *et seq.*) based on the aforementioned alleged California Labor Code violations, and all claims for attorneys’ fees and costs relating to the Released Class Claims, that could have been premised on the facts, claims, causes of action or legal theories described above.

“Released PAGA Claims” means all claims, demands, rights, liabilities and causes of action for civil penalties under California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698 *et seq.*) against the Released Parties, based on the January 28, 2021 Notice to the Labor & Workforce Development Agency, that arose during the PAGA Period, including but not limited to claims for civil penalties for violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and applicable Wage Orders of the Industrial Welfare Commission, including but not limited to Industrial Welfare Commission Wage Order Nos. 4-2001 and 7-2001, and all related claims for attorneys’ fees and costs.

“Released Parties” means Defendants and each of their parent companies, subsidiaries, affiliates, d/b/a’s, current and former management companies, shareholders, members, owners, agents (including without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), and any of their predecessors, successors, and assigns.

E. Attorneys’ Fees and Litigation Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to thirty five percent (35%) of the Gross Settlement Amount (i.e., an amount of up to \$157,500.00 if the Gross Settlement Amount remains \$450,000.00) and reimbursement of litigation costs and expenses in an amount of up to Twenty Thousand Dollars (\$20,000.00) (together “Class Counsel’s Fees and

Costs”), subject to approval by the Court. The Class Counsel’s Fees and Costs awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, the Class Members, the PAGA Members, and the State of California on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Class Representative Incentive Payment to Plaintiff

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars (7,500.00), in recognition of her services in connection with the Action (“Class Representative Incentive Payment”). The Class Representative Incentive Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to any Individual Settlement Payment and/or Individual PAGA Payment that she may be entitled to under the Settlement.

G. Administration Costs to Settlement Administrator

Costs of administering the Settlement are estimated not to exceed Eight Thousand Dollars (\$8,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members and PAGA Members of the Settlement, processing Requests for Exclusion, Objections, and Workweeks disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Class Claims described in Section III.D above.

If you are a PAGA Member, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims described in Section III.D above. Class Members who opt-out of the Class Settlement, and [how who](#) are also PAGA Members, shall still be bound to the PAGA Settlement and [Judgment any judgment that may be entered by the Court](#) with respect to the PAGA Released Claims.

Class Members and PAGA Members will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless they retain their own counsel, in which event they will be responsible for their own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a written request (“Request for Exclusion”), which must: (1) contain your full name, address, telephone number, and last four digits of your Social Security number, your signature, and the date; (2) contain a clear statement referencing the case title of the Action (*Chumani Brown v. Med One Group et al.*, RG21095229) and requesting to be excluded from the Class Settlement, similar to the following: “I wish to exclude myself from the class settlement reached in the matter of *Chumani Brown v. Med One Group*.”; and (3) be sent to the Settlement Administrator, postmarked by **no later than [Response Deadline]** at the following address:

[Settlement Administrator]

[Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and validly Request for Exclusion will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement (and

the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a Request for Exclusion will be deemed Participating Class Members, and will be bound by all terms of the Class Settlement, including those pertaining to the release of Released Class Claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. All PAGA Members will be bound by the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, regardless of whether they submit a Request for Exclusion from the Class Settlement.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement, as long as you have not submitted a Request for Exclusion, by submitting a written objection to the Settlement Administrator (“Objection”) ~~or presenting your objection at the Final Approval Hearing.”~~. In addition, or as an alternative, you may object to the Class Settlement by appearing at the Final Approval Hearing (i.e., you can appear at the Final Approval Hearing and present an objection without submitting a written Objection).

An Objection must: (1) contain the title of the Action (*Chumani Brown v. Med One Group et al.*, RG21095229) or something similar to the title of the Action (e.g., “*Chumani Brown v. Med One Group et al.*”); (2) contain your full name, address, telephone number, signature, and last four digits of your Social Security number; (3) clearly state all grounds for your objection and include legal support, if any, for your objection; (4) state whether you intend to appear at the Final Approval Hearing, either in person or through counsel; (5) if represented by separate counsel, contain the name, address, bar number, and telephone number of your representing attorney; and (6) be mailed to the Settlement Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 22 of the Alameda Superior Court, located at Administration Building, 1221 Oak Street, Oakland, California 94612, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Class Counsel’s Fees and Costs, Class Representative Incentive Payment to Plaintiff, LWDA Payment to the LWDA, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

~~You may view the Settlement Agreement and documents filed in the Action for a fee by visiting the civil clerk’s office, located at 1221 Oak Street, Oakland, California 94612, during business hours, or by online by visiting the following website: <https://eportal.alameda.courts.ca.gov/>.~~

The pleadings and other records in the Action may be examined online on the Alameda County Superior Court’s website, known as “eCourt Public Portal,” at <https://eportal.alameda.courts.ca.gov>. After arriving at the website, click the “Search” tab at the top of the page, then select the “Document Downloads” link, enter the case number and click “Submit.” Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**

EXHIBIT 5

January 28, 2021

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

**Re: MED ONE GROUP; MED ONE CAPITAL, INC.; MED ONE CAPITAL
FUNDING, LLC**

Dear Representative:

We have been retained to represent Chumani Brown against Med One Group, Med One Capital, Inc, and Med One Capital Funding, LLC (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as “Med One”) for violations of California wage-and-hour laws. Ms. Brown seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”) and all other remedies available under PAGA, including an amount sufficient to recover underpaid wages pursuant to Labor Code section 558.

Ms. Brown seeks these remedies on behalf of the State of California and “aggrieved employees,” as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Med One employed Ms. Brown as a salaried employee misclassified as “exempt” in the State of California, from approximately December 2019 to approximately October 2020.

The “aggrieved employees” that Ms. Brown may seek penalties on behalf of are: (a) all current and former hourly-paid or non-exempt individuals who were employed by any of the above-referenced entities within the State of California (“aggrieved employees in subgroup A”), and (b) all current and former salaried customer relations specialists, or persons who held similar job titles and/or performed similar job duties, misclassified as “exempt” who were employed by any of the above-referenced entities within the State of California (“aggrieved employees in subgroup B”).

With regard to aggrieved employees in subgroup A, based on the following facts and theories, Med One has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, and 7-2001. With regard to aggrieved employees in subgroup B, based on the following facts and theories, Med One has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California

Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, and 7-2001.

Ms. Brown and the other aggrieved employees in subgroup B did not and/or do not earn in excess of one and one-half times the minimum wage, and/or less than half of their compensation is earned through commissions.

Ms. Brown and the other aggrieved employees in subgroup B did not and/or do not customarily and regularly exercise discretion and independent judgment in matters of consequence to Med One's business and were not and/or are not "primarily engaged" (more than one-half of the employee's work time) in performing managerial/exempt tasks. Furthermore, Ms. Brown and the other aggrieved employees in subgroup B did not and/or do not spend at least half of their work time doing office or non-manual work directly related to managerial policies or the general business operations of Med One. Therefore, Ms. Brown and other aggrieved employees in subgroup B were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked because Med One misclassified them as "exempt."

Med One required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, making phone calls, traveling, driving, and responding to work related inquiries from managers/supervisors.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Ms. Brown and other aggrieved employees in subgroup A worked in excess of 8 hours in a day and 40 hours in a week without overtime compensation. Additionally, during the relevant time period, Ms. Brown and other aggrieved employees in subgroup B worked in excess of 8 hours in a day and 40 hours in a week without overtime compensation because Med One misclassified them as "exempt." Therefore, Ms. Brown and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Med One required Ms. Brown and other aggrieved employees in subgroup A to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods. Additionally, during the relevant time period, Med One required Ms. Brown and other aggrieved employees in subgroup B to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods because Med One misclassified them as "exempt."

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, Med One failed to pay Ms. Brown and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Med One failed to pay Ms. Brown and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Med One did not provide Ms. Brown and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Med One were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Ms. Brown and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above. The wage statements provided by Med One also included inaccurate rates of pay for Ms. Brown and other aggrieved employees.

California Labor Code section 2810.5 requires an employer to provide written notice to an employee, at the time of hiring, containing the following information:

The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable. Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances. The regular payday designated by the employer in accordance with the requirements of this code. The name of the employer, including any "doing business as" names used by the employer. The physical address of the employer's main office or principal place of business, and a mailing address, if different. The telephone number of the employer. The name, address, and telephone number of the employer's workers' compensation insurance carrier. That an

employee: may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates. Any other information the Labor Commissioner deems material and necessary.

Med One failed to provide aggrieved employees with the requisite notice in violation of California Labor Code section 2810.5.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Ms. Brown and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Ms. Brown and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Ms. Brown and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Ms. Brown and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Med One failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Ms. Brown and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Med One did not provide Ms. Brown and other aggrieved employees in subgroup A with the minimum wages to which they were entitled for work performed "off-the-clock." Additionally, during the relevant time period, Med One did not pay Ms. Brown or other aggrieved employees in subgroup B with the minimum wages to which they were entitled for work performed "off-the-clock" because Med One misclassified them as "exempt."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, and 7-2001, require that for

each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Med One failed to pay Ms. Brown and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Ms. Brown and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Med One failed to pay Ms. Brown and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Ms. Brown and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Ms. Brown and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Med One. These costs include, but are not limited to, the use of personal cell phones for business related tasks, the use of personal phones for business-related tasks, the use of personal vehicles for business related tasks, the purchasing of clothing and shoes in compliance with the company's dress code, and the purchasing of supplies and tools for business-related purposes.

Therefore, on behalf of all aggrieved employees, Ms. Brown seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA.

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If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,



Edwin Aiwanian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Med One Group
c/o Larry Stevens
President and CEO
10712 South 1300 East
Sandy, UT 84094

Med One Capital, Inc
Med One Capital Funding, LLC
c/o C T Corporation System
Agent for Service of Process
818 West Seventh Street, Suite 930
Los Angeles, CA 90017

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410 WEST ARDEN AVENUE, SUITE 203
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c/o Larry Stevens
President and CEO
10712 South 1300 East
Sandy, UT 84094

PS Form 3800, April 2015 PSN 7530-02-000-9047

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B. Received by (Printed Name)	C. Date of Delivery	
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3. Service Type

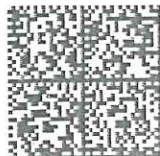
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Med One Capital Funding, LLC
c/o C T Corporation System
Agent for Service of Process
818 West Seventh Street, Suite 930
Los Angeles, CA 90017

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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Med One Capital Funding, LLC
c/o C T Corporation System
Agent for Service of Process
818 West Seventh Street, Suite 930
Los Angeles, CA 90017



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2. Article Number (Transfer from service label)

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PS Form 3811, July 2015 PSN 7530-02-000-9053

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