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Attorneys for Plaintiffs

**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;
OSCAR MORALES, individually, and on
behalf of other members of the general
public similarly situated;

Plaintiffs,

vs.

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

Defendants.

Case No.: RG21095229

Honorable Brad Seligman
Department 22

CLASS ACTION

**DECLARATION OF TARA ZABEHI
IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

[Plaintiffs' Motion for Preliminary
Approval of Class Action Settlement;
Declaration of Proposed Class
Representative (Chumani Brown);
Declaration of Proposed Class
Representative (Oscar Morales); and
[Proposed] Order filed concurrently
herewith]

Reservation ID: A-21095229-001
Hearing Date: October 22, 2024
Hearing Time: 3:00 p.m.
Department: 22

Complaint Filed: July 27, 2021
FAC Filed: January 23, 2023
SAC Filed: July 15, 2024
Trial Date: None Set

DECLARATION OF TARA ZABEHI

I, Tara Zabehi, 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 Brown”) and Plaintiff Oscar Morales (“Plaintiff Morales”) (collectively “Plaintiffs”). 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 Brown 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 Brown 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 Brown’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”).

5. The Court’s October 12, 2023 Order sought 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.

6. On November 6, 2023, the Court approved the Parties’ Joint Stipulation to Continue Hearing on Plaintiff Brown’s Motion for Preliminary Approval of Class Action Settlement, and Deadline to File Supplemental Papers in Support Thereof 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”).

1 7. On November 28, 2023, Plaintiff Brown filed the supplemental motion for
2 preliminary approval papers with the Court;

3 8. On December 5, 2023, the Court issued a minute order wherein the Court raised
4 further points of inquiry regarding Plaintiff Brown’s Motion for Preliminary Approval, and
5 continued the hearing on Plaintiff’s Motion for Preliminary Approval to January 9, 2024 at 2:00
6 p.m. (“December 5, 2023 Order”).

7 9. On January 9, 2024, the Court issued a minute order wherein the Court continued
8 the hearing on Plaintiff Brown’s Motion for Preliminary Approval to January 30, 2024 at 2:00
9 p.m. (“January 9, 2024 Order”).

10 10. The Court’s December 5, 2023 Order and January 9, 2024 Order sought further
11 support regarding Plaintiff Brown’s typicality and adequacy.

12 11. On January 23, 2024, Plaintiff Brown filed further supplemental motion for
13 preliminary approval papers with the Court.

14 12. On February 14, 2024, the Court issued a tentative ruling (“February 14, 2024
15 Tentative Ruling”) by which the Court denied Plaintiff Brown’s Motion for Preliminary Approval.

16 **LITIGATION AND REPRESENTATIVE AND CLASS ACTION EXPERIENCE**

17 13. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the
18 prosecution of consumer and employment class actions, involving wage-and-hour claims, race
19 discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC
20 is the attorney of record in well over a dozen employment-related putative class actions in both
21 state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of
22 attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act
23 (“PAGA”) representative actions. Lawyers *for* Justice, PC has successfully litigated cases
24 involving the executive, administrative, and other overtime exemptions to the State of California
25 and federal overtime compensation requirements. During a relatively short time, in association
26 with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of
27 thousands of individuals in California.

28 14. Edwin Aiwarzian is the Managing Member and Shareholder of Lawyers *for* Justice,

1 PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and
2 earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has
3 extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute
4 Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has
5 previously served as a pro bono mediator for the Los Angeles County Superior Court. In October
6 of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During
7 the summer of 2000, he studied Legal Writing at Harvard University. From approximately
8 September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable
9 Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From
10 approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the
11 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
12 In December of 2004, he obtained a license to practice law from the California State Bar. Since
13 in or around October of 2008, through his work at Lawyers *for* Justice, PC, he has almost
14 exclusively focused on the prosecution of consumer and employment class actions, involving
15 wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. While
16 employed by Lawyers *for* Justice PC, he has argued over one hundred (100) motions, taken or
17 defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for
18 deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with
19 other attorneys at the firm, and in many cases in conjunction with co-counsel, he has successfully
20 litigated cases involving the executive, administrative, and other overtime exemptions to the State
21 of California and federal overtime compensation requirements. Under his supervision, Lawyers
22 *for* Justice, PC has successfully obtained class certification by contested motion practice in
23 approximately fifteen (15) cases in the last decade and litigated over 1,000 class action or
24 representative action cases.

25 15. Arby Aiwarzian is a Member and Shareholder of Lawyers *for* Justice, PC. He
26 received his Bachelor of Arts degree from University of California, Los Angeles and graduated
27 magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School.
28 From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the

1 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
2 From approximately August 2008 to approximately December 2008 he served as a Judicial Extern
3 to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit.
4 He was admitted to practice law in California in 2010. He is admitted to practice before all courts
5 of the State of California and all United States District Courts in the State of California. He has
6 worked on many wage-and-hour class action and representative action cases, taking the lead in
7 taking and defending depositions, arguing motions, and attending mediations. He has played an
8 integral role in preparing matters for class certification, including and not limited to, successful
9 certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No.
10 BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No.
11 BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No.
12 RG13680477). Under his supervision, dozens of class action or representative action cases have
13 resulted in settlements that have been granted court approval, including and not limited to, those
14 listed in paragraph 7 herein. He has handled over one hundred and fifty (150) mediations and has
15 worked on over two hundred and fifty (250) class action or representative action cases which have
16 resulted in settlement.

17 16. I am an attorney duly licensed to practice before all courts of the State of California
18 and I am an attorney at Lawyers for Justice, PC. In May of 2016, I graduated from Pepperdine
19 University School of Law with a Juris Doctorate degree. I have extensive formal training in
20 dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its
21 Certificate in Dispute Resolution program. In June of 2013, I obtained a Bachelor of Arts degree
22 in History and graduated with college honors from University of California, Los Angeles. From
23 approximately August 2014 to approximately November 2014, I served as a Judicial Extern to the
24 Honorable James Kaddo of the Los Angeles Superior Court. In 2017, I obtained a license to
25 practice law from the California State Bar. Since 2017, I have worked at Lawyers for Justice, PC
26 and my practice has almost exclusively focused on the prosecution of employment class actions
27 and representative actions. At Lawyers for Justice, PC, I have worked on many wage-and-hour
28 class action and representative action cases, taking the lead in taking and defending depositions,

1 arguing motions, attending mediations, and preparing for trial. I have played an integral role in
2 preparing matters for class certification, including and not limited to, successful certification of a
3 class in *Davis v. Superior Med Surgical, Inc.* (San Bernardino County Superior Court Case No.
4 CIVDS1505744), *Tellez v. Harvest Container Co., Inc.* (Tulare County Superior Court Case No.
5 VCU64528), *Vilitchai v. Ametek Programmable Power, Inc., et al.* (San Diego County Superior
6 Court Case No. 37-2015-00025968-CU-OE-CTL), and *Sanchez, et al. v. Auto-Chlor System of*
7 *Washington, Inc.* (Los Angeles County Superior Court Case No. BC707670). I have worked on
8 over two hundred fifty (250) class action or representative action cases which have resulted in
9 settlement.

10 **EXAMPLES OF RESULTS IN REPRESENTATIVE AND CLASS ACTION CASES**

11 17. What follows are just a few examples of the type of results Lawyers for Justice, PC
12 (“LFJ”) has achieved on behalf of its clients:

13 a) LFJ, in association with co-counsel therein, represented the plaintiffs in a
14 wage-and-hour class action against a major property management company involving allegations
15 of misclassification of various “manager” positions. On September 20, 2010, the court granted
16 final approval of the class action settlement. The Los Angeles County Superior Court Case
17 Number is BC400414.

18 b) LFJ, in association with co-counsel therein, represented the plaintiffs in a
19 wage-and-hour class action against a national retailer of household items involving allegations of
20 misclassification of the “Assistant Store Manager” position. On October 28, 2010, the court
21 granted final approval of the class action settlement. The Los Angeles County Superior Court
22 Case Number is BC413498.

23 c) LFJ, in association with co-counsel therein, represented the plaintiffs in a
24 wage-and-hour class action against a national property management company involving
25 allegations of misclassification of the “Property Manager” position. On May 23, 2012, the court
26 granted final approval of the class action settlement. The Los Angeles County Superior Court
27 Case Number is BC430918.

28 d) LFJ, in association with co-counsel therein, represented the plaintiffs in a

1 wage-and-hour class action against a national retailer involving allegations of misclassification of
2 the “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class
3 certification. On August 26, 2013, the court granted final approval of the class action settlement.
4 The Los Angeles County Superior Court Case Number is BC424012.

5 e) LFJ, in association with co-counsel therein, represented the plaintiff in a
6 wage-and-hour class and PAGA representative action against a bank, involving allegations of
7 misclassification of the “Assistant Branch Manager” position. On August 27, 2013, the court
8 granted final approval of the class and PAGA representative action settlement. The Kern County
9 Superior Court Case Number is S-1500-CV-273194-LHB.

10 f) LFJ, in association with co-counsel therein, represented the plaintiff in a
11 wage-and-hour class and PAGA representative action against a national wholesale distributor of
12 plumbing and builder supplies, involving allegations of misclassification of multiple salaried
13 “manager” positions. On May 22, 2014, the court granted final approval of the class and PAGA
14 representative action settlement. The Sacramento County Superior Court Case Number is 34-
15 2012-00136285.

16 g) LFJ, in association with co-counsel therein, represented the plaintiff in a
17 wage-and-hour class action against a multinational corporation that provides global workplace
18 solutions, involving allegations of misclassification of the “Operations Manager” position. On
19 September 16, 2014, the court granted plaintiff’s motion for class certification. The Los Angeles
20 County Superior Court Case Number is BC478769.

21 h) LFJ, in association with co-counsel therein, represented the plaintiff in a
22 wage-and-hour class and PAGA representative action against a national retailer of household
23 items, on behalf of hourly-paid or non-exempt employees. On May 27, 2015, the court granted
24 final approval of the class and PAGA representative action settlement. The San Francisco County
25 Superior Court Case Number is CGC-13-532344.

26 i) LFJ, in association with co-counsel therein, represented the plaintiff in a
27 wage-and-hour class and PAGA action involving allegations of misclassification of the salaried
28 residential “Property Manager” position. On September 17, 2015, the court granted plaintiff’s

1 motion for class certification. On October 20, 2017, the court granted final approval of the class
2 and PAGA representative action settlement. The Los Angeles County Superior Court Case
3 Number is BC474784.

4 j) LFJ, in association with co-counsel therein, represented the plaintiffs in a
5 wage-and-hour class and PAGA representative action against a national retailer of upscale
6 hardware and home furnishings, on behalf of non-exempt employees. On April 28, 2016, the court
7 granted final approval of the class and PAGA representative action settlement. The Los Angeles
8 County Superior Court Case Numbers are BC516795 and JCCP4794, and the Judicial Council
9 Coordination Proceeding Number is 4794.

10 k) LFJ, in association with co-counsel therein, represented the plaintiffs in a
11 wage-and-hour class action against a national retailer of apparel and fashion accessories, on behalf
12 of non-exempt employees. On August 5, 2016, the court granted final approval of the class action
13 settlement. The Los Angeles County Superior Court Case Number is BC488069.

14 l) LFJ, in association with co-counsel therein, represented the plaintiffs in a
15 wage-and-hour class action against a national retailer of apparel, accessories, and home products,
16 involving allegations of misclassification of the “Department Manager” position. On August 12,
17 2016, the court granted the plaintiffs’ motion for class certification in part and certified a class. On
18 August 6, 2019, the court granted final approval of the class action settlement. The Alameda
19 County Superior Court Case Number is RG13680477.

20 m) LFJ represented the plaintiff in a PAGA representative action against a real
21 estate and property management company, on behalf of non-exempt employees. On November 4,
22 2016, the court granted approval of the PAGA representative action settlement. The Orange
23 County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

24 n) LFJ, in association with co-counsel therein, represented the plaintiffs in a
25 wage-and-hour class and PAGA representative action against a full-service bank, on behalf of non-
26 exempt employees. On November 18, 2016, the court granted final approval of the class and
27 PAGA representative action settlement. The San Francisco County Superior Court Case Number
28 is CJC-13-004839 and the Judicial Council Coordination Proceeding Number is 4839.

1 o) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
2 representative action against a foodservice distributor, on behalf of non-exempt employees. On
3 January 26, 2017, the court granted final approval of the class and PAGA representative action
4 settlement. The San Bernardino County Superior Court Case Number is CIVDS1507260.

5 p) LFJ, on behalf of the plaintiff and respondent in a PAGA representative
6 action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the
7 employer's motion to compel arbitration, which resulted in a published opinion by the California
8 Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply* (Cal.
9 App. 4th Dist., Mar. 7, 2017) 9 Cal.App.5th 439, review denied, cert. denied (U.S. Supreme Court
10 Docket No. 17-254). The Riverside County Superior Court Case Numbers are RIC1503952 and
11 RICJCCP5046, and the Judicial Council Coordination Proceeding Number is 5046.

12 q) LFJ, in association with co-counsel therein, represented the plaintiffs in a
13 wage-and-hour class and PAGA representative action against a consumer packaging company, on
14 behalf of non-exempt employees. On March 10, 2017, the court granted final approval of the class
15 and PAGA representative action settlement. The Los Angeles County Superior Court Case
16 Number is BC590429.

17 r) LFJ, in association with co-counsel therein, represented the plaintiffs in a
18 wage-and-hour class and PAGA representative action against a manufacturer of food service
19 industry supplies on behalf of non-exempt employees. On April 14, 2017, the court granted final
20 approval of the class and PAGA representative action settlement. The Orange County Superior
21 Court Case Number is 30-2015-00810013-CU-OE-CXC.

22 s) LFJ in association with co-counsel therein, represented the plaintiffs in a
23 wage-and-hour class and PAGA representative action against a lumber and hardware company on
24 behalf of non-exempt employees. On April 26, 2017, the court granted final approval of the class
25 and PAGA representative action settlement. The Orange County Superior Court Case Number is
26 30-2014-00747750-CU-OE-CXC.

27 t) LFJ represented the plaintiff in a wage-and-hour class and PAGA
28 representative action against a property management company, on behalf of non-exempt

1 employees. On June 14, 2017, the court granted final approval of the class and PAGA
2 representative action settlement. The Los Angeles County Superior Court Case Number is
3 BC586234.

4 u) LFJ represented the plaintiff in a wage-and-hour class and PAGA
5 representative action against a food company on behalf of non-exempt employees. On June 30,
6 2017, the court granted final approval of the class and PAGA representative action settlement. The
7 Sacramento County Superior Court Case Number is 34-2015-00175871.

8 v) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
9 representative action against a chocolate company on behalf of non-exempt employees. On July
10 19, 2017, the court granted final approval of the class and PAGA representative action settlement.
11 The Alameda County Superior Court Case Number is RG15764300.

12 w) LFJ firm represented the plaintiff in a PAGA representative action, against
13 the parent company of several restaurants, on behalf of hourly-paid, non-exempt employees. On
14 October 18, 2017, the court granted approval of the PAGA representative action settlement. The
15 Los Angeles County Superior Court Case Number is BC569664.

16 x) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
17 representative action against a manufacturer of plastic containers on behalf of non-exempt
18 employees. On October 31, 2017, the court granted final approval of the class and PAGA
19 representative action settlement. The Los Angeles County Superior Court Case Number is
20 BC577233.

21 y) LFJ, in association with co-counsel therein, represented the plaintiffs in a
22 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
23 employees. On December 11, 2017, the court granted final approval of the class and PAGA
24 representative action settlement. The Los Angeles County Superior Court Case Number is
25 BC569646.

26 z) LFJ, in association with co-counsel therein, represented the plaintiffs in a
27 wage-and-hour class and PAGA representative action against a property management company
28 on behalf of hourly-paid and non-exempt employees. On January 4, 2018, the court granted final

1 approval of the class and PAGA representative action settlement. The Los Angeles County
2 Superior Court Case Number is JCCP4819 and the Judicial Council Coordination Proceeding
3 Number is 4819.

4 aa) LFJ, in association with co-counsel therein, represented the plaintiffs in a
5 wage-and-hour class and PAGA representative action against a global provider of flexible office
6 space solutions. On February 15, 2018, the court granted final approval of the class and PAGA
7 representative action settlement. The Los Angeles County Superior Court Case Number is
8 BC498401.

9 bb) LFJ, in association with co-counsel therein, represents the plaintiff in a
10 wage-and-hour class action against a container manufacturer, on behalf of non-exempt employees.
11 On October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare
12 County Superior Court Case Number is VCU264528.

13 cc) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
14 representative action against a behavioral health service provider on behalf of non-exempt
15 employees. On November 13, 2018, the court granted final approval of the class and PAGA
16 representative action settlement. The Alameda County Superior Court Case Number is
17 RG16811450.

18 dd) LFJ, in association with co-counsel therein, represented the plaintiff in a
19 PAGA representative action against a global provider of products and services to the energy
20 industry, on behalf of hourly-paid and non-exempt employees. On November 19, 2018, the court
21 granted approval of the PAGA representative action settlement. The Kern County Superior Court
22 Case Number is S-1500-CV-280215-SDC.

23 ee) LFJ, in association with co-counsel therein, represents the plaintiff in a
24 wage-and-hour class action against a parking company on behalf of non-exempt employees. On
25 September 3, 2019, the court granted the plaintiff's motion for class certification and certified a
26 class. The Santa Clara County Superior Court Case Number is 16CV292208 and the Judicial
27 Council Coordination Proceeding Number is 4886.

1 ff) LFJ, in association with co-counsel therein, represents the plaintiffs in a
2 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
3 employees. On September 27, 2019, the court granted the plaintiffs' motion for class certification
4 in part and certified a class. The Alameda County Superior Court Case Number is RG15757606
5 and the Judicial Council Coordination Proceeding Number is 4921.

6 gg) LFJ, in association with co-counsel therein, represented the plaintiffs in a
7 wage-and-hour class and PAGA representative action against a national retailer of apparel and
8 fashion accessories, on behalf of non-exempt employees. On October 9, 2019, the court granted
9 the plaintiffs' motion for class certification in part and certified a class. On May 14, 2021, the
10 court granted final approval of the class and PAGA representative action settlement. The
11 Sacramento County Superior Court Case Number is 34-2015-00175330-CU-OE-GDS.

12 hh) LFJ, in association with co-counsel therein, represents the plaintiff in a
13 wage-and-hour class and PAGA representative action against a medical equipment supplier on
14 behalf of non-exempt employees. On February 13, 2020, the court granted the plaintiff's motion
15 for class certification and certified a class. The San Bernardino County Superior Court Case
16 Number is CIVDS1505744.

17 ii) LFJ, in association with co-counsel therein, on behalf of the plaintiff and
18 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed
19 and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a
20 notable decision from the California Supreme Court clarifying the law regarding PAGA claims,
21 *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. On February 21, 2020, the court granted approval
22 of the PAGA representative action settlement. The San Diego County Superior Court Case
23 Number is 37-2016-00005578-CU-OE-CTL.

24 jj) LFJ, in association with co-counsel therein, represents the plaintiff in a
25 wage-and-hour class and PAGA representative action against a medical equipment supplier on
26 behalf of non-exempt employees. On February 13, 2020, the court granted the plaintiff's motion
27 for class certification and certified a class. The San Bernardino County Superior Court Case
28 Number is CIVDS1505744.

1 kk) LFJ, in association with co-counsel therein, represented the plaintiff in a
2 wage-and-hour class and PAGA representative action against a large national drug testing
3 laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the
4 plaintiff's motion for class certification and certified a class. On October 28, 2022, the court
5 granted final approval of the class and PAGA representative action settlement. The San Diego
6 County Superior Court Case Number is 37-2018-00019611-CU-OE-CTL.

7 ll) LFJ, in association with co-counsel therein, represents the plaintiffs in a
8 wage-and-hour class and PAGA representative action against a national retailer of sportswear,
9 footwear, and camping equipment on behalf of non-exempt employees. On March 16, 2020, the
10 court granted in part the plaintiff's motion for class certification and certified a class. The
11 Riverside County Superior Court Case Numbers are RIC1507504 and RICJCCP4930, and the
12 Judicial Council Coordination Proceeding Number is 4930.

13 mm) LFJ, in association with co-counsel therein, represented the plaintiffs in a
14 wage-and-hour class action against manufacturer and supplier of power products and services on
15 behalf of non-exempt employees. On July 31, 2020, the court granted in part the plaintiffs' motion
16 for class certification and certified a class. On August 27, 2021, the court granted final approval
17 of the class action settlement. The San Diego County Superior Court Case Number is 37-2015-
18 00025968-CU-OE-CTL.

19 nn) LFJ represents the plaintiff in a wage-and-hour class action against a
20 nutritional products manufacturer on behalf of non-exempt production line employees. On
21 December 13, 2021, the court granted the plaintiff's motion for class certification in part and
22 certified a class. The Solano County Superior Court Case Number is FCS051001.

23 oo) LFJ represents the plaintiffs in a wage-and-hour class action against a
24 manufacturer and distributor of commercial dish and glass cleaning machines and supplies for the
25 restaurant and hospitality industries, on behalf of hourly-paid or non-exempt employees. On July
26 13, 2023, the court granted the plaintiffs' motion for class certification and certified a class. The
27 Los Angeles County Superior Court Case Number is BC707670.

28 pp) LFJ, in association with co-counsel therein, represented the plaintiffs in a

1 wage-and-hour class and PAGA representative action against a plastic packaging company on
2 behalf of non-exempt employees. On June 8, 2020, the court granted in part the plaintiffs’ motion
3 for class certification and certified a class. On November 8, 2021, the court granted approval of
4 the partial settlement of the action. On April 22, 2024, the court granted approval of the PAGA
5 settlement and entered an order dismissing the action. The San Bernardino County Superior Court
6 Case Number is CIVDS1507361.

7 qq) LFJ represented the plaintiffs in a wage-and-hour class action against a chain
8 of restaurants on behalf of non-exempt employees. On July 22, 2024, the court granted in part the
9 plaintiffs’ motion for class certification and certified a class. The San Francisco Superior Court
10 Cast Number is CGC-20-582809.

11 **THE SETTLEMENT REACHED IN THE ACTION**

12 18. Marked and attached hereto as “**EXHIBIT 1**” is a true and correct copy of the fully
13 executed First Amended Joint Stipulation of Class Action and PAGA Settlement and Release
14 (“Settlement,” “Agreement,” or “Settlement Agreement”) entered into by and between Plaintiff
15 Chumani Brown, individually and on behalf of other members of the general public similarly
16 situated, and other aggrieved employees, and Plaintiff Oscar Morales (“Plaintiffs”), individually
17 and on behalf of other members of the general public similarly situated, on the one hand, and
18 Defendants Med One Group, Med One Capital, Inc., and Med One Capital Funding, LLC
19 (“Defendants” or “Med One”), on the other hand (collectively, the “Parties”). The Parties and their
20 counsel have approved the proposed Notice of Class Action Settlement (“Class Notice”), which is
21 attached to the Proposed Order filed concurrently with this declaration as “Exhibit A” and
22 respectfully request that the Court approve it as well.

23 19. Based on information provided by Defendants, the Class is estimated to consist of
24 approximately eighty (80) individuals.

25 20. The effectiveness of Lawyers for Justice, PC (“Class Counsel”) in prosecuting this
26 matter has translated into tangible monetary benefits in the following respects: (1) Class Members
27 and the State of California recover over a reasonably short period of time as opposed to waiting
28 additional years for the same, or possibly worse, result; (2) a guaranteed result that compares

1 favorably with other complex wage and hour class and/or representative action settlements of
2 similar type given the strengths and weaknesses of the cases; and (3) significant savings in
3 attorneys' fees and/or costs that would have only increased significantly had the cases progressed
4 through certification, trial, and/or appeals.

5 21. Class Counsel has litigated the case for over two years and were actively preparing
6 the matter for class certification and trial. The Parties have engaged in extensive settlement
7 negotiations and participated in a formal, full-day mediation conducted by Jeffrey Krivis, a well-
8 respected mediator experienced in mediating complex labor and employment matters. Prior to
9 and during the mediation and settlement discussions, the Parties exchanged extensive information
10 and engaged in discussions regarding their evaluations of the case and various aspects of the case,
11 including but not limited to, the risks and delays of further litigation, the risks to the Parties of
12 proceeding with class certification and/or representative adjudication, the law relating to off-the-
13 clock theory, meal and rest periods, PAGA representative actions, and wage-and-hour law and
14 enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among
15 other things. During all settlement discussions, the Parties conducted their negotiations at arm's
16 length in an adversarial position. Arriving at a settlement that was acceptable to all Parties was
17 not easy. Defendants and their counsel felt strongly about their ability to prevail on the merits and
18 at certification, and Plaintiffs and Class Counsel believed that they would be able to obtain class
19 certification and prevail at trial. After conducting investigations, informal discovery and exchange
20 of information, extensive settlement negotiations, and with the aid of the mediator's evaluation,
21 the Parties have agreed that the matter is well-suited for settlement given the legal issues relating
22 to Plaintiffs' principal claims, as well as the costs and risks to both sides that would attend further
23 litigation. The Settlement is a fair, reasonable, and adequate resolution of the Plaintiffs and
24 Participating Class Members' Released Class Claims, and of the State of California's PAGA
25 Released Claims with respect to employment of Plaintiffs and the PAGA Members, against the
26 Released Parties.

27 22. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength,
28 and scope of the claims, and was preparing the matter for class certification and trial. Class

1 Counsel conducted significant investigation and formal and informal discovery regarding the facts
2 of the case, including and not limited to, the exchange, review, and analysis of a large volume of
3 information, documents and data obtained from Defendants, Plaintiffs, and other sources. On
4 March 20, 2024, Plaintiff Brown served Special Interrogatories (Sets One) on Defendants and
5 reviewed Defendants' responses thereto. The volume of data and documents that Class Counsel
6 reviewed and analyzed included and was not limited to: Plaintiffs' personnel records (including
7 records of requests for business expense reimbursement, mileage logs, mileage reimbursement
8 requests, authorization for background investigation, and paystubs, among other information and
9 documents), wage and earnings statements for Plaintiff and redacted wage statements and paystubs
10 for a sampling of Class Members, job descriptions, salary information for various positions at
11 Defendants' locations, timesheets, meal and break information, and overtime information for a
12 sampling of Class Members, Defendants' Meal Period Waiver Agreement, multiple iterations of
13 the Med One Group Employee Handbook, Defendants' policies regarding paid time off, paid
14 holidays, and various forms of leave, Defendants' procedures, including clocking in or out for a
15 shift, payment of overtime, and regular pay periods, Defendants' stated policies regarding
16 appearance and attendance expectations, among other policies and procedures and documents.
17 Class Counsel had the opportunity to interview Plaintiff and other Class Members to gather facts
18 and to identify potential witnesses. Class Counsel also drafted pleadings, the mediation brief, and
19 prepared for and attended court proceedings, settlement negotiations, and the mediation, among
20 other tasks.

21 23. Counsel for the Parties have also invested time researching and investigating the
22 applicable law, which is constantly evolving as it relates to certification, representative PAGA
23 claims, off-the-clock theory, meal and rest periods, wage-and-hour law and enforcement,
24 Plaintiffs' claims and damages, and Defendants' defenses thereto, as well as facts discovered.
25 Based on Class Counsel's analysis, the result achieved in this litigation is fair, adequate, and
26 reasonable.

27 24. The Settlement provides for a Gross Settlement Amount of Four Hundred Fifty
28 Thousand Dollars (\$450,000.00) . The Net Settlement Amount is the Gross Settlement Amount

1 less the following amounts subject to approval by the Court: Class Counsel's Fees and Costs,
2 Settlement Administration Costs to the Settlement Administrator, and Class Representative
3 Incentive Payments, and PAGA Penalties. Assuming that the amounts allocated under the
4 Settlement toward these payments are awarded by the Court, the Net Settlement Amount that will
5 be available for distribution to the Participating Class Members is currently estimated to be One
6 Hundred Forty Nine Thousand Five Hundred Dollars and Zero Cents (\$149,500.00). Additionally,
7 25% of the PAGA Penalties (i.e., the Employee PAGA Portion), which is \$25,000.00 out of
8 \$100,000.00, will be distributed to the PAGA Members. The Gross Settlement Amount will be
9 fully distributed in accordance with the terms of the Settlement and there is no reversion to
10 Defendants.

11 25. The Parties have agreed to retain Simpluris, Inc. ("Simpluris," "Settlement
12 Administrator," or "Administrator") to handle the notice and settlement administration process.
13 The Parties respectfully request that the Court appoint Simpluris to handle these procedures and
14 serve as the Settlement Administrator. Defendants will provide the Settlement Administrator with
15 a list of Class Members that Defendants will compile from their records, which will include each
16 Class Member's last known full name, last known mailing-address; last known telephone number
17 (if available), Social Security number, start, end, and re-hire dates of employment as a Class
18 Member during the Class Period, and such other information as is necessary for the Settlement
19 Administrator to calculate individual Class Member Workweeks (collectively, "Class List"). The
20 Settlement Administrator will calculate each Participating Class Member's estimated share of the
21 Net Settlement Amount ("Individual Settlement Share") and estimated share of the Employee
22 PAGA Portion to each PAGA Member ("Individual PAGA Payment"). The Settlement
23 Administrator will also receive Requests for Exclusion, Objections, and disputes regarding
24 Workweeks; provide necessary reports and declarations; calculate, subtract, and transmit
25 necessary taxes and withholdings; prepare and submit informational and other tax filings and
26 documents; issue and transmit all payments provided for by the Settlement, including and not
27 limited to, mailing Individual Settlement Payment checks to Class Members and mailing
28 Individual PAGA Payment checks to PAGA Members; and perform any other usual and

1 customary duties for administering a class action settlement. The Settlement Administration Costs
2 are currently estimated not to exceed Eight Thousand Dollars (\$8,000) and will be paid out of the
3 Gross Settlement Amount, subject to approval of the Court.

4 26. Based on investigation and information discovered, Class Counsel believes that
5 there is sufficient evidence to support the allegations made in the lawsuits, including the
6 allegations that Defendants, with respect to Plaintiffs, the Class Members, and the PAGA
7 Members, *inter alia*, failed to properly pay overtime and minimum wages, failed to provide
8 compliant meal and rest periods and to pay associated premium pay, failed to timely pay wages
9 during employment and upon termination of employment, failed to provide compliant wage
10 statements, failed to maintain requisite payroll records, failed to reimburse necessary business
11 expenses, and thereby engaged in unfair business practices in violation of California Business and
12 Professions Code section 17200, *et seq.* and conduct giving rise to civil penalties recoverable under
13 the Private Attorneys General Act of 2004 (California Labor Code sections 2698, *et seq.*).
14 Plaintiffs also asserted that Class Members and PAGA Members were expected to perform similar
15 job duties and were subject to the same or similar operations and employment policies, practices,
16 and procedures. Additionally, Plaintiffs asserted that Defendants' recordkeeping practices with
17 respect to Plaintiffs, the Class Members, and the PAGA Members were substantially the same
18 during the time period at issue. As a result of said alleged uniform practices, Plaintiffs claim that
19 Class Members and PAGA Members were not paid all of the compensation that was owed to them
20 by Defendants. Thus, in Class Counsel's view, it is clear that the outcome of this litigation would
21 be determined by Defendants' uniform operations and employment practices, policies, and
22 procedures that Plaintiffs allege applied across Defendants' hourly-paid or non-exempt or salaried
23 customer relations specialist employees in California during the Class Period.

24 27. Class Counsel is aware of the defenses and position of Defendants but believes that
25 Plaintiffs could potentially obtain class certification despite many obstacles. Plaintiffs and Class
26 Counsel have also taken into account the uncertainty and risk of the outcome of further litigation,
27 and the difficulties and delays inherent in such litigation, including those involved in class
28 certification and/or representative adjudication. Plaintiffs and Class Counsel further recognize the

1 burdens of proof necessary to establish liability for the claims asserted in the lawsuit, Defendants'
2 defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiffs and Class
3 Counsel have also considered the Parties' settlement discussions, as well as the evaluations of the
4 mediator, who is experienced and well-regarded in complex labor and employment matters.

5 28. Defendants, on the other hand, denied and continue to deny any liability and
6 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further deny that
7 the lawsuit is appropriate for class treatment or representative adjudication for any purpose other
8 than the Settlement. Defendants believe that they would ultimately succeed in the matter. Both
9 sides have also had the opportunity to interview witnesses and review documents and information
10 relating to Plaintiffs' and Class Members' employment with Defendants, and Defendants'
11 operations and employment policies, practices, and procedures. The Parties also reviewed and
12 analyzed a large volume of documents and data, including but not limited to a detailed sampling
13 of Class Members' time and pay information, to determine the potential value and strength of the
14 claims. The available information enabled Class Counsel to assess and value the class and PAGA
15 claims and prepare violation, damages, and penalties analyses and models. Accordingly, the
16 Parties have conducted adequate investigation and discovery to be sufficiently informed of the
17 nature and extent of the class and PAGA claims, and to enable both sides to fully evaluate the
18 Settlement for its fairness, adequacy, and reasonableness. The Parties have agreed that the matter
19 is well-suited for settlement given the legal issues relating to Plaintiffs' principal claims, as well
20 as the costs and risks to both sides that would attend further litigation. The Settlement takes into
21 account the strengths and weaknesses of each side's position and the uncertainty of how the cases
22 might have concluded at certification, trial, and/or appeals.

23 29. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees
24 in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount
25 (i.e., \$157,500.00) and costs in an amount not to exceed Twenty Thousand Dollars (\$20,000.00),
26 which will be paid out of the Gross Settlement Amount, subject to approval by the Court. It should
27 be noted that Class Counsel has borne all of the risks and costs of litigation and will not receive
28 any compensation until recovery is obtained.

1 30. The Settlement Agreement provides for payment of up to Seven Thousand Five
2 Hundred Dollars (\$7,500.00) each to Plaintiffs as a Class Representative Incentive Payment, to be
3 paid out of the Gross Settlement Amount subject to approval by the Court. Plaintiffs spent
4 considerable time and effort to produce relevant documents and past employment records and to
5 provide the facts and evidence necessary to attempt to prove the allegations. Plaintiffs were
6 available whenever Class Counsel needed them and actively tried to obtain information that would
7 facilitate the pursuit of the class and PAGA claims. Accordingly, it is appropriate and just for
8 Plaintiffs to receive an incentive payment, in addition to an Individual Settlement Share, for
9 services performed in the matter on behalf of the Class, the PAGA Members, and the State of
10 California.

11 31. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is
12 in the best interest of Plaintiffs, the Class Members, and the State of California. Class Counsel
13 further submit that the Settlement is within an acceptable range of recovery for this type of
14 litigation given the strengths and weaknesses of the case, the inherent costs and risks of further
15 litigation, and the costs and risks associated with certification, representative adjudication, trial,
16 and/or appeals.

17 **ESTIMATE OF THE VALUE OF THE CLAIMS**

18 32. As set forth in the Declaration of Annabel Blanchard in Support of Plaintiff Brown's
19 Motion for Preliminary Approval filed on August 2, 2023 ("Declaration of Annabel Blanchard"
20 or "Blanchard Decl."), and discussed in the Motion for Preliminary Approval, both sides had the
21 opportunity to interview percipient witnesses, conducted informal discovery and investigations
22 into the facts of the case, and informally exchanged extensive information and class-wide data.
23 Class Counsel has considered information obtained through investigations, as well as class data
24 and other documents and information obtained from Plaintiffs, Defendants, and other sources,
25 including, *inter alia*, a detailed sampling of hourly, non-exempt putative class members' time and
26 pay data and 100% of time and pay data for salaried exempt customer relations putative class
27 members for the relevant periods. Based on the extensive information and materials, Class Counsel
28 created damages and penalties valuation models to evaluate and assess the claims and negotiate

1 fair, adequate, and reasonable terms for their resolution.

2 33. Plaintiffs allege that Defendants have violated the California Labor Code by
3 engaging in a uniform policy and systematic scheme of wage abuse against Plaintiffs and the
4 putative class members, including, *inter alia*, failing to properly compensate overtime and
5 minimum wages, failing to provide compliant meal and rest periods and associated premium pay,
6 failing to timely pay wages and associated waiting-time penalties, failing to provide compliant
7 wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary
8 business expenses, and that Defendants thereby engaged in unfair business practices under the
9 California Business and Professions Code section 17200, *et seq.* and conduct that gives rise to
10 penalties pursuant to the Private Attorneys General Act (“PAGA”)

11 34. Plaintiff Morales pleaded robust “off-the-clock” allegations on behalf of himself and
12 the putative hourly, non-exempt class members, contending that putative non-exempt class
13 members were required by Defendants to work off-the-clock, prior to clocking in for their shifts,
14 after clocking out for their shifts, and during meal periods. Plaintiff Brown pleaded
15 “misclassification” allegations on behalf of herself and putative salaried class members,
16 contending that putative salaried class members performed predominantly non-exempt and
17 nonmanagerial work, were misclassified as “exempt” by Defendants, and required to work for
18 long durations without receiving compliant meal and rest periods and required compensation for
19 all hours worked (including and not limited to, the minimum required compensation and premium
20 pay for overtime). Specifically, Plaintiff Brown contended that, based on day-to-day work
21 activities that putative salaried class members actually performed, as well as the various job duties
22 and responsibilities for such “exempt” customer relations specialist employees, Defendants
23 misclassified Plaintiff Brown and other putative salaried class members as “exempt” without
24 complying with California law. Plaintiffs contended that Defendants’ uniform policies, practices,
25 and procedures required putative class members to work in excess of eight (8) hours per day,
26 and/or forty (40) hours in a work week in order to meet Defendants’ work expectations. Plaintiffs
27 contended that they and putative class members were required to perform work duties (including,
28 and not limited to, meeting and/or communicating with supervisors and other co-workers;

1 attending other work-related meetings; driving between appointments; auditing and restocking
2 inventory; and completing reports and paperwork) without pay and during what should have been
3 their meal and rest periods (and thus, putative class members were also deprived of meal and rest
4 periods and premium payments for those missed, short, late and/or interrupted meal periods which
5 were due to them under the law).

6 **A. Failure to Pay Overtime and Minimum Wages**

7 35. Plaintiffs allege that Defendants failed to pay all wages due to putative class
8 members, including overtime and minimum wages. Plaintiff Brown contends he was misclassified
9 as exempt and thus himself and other similarly situated employees were not paid all wages that
10 was owed to them. Plaintiffs contend that Defendants' uniform policies, practices, and procedures
11 required putative class members to be readily available outside of standard business hours in order
12 to meet Defendants' unreasonable workloads and extensive travel expectations. Plaintiffs contend
13 that they and putative class members were required to perform work duties, without pay and during
14 what should have been their meal and rest periods (and thus also, they were deprived of meal and
15 rest periods due to them under the law). For example, Plaintiffs contend that they and other
16 putative class members were pressured to perform job duties, off-the-clock and/or in excess of
17 eight (8) hours in a day, forty (40) hours in a week, and/or six (6) consecutive days in a work week
18 due to heavy workloads, and that putative class members were discouraged from recording
19 overtime hours and did not receive proper compensation for all hours worked. Plaintiffs contend
20 that Defendants failed to include non-discretionary bonuses, commissions, and incentives into
21 their regular rate calculations for purposes of paying overtime and that Defendants failed to
22 properly compensate Plaintiffs and all putative class members at the overtime, minimum, and
23 regular rates required by law, for all of the hours that they worked.

24 36. California Labor Code section 510 provides that when an employee works more than
25 eight (8) hours in any workday, more than forty (40) hours in any workweek, and/or more than six
26 (6) consecutive days in a workweek, the employer must pay the employee at least one and one-
27 half times the employee's regular rate of pay for all overtime hours worked. The employer must
28 pay the employee no less than twice his or her regular rate of pay for hours worked in excess of

1 twelve (12) hours in one day or in excess of eight (8) hours on the seventh consecutive day of
2 work. California Labor Code section 1198 and the applicable Industrial Welfare Commission
3 (“IWC”) Wage Order(s) provide that it is unlawful to employ persons without compensating them
4 at a rate of pay either time-and-one-half or two-times that person’s regular rate of pay, depending
5 on the number of hours worked by the person on a daily or weekly basis.

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

13 38. Defendants contend, *inter alia*, that their overtime policies and practices comply
14 with the law, and that they paid putative class members all required compensation for all hours
15 worked. Defendants contended that they correctly classified the salaried customer relations
16 specialist putative class members as “exempt.” Defendants also contended that they paid non-
17 exempt putative class members their overtime wages and did so using the correct overtime rate of
18 pay. Defendants further contended that non-exempt putative class members were required to
19 record all time worked, and that Defendants were not aware that any work had been performed
20 off-the-clock. Defendants also maintain that individual liability issues predominate, including, for
21 example: (a) whether each non-exempt putative class member worked off-the-clock; (b) whether
22 Defendants knew or should have known about off-the-clock work; (c) whether salaried customer
23 relations specialist putative class members were misclassified as “exempt” (e.g., whether these
24 putative class members spent more than 50% of their time performing “non-managerial” or
25 “nonexempt” duties and whether they had the requisite discretion and independent judgment); (d)
26 whether each putative class member worked hours for which he or she would be entitled to
27 overtime wages; and (e) whether Defendants knew or should have known that each putative class
28 member performed such overtime work. Defendants also contended that these circumstances

1 would raise highly individualized questions of fact and would pose challenges to certification and
2 the merits of the claims for overtime and minimum wages.

3 39. Plaintiffs' counsel considered the information obtained through its investigations as
4 well as documents, data, and information obtained from Defendants, and created damages
5 valuation models. Based thereon, it was determined that the estimated potential value of the
6 overtime claim for non-exempt putative class members is \$155,860.20 (4860 workweeks x 1 hour
7 of overtime wages x overtime hourly rate of \$32.07, which is based on the average hourly rate of
8 \$21.38) and that the estimated potential value of the minimum wage claim for non-exempt putative
9 class members is \$103,906.80 (4860 workweeks x 1 hour of unpaid minimum wages x average
10 hourly rate of \$21.38). Plaintiffs' counsel also determined that the estimated potential value of the
11 overtime claim for salaried customer relations specialist putative class members is \$126,590.16
12 (1349 workweeks x 2 hours of overtime wages x overtime hourly rate of \$46.92, which is based
13 on the estimated average hourly rate of \$31.28) and that the estimated potential value of the
14 minimum wage claim for putative salaried class members is \$42,196.72 (1349 workweeks x 1
15 hour of unpaid minimum wages x estimated average hourly rate of \$31.28).

16 40. However, this estimates exposure based on a class having been certified and
17 Plaintiffs having proven all elements of the off-the-clock and misclassification allegations, and
18 overtime and minimum wage claims, despite risks associated with obtaining and maintaining
19 certification, risks to prevailing on the factual and legal theories and establishing liability, and
20 significant additional costs that would have to be incurred in order to certify a class and establish
21 entitlement to compensation. Had the parties not settled, Plaintiffs also faced the risk of the Court
22 finding that individualized issues predominate, such that class treatment is not suitable. While
23 Plaintiffs' counsel disagrees with Defendants' arguments and factual contentions, Plaintiffs'
24 counsel recognizes the circumstances and realities of the case, applicable case law and regulations,
25 the costs and expenses of further litigation and obtaining and maintaining certification, and risks
26 to recovery, and applied appropriate discounts for them. With respect to the overtime claim for the
27 non-exempt putative class members, at this juncture, a discount of 50% was applied to account for
28 the risks associated with obtaining and maintaining certification (bringing the value of the claim

1 closer to \$77,930.10), a discount of 60% was applied to account for the risks associated with
2 succeeding on the merits and establishing liability (bringing the value of the claim closer to
3 \$31,172.04), and a discount of 60% was applied to account for the risks associated with proving
4 the extent of damages and obtaining an award thereof (bringing the value of the claim closer to
5 \$12,468.82). Also, with respect to the minimum wage claim for the non-exempt putative class
6 members, at this juncture, a discount of 50% was applied to account for the risks associated with
7 obtaining and maintaining certification (bringing the value of the claim closer to \$51,953.40), a
8 discount of 60% was applied to account for the risks associated with succeeding on the merits and
9 establishing liability (bringing the value of the claim closer to \$20,781.36), and a discount of 60%
10 was applied to account for the risks associated with proving the extent of damages and obtaining
11 an award thereof (bringing the value of the claim closer to \$8,312.54). With respect to the overtime
12 claim for the salaried exempt customer relations specialist putative class members, at this juncture,
13 a discount of 60% was applied to account for the risks associated with obtaining and maintaining
14 certification (bringing the value of the claim closer to \$50,636.06), a discount of 70% was applied
15 to account for the risks associated with succeeding on the merits and establishing liability (bringing
16 the value of the claim closer to \$15,190.82), and a discount of 70% was applied to account for the
17 risks associated with proving the extent of damages and obtaining an award thereof (bringing the
18 value of the claim closer to \$4,557.25). Also, with respect to the minimum wage claim for the
19 salaried exempt customer relations specialist putative class members, at this juncture, a discount
20 of 60% was applied to account for the risks associated with obtaining and maintaining certification
21 (bringing the value of the claim closer to \$16,878.69), a discount of 70% was applied to account
22 for the risks associated with succeeding on the merits and establishing liability (bringing the value
23 of the claim closer to \$5,063.61), and a discount of 70% was applied to account for the risks
24 associated with proving the extent of damages and obtaining an award thereof (bringing the value
25 of the claim closer to \$1,519.08).

26 **B. Failure to Provide Compliant Meal Periods and Associated Premiums**

27 41. Plaintiffs' theory of liability is also based on Defendants' failure to provide timely,
28 full, and/or uninterrupted meal periods. Plaintiffs contended, *inter alia*, that Defendants' policies,

1 practices, and procedures required putative class members to perform job duties during their meal
2 periods and prevented them from regularly receiving compliant meal periods. For example,
3 Plaintiffs contended that they and other putative class members regularly suffered short, late,
4 interrupted, and/or missed meals due to the need to communicate with co-workers and customers
5 and finish mandatory or time-sensitive work. Plaintiffs contended that they and other putative class
6 members were pressured to constantly remain readily available to tend to work-related issues
7 during their meal periods. Plaintiffs further contended that Defendants failed to pay meal period
8 premiums for missed, late, short, or interrupted meal periods.

9 42. Under California law, unless an exemption applies, an employer must provide an
10 employee with uninterrupted meal periods of not less than thirty (30) minutes before the employee
11 works more than five (5) hours, except that if the total work period per day of the employee is no
12 more than six (6) hours, the meal period may be waived by mutual consent of both the employer
13 and employee. Cal. Lab. Code § 512(a). Unless an exemption applies, a second meal period of not
14 less than thirty (30) minutes is required if an employee works more than ten (10) hours per day,
15 except that if the total hours worked is no more than twelve (12) hours, the second meal period
16 may be waived by mutual consent of the employer and employee only if the first meal period was
17 not waived. *Id.* An “on-duty” meal period may be agreed to only if “the nature of the work prevents
18 an employee from being relieved of all duty and when by written agreement between the parties
19 an on-the-job paid meal period is agreed to.” IWC Wage Orders 1 through 15, § 11; IWC Wage
20 Order 16, § 10. Unless an exemption applies, an employer must pay each employee to whom it
21 fails to “provide” a meal period one hour of wages at his or her regular rate of pay “for each work
22 day that the meal or rest period is not provided.” Cal. Lab. Code § 226.7(b).

23 43. Defendants contended that they had practices, policies, and procedures to provide
24 meal periods every workday to their employees that fully complied with California law.
25 Defendants argued that they did not act unlawfully to deprive putative class members of meal
26 periods. Defendants produced what they contended was evidence of 30-minute and 60-minute
27 recorded meal periods (and an analysis of the sampling of time records reflected 30-minute and
28 60-minute recorded meals for approximately 59.19% of eligible shifts). Defendants also contended

1 that there were multiple individual issues that would pose challenges to certification, including
2 and not limited to, (a) whether any meal periods were non-compliant, (b) why they were non-
3 compliant, and (c) whether putative class members were entitled to meal periods (or exempt).
4 Defendants contended that factual circumstances varied, impacting whether an employee was
5 entitled to a meal period and whether a given employee was deprived of the opportunity to take
6 legally-compliant, duty-free meal periods, raising highly individualized questions of fact that
7 would pose insurmountable hurdles to class certification.

8 44. Based on Plaintiffs' counsel's investigations and analysis, it was determined that the
9 estimated potential value of this claim for non-exempt putative class members is \$103,906.80
10 (4860 workweeks x 1 meal period premium x average hourly rate of \$21.38) and the estimated
11 potential value of this claim for salaried exempt customer relations specialist putative class
12 members is \$84,393.44 (1,349 workweeks x 2 meal period premiums x average hourly rate of
13 \$31.28).

14 45. However, this estimates exposure based on a class having been certified and
15 Plaintiffs having proven all elements of the off-the-clock and misclassification allegations and the
16 meal period claims, despite risks associated with obtaining and maintaining certification, risks to
17 prevailing on the factual and legal theories and establishing liability, and significant additional
18 costs that would have to be incurred in order to certify a class and establish entitlement to
19 compensation. Plaintiffs' counsel considered the risk of further litigating the case, including the
20 significant additional costs that will be incurred by both sides if the case does not settle, as
21 litigating a class action through class certification, trial, and/or appeals is very expensive.
22 Moreover, litigating meal period claims is inherently difficult as an employer's records, as is the
23 case here, do not usually indicate when a meal period is interrupted. While Plaintiffs' counsel
24 disagreed with Defendants' arguments and factual contentions, Plaintiffs' counsel recognizes the
25 circumstances and realities of the case, applicable case law and regulations, costs and expenses of
26 further litigation and obtaining and maintaining certification, and risks to recovery, and applied
27 appropriate discounts for them. Regarding the non-exempt putative class members, at this
28 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

46. Plaintiffs' theory of liability is also based on Defendants' failure to provide putative class members with timely, full, and/or uninterrupted rest periods. Plaintiffs 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. Plaintiffs contended that they and other putative class members regularly suffered late, shortened, interrupted, and missed rest periods due to work requirements, because they were interrupted with requests by supervisors and coworkers or for some other work related purposes. Plaintiffs also contended that Plaintiffs and putative class members were pressured and encouraged to remain readily available at all times to tend to work-related issues.

47. Under California law, unless an exemption applies, an employer is required to provide rest periods to all employees at the rate of ten (10) minutes for every four hours of work or major fraction thereof. Cal. Lab. Code § 226.7. Unless an exemption applies, when an employer fails to provide a compliant rest period, the employer is required to either (a) provide another rest period or (b) pay one additional hour of pay at the regular rate of pay "for each work day that the meal or rest period is not provided." *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257,

1 271-72; Cal. Lab. Code § 226.7(b). Employees are exempt from the rest breaks law, if their duties
2 and responsibilities qualify for one or more of the exemptions under California or federal law. See
3 Cal. Lab. Code § 226.7(e); see e.g., 49 CFR § 395.

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

9 49. Based on Plaintiffs' counsel's investigations and analysis, it was determined that the
10 estimated potential value of the rest period claim was \$207,813.60 (4860 workweeks x 2 rest
11 period premiums x average hourly rate of \$21.38) for non-exempt putative class members and
12 \$168,786.88 (1349 workweeks x 4 rest period premiums x average hourly rate of \$31.28) for the
13 salaried exempt customer relations specialist putative class members.

14 50. However, this estimates exposure based on a class having been certified and
15 Plaintiffs having proven all elements of the off-the-clock and misclassification allegations and the
16 rest period claims, despite risks associated with obtaining and maintaining certification, risks to
17 prevailing on the factual and legal theories and establishing liability, and significant additional
18 costs that would have to be incurred in order to certify a class and establish entitlement to
19 compensation. Plaintiffs' counsel also considered the risk of further litigating the case, as well as
20 significant additional costs that will be incurred by both sides if the case does not settle, as
21 litigating a class action through class certification, trial, and/or appeals is very expensive.
22 Moreover, litigating rest period claims is inherently difficult as an employer's records, as is the
23 case here, do not usually indicate when a rest period is short, late, interrupted, or missed entirely.
24 While Plaintiffs' counsel disagreed with Defendants' arguments and factual contentions,
25 Plaintiffs' counsel recognized the circumstances and realities of the case, applicable case law and
26 regulations, the costs and expenses associate with further litigation and certification, and risks to
27 recovery, and applied appropriate discounts for them. At this juncture, regarding the non-exempt
28 putative class members, a discount of 50% was applied to account for the risks associated with

1 obtaining and maintaining certification (bringing the value of the claim closer to \$103,906.80), a
2 discount of 60% was applied to account for the risks associated with succeeding on the merits and
3 establishing liability (bringing the value of the claim closer to \$41,562.72), and a discount of 65%
4 was applied to account for the risks associated with proving the extent of damages and obtaining
5 an award thereof (bringing the value of the claim closer to \$14,546.95). Regarding the salaried
6 exempt customer relations specialist putative class members, a discount of 60% was applied to
7 account for the risks associated with obtaining and maintaining certification (bringing the value of
8 the claim closer to \$67,514.75), a discount of 70% was applied to account for the risks associated
9 with succeeding on the merits and establishing liability (bringing the value of the claim closer to
10 \$20,254.43), and a discount of 70% was applied to account for the risks associated with proving
11 the extent of damages and obtaining an award thereof (bringing the value of the claim closer to
12 \$6,076.33).

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

14 51. California Labor Code section 204 provides that, unless an exemption applies (e.g.,
15 under California Labor Code section 204(a)), wages (other than those wages due upon termination
16 of an employee) earned by an employee between the 1st and 15th days, inclusive, of any calendar
17 month, are due and payable between the 16th and the 26th day of the month during which the labor
18 was performed, and wages earned by an employee between the 16th and the last day, inclusive, of
19 any calendar month, are due and payable between the 1st and the 10th day of the following month.
20 Under California Labor Code section 210, either a statutory penalty or a civil penalty through
21 PAGA may be recovered for a violation of California Labor Code section 204, but not both.
22 Therefore, the value of this claim is considered as a part of the valuation of the PAGA claim set
23 forth below.

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

1 his or her wages at the time of quitting.

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

9 54. Plaintiffs alleged that Defendants intentionally and willfully failed to pay Plaintiffs
10 and the other putative class members all wages due to them during employment and upon
11 termination, within the time period permissible under California law. For example, Plaintiffs
12 alleged that putative class members are entitled to unpaid compensation arising from, *inter alia*,
13 misclassification, overtime work, off-the-clock work, and meal and rest period violations.

14 55. Based on information and data provided by Defendants, it is estimated that
15 approximately six (6) non-exempt putative class members had been terminated during the period
16 from April 1, 2020 to May 8, 2022, and approximately thirteen (13) salaried exempt customer
17 relations specialist putative class members had been terminated during the three-year statute of
18 limitations. Based on Plaintiffs' counsel's investigations and analysis, it was determined that the
19 estimated potential value of the waiting-time penalties claim for terminated non-exempt putative
20 class members is \$30,787.20 collectively (6 individuals x [30 days x hourly rate of \$21.38 x 8
21 hours]), or approximately \$5,131.20 per individual, and the estimated potential value of the
22 waiting-time penalties claim for terminated salaried exempt customer relations specialist putative
23 class members is \$97,593.60 collectively (13 individuals x [30 days x hourly rate of \$31.28 x 8
24 hours]), or approximately \$7,507.20 per individual. However, this presumes that Plaintiffs would
25 prevail on the off-the-clock and misclassification allegations and underlying California Labor
26 Code claims for failure to pay wages and provide compliant meal and rest periods, which is
27 necessary to show that Defendants failed to timely pay wages that were due to the putative class
28 members upon termination.

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

10 57. Plaintiffs’ counsel also took into consideration the chances of prevailing on the off-
11 the-clock and misclassification allegations and each of the underlying claims, as well as the
12 additional hurdles of prevailing on the claim for waiting-time penalties, including the inherent
13 difficulty in proving the “willful” prong of section 203, applicable case law and regulations, costs
14 and expenses associated with further litigation and obtaining and maintaining certification, the
15 circumstances and realities of the case, and risks to recovery, and applied appropriate discounts
16 for them. With respect to the failure to timely pay wages claim, at this juncture, regarding the non-
17 exempt putative class members, a discount of 55% was applied to account for the risks associated
18 with obtaining and maintaining certification (bringing the value of the claim closer to \$13,854.24),
19 a discount of 60% was applied to account for the risks associated with succeeding on the merits
20 and establishing liability (bringing the value of the claim closer to \$5,541.70), and a discount of
21 65% was applied to account for the risks associated with proving the extent of damages and
22 obtaining an award thereof (bringing the value of the claim closer to \$1,939.60). Regarding the
23 salaried exempt customer relations specialist putative class members, a discount of 70% was
24 applied to account for the risks associated with obtaining and maintaining certification (bringing
25 the value of the claim closer to \$29,278.08), a discount of 70% was applied to account for the risks
26 associated with succeeding on the merits and establishing liability (bringing the value of the claim
27 closer to \$8,783.42), and a discount of 80% was applied to account for the risks associated with
28 proving the extent of damages and obtaining an award thereof (bringing the value of the claim

1 closer to \$1,756.68).

2 E. **Wage Statement Violations**

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

21 59. Based on data provided by Defendants, it is estimated that ninety-eight (98)
22 nonexempt putative class members worked during the one-year statutory limitations period, who
23 worked a total of Two Thousand Four Hundred and Fifty Two (2,452) pay periods, and that eleven
24 (11) salaried exempt customer relations specialist putative class members worked during the one-
25 year statutory limitations period, who worked a total of four hundred fifty two (452) pay periods.
26 Based on Plaintiffs' counsel's investigations and analysis, it was determined that the estimated
27 potential value of the wage statement claim for non-exempt putative class members is \$240,300.00
28 ([\\$50 initial violation penalty x 98 initial violations] + [\$100 subsequent violation penalty x

(2,354) subsequent violations]), and the estimated potential value of the wage statement claim for salaried exempt customer relations specialist putative class members is \$44,000.00 (11 individuals x \$4,000 statutory maximum penalty.) .

60. Defendants contended that Plaintiffs and putative class members suffered no actual injury from the alleged wage statement violations. Defendants also contended that this claim is entirely derivative of the foregoing allegations. In other words, Plaintiffs would have to prove, for example, that salaried exempt customer relations specialist putative class members were misclassified, that non-exempt putative class members worked off-the-clock, that overtime was worked, that all hours of work had not been properly recorded and compensated, and/or that noncompliant meal and rest periods occurred and that Defendants did not pay premiums, etc., to demonstrate that the wage statements were inaccurate. Defendants further contended, *inter alia*, that if off-the-clock and/or overtime work occurred and was not reflected in the wage statements, it was because the work was hidden from Defendants. Defendants also contended that no actual injury can be shown. When assessing the value of this claim, Plaintiffs' counsel considered these factors, the derivative nature of this alleged violation, the chances of prevailing on each of the underlying causes of action, applicable case law and regulations, costs and expenses associated with further litigation and obtaining and maintaining certification, realities of the case, and risks to recovery, and applied appropriate discounts for them. 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 \$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

1 \$3,300.00), and a discount of 80% was applied to account for the risks associated with proving the
2 extent of damages and obtaining an award thereof (bringing the value of the claim closer to
3 \$660.00).

4 **F. Failure to Maintain Payroll Records**

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

11 62. Pursuant to California Labor Code section 1174(d), an employer shall keep, at a
12 central location in the state or at the plants or establishments at which employees are employed,
13 payroll records showing the hours worked daily by and the wages paid to, and the number of piece-
14 rate units earned by and any applicable piece rate paid to, employees employed at the respective
15 plants or establishments. These records must be kept in accordance with rules established for this
16 purpose by the Labor Commissioner, but in any case, shall be kept on file for not less than three
17 years. Under California Labor Code section 1174.5, a willful violation of the employer's
18 recordkeeping obligations set forth in California Labor Code section 1174(d) is subject to a civil
19 penalty of \$500. Arguably, there is no private right of action for a payroll records violation, and
20 the civil penalty for failure to keep requisite payroll records would only be recoverable by the
21 Labor Commissioner. However, Plaintiffs have asserted a cause of action under PAGA, therefore,
22 the failure to keep payroll records is considered as a part of the valuation of the PAGA claim set
23 forth below.

24 63. Defendants contended that Plaintiffs and putative class members suffered no actual
25 injury or damage from the alleged recordkeeping violations. Moreover, Defendants challenged
26 certification of the recordkeeping issue on the basis that individual liability issues predominated,
27 including (a) whether each putative class member's payroll records were not maintained properly,
28 and (b) whether Defendants' alleged failure to keep requisite payroll records was "willful." Like

1 the wage statement violations, this cause of action is entirely derivative of the allegations of failure
2 to pay overtime and minimum wages and failure to provide compliant meal and rest periods.

3 64. To prevail on the allegations of failure to keep requisite payroll records, Plaintiffs
4 would have to prove that salaried exempt customer relations specialist putative class members
5 were misclassified, and that putative class members' hours of work had not been recorded and
6 compensated properly and accurately, that they suffered non-compliant meal and rest breaks, and
7 that Defendants failed to provide them premium pay due under the law, etc., in order to
8 demonstrate that Defendants failed to maintain accurate and complete payroll records.

9 65. As such, when assessing the allegations of failure to keep payroll records, Plaintiffs'
10 counsel took the foregoing factors into account, as well as Defendants' defenses and contentions,
11 the derivative nature of this claim, the chances of prevailing on the other claims, the inherent
12 difficulty in proving the "willful" prong of California Labor Code section 1174.5, applicable case
13 law and regulations, costs and expenses of further litigation and obtaining and maintaining
14 certification, and risks to recovery, and applied appropriate discounts for settlement purposes.

15 **G. Unreimbursed Business Expenses**

16 66. Plaintiffs contended that Defendants failed to reimburse Plaintiffs and other putative
17 class members for necessary business expenses, including but not limited to, costs associated with
18 the purchase of office supplies and equipment, purchase and maintenance of clothing to comply
19 with Defendants' requirements, usage of personal cell phones, and usage of personal vehicles.
20 Based on investigations, Plaintiffs and putative class members reported using their personal cell
21 phones for work. Plaintiffs and putative class members alleged that they were required to use their
22 personal cell phones to carry out their job duties, such as responding to supervisor questions or
23 interacting with coworkers and customers. Plaintiffs and putative class members also alleged they
24 were required to use their personal vehicles for traveling to hospitals and other locations to check
25 inventory, audit, and restock inventory. Furthermore, Plaintiffs and putative class members
26 complained that they were required to purchase their own office supplies and equipment.

27 67. California Labor Code section 2802 requires an employer to indemnify their
28 employees for all necessary expenditures made by the employee in direct consequence of the

1 discharge of his or her duties, or of his or her obedience to the directions of the employer.

2 68. Defendants contended that they had policies and practices of reimbursing employees
3 for necessary business-related expenses, and produced what they contended was evidence that
4 they had reimbursed putative class members for business expenses. Defendants also contended
5 that, with respect to the alleged expenses for which Plaintiffs and other putative class members
6 never requested reimbursement from Defendants, Defendants did not know and had no reason to
7 know that the alleged business-related expenses were incurred. Defendants further contended that
8 the reason for why a putative class member undertook certain expenses, while not others, and
9 failed to receive reimbursement for certain expenses while not others, would raise individual issues
10 that could not be certified.

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

20 70. Based on Plaintiffs’ counsel’s investigations and analysis, if Plaintiffs proved that
21 Defendants willfully failed to reimburse necessary business-related expenses to putative class
22 members for vehicle use/gas, purchase of office supplies and equipment, purchase and
23 maintenance of appropriate work clothing, and use of personal cell phones, the estimated potential
24 value of this claim is \$51,030.00 (4,860 total workweeks x \$10.50 business expenses) for
25 nonexempt putative class members and is \$10,117.50 (1,349 total workweeks x \$7.50 business
26 expenses) for salaried exempt customer relations specialist putative class members. Plaintiffs’
27 counsel also took into consideration that, not only would it have to be established that expenses
28 were incurred, but also that the nature of the expenses were such that Defendants were required to

1 reimburse them. While Plaintiffs’ counsel disagreed with Defendants’ arguments and factual
2 contentions, Plaintiffs’ counsel considered Defendants’ arguments, applicable case law and
3 regulations, the costs and expenses associated with further litigation and obtaining and maintaining
4 certification, the circumstances and realities of the case, and risks to recovery, and applied
5 appropriate discounts for them. At this juncture, regarding non-exempt putative class members, a
6 discount of 55% was applied to account for the risks associated with obtaining and maintaining
7 certification (bringing the value of the claim closer to \$22,963.50), a discount of 60% was applied
8 to account for the risks associated with succeeding on the merits and establishing liability (bringing
9 the value of the claim closer to \$9,185.40), and a discount of 65% was applied to account for the
10 risks associated with proving the extent of damages and obtaining an award thereof (bringing the
11 value of the claim closer to \$3,214.89). Regarding salaried exempt customer relations specialist
12 putative class members, a discount of 60% was applied to account for the risks associated with
13 obtaining and maintaining certification (bringing the value of the claim closer to \$4,047.00), a
14 discount of 60% was applied to account for the risks associated with succeeding on the merits and
15 establishing liability (bringing the value of the claim closer to \$1,618.80), and a discount of 75%
16 was applied to account for the risks associated with proving the extent of damages and obtaining
17 an award thereof (bringing the value of the claim closer to \$404.70).

18 **H. Unfair Business Practices**

19 71. Plaintiffs asserted a cause of action for Defendants’ alleged violation of California’s
20 Unfair Competition Law, California Business and Professions sections 17200, *et seq.* (“UCL”) which prohibits any “unlawful, unfair or fraudulent business practices.” A violation of the UCL
21 may be predicated on the violation of any law. Arguably, California Business and Professions
22 Code section 17208 extends the statute of limitations on Plaintiffs’ other allegations, which qualify
23 as unfair business practices, to four (4) years.

24 72. Plaintiffs contended that each of Defendants’ alleged violations of the California
25 Labor Code and IWC Wage Orders constitute business practices that are either unlawful (i.e., is
26 forbidden by law) and/or unfair (i.e., harm to victim outweighs any benefit). In order to prevail on
27 the UCL cause of action, Plaintiffs would have to prove that Defendants violated the predicate
28

1 provisions of law, and that the violations constitute unlawful and/or unfair business acts and
2 practices in violation of California Business and Professions Code sections 17200, *et seq.* Plaintiffs
3 would have to prove that Defendants' conduct throughout the time period at issue has been unfair,
4 unlawful, harmful, and injurious to Plaintiffs and putative class members. With respect to the
5 UCL's standing requirement, Plaintiffs would also have to prove that they suffered an economic
6 injury as a result of Defendants' conduct.

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

14 74. As discussed above, Defendants vigorously challenged the likelihood of Plaintiffs'
15 success in establishing that any of provisions of the California Labor Code and IWC Wage Orders,
16 on which the UCL claim is predicated, were violated and that such violations were injurious.
17 Throughout this litigation, Defendants also challenged Plaintiffs' standing and adequacy to assert
18 class claims and contended there were individualized issues that would pose challenges to
19 certification. When assessing the likelihood of prevailing on this cause of action, Plaintiffs'
20 counsel considered all of the above, as well as Defendants' factual contentions and legal
21 arguments, the chances of prevailing on the off-the-clock and misclassification allegations and
22 other causes of action, costs and expenses associated with further litigation and obtaining and
23 maintaining certification, and risks to recovery, and applied appropriate discounts for settlement
24 purposes.

25 I. **PAGA Penalties**

26 75. Under the PAGA, civil penalties to be assessed and collected by the state labor
27 agency for a violation of the California Labor Code, may, as an alternative, be recovered by an
28 aggrieved employee Plaintiff. If the California Labor Code already specifies and provides a civil

1 penalty for the violation of a provision of the California Labor Code, said civil penalty is
2 recoverable by the aggrieved employee plaintiff. Additionally, the PAGA statute establishes a civil
3 penalty that is recoverable by an aggrieved employee plaintiff, for violation of provisions of the
4 California Labor Code for which the California Labor Code does not specifically provide for a
5 civil penalty, as follows: one hundred dollars (\$100) for each aggrieved employee per pay period
6 for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period
7 for each subsequent violation. Cal. Lab. Code § 2699(f). Pursuant to California Labor Code section
8 2699(i), seventy-five percent (75%) of the penalties recovered must be allocated to the State of
9 California, with the remaining twenty-five percent (25%) allocated to the aggrieved employees.
10 Arguably, the statute of limitations period applicable to a PAGA claim is one year prior to the
11 filing of the complaint, under California Code of Civil Procedure section 340, however, recent
12 case law seems to indicate that the time-limit or temporal scope is uncertain.

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

16 77. Defendants contended that an important feature of the PAGA statute is that, when
17 determining whether or not to assess a penalty, the trial court exercises the same discretion that
18 the LWDA has and may reduce the penalties to be assessed against the employer pursuant to
19 California Labor Code section 2699(e)(1)-(2). As such, Defendants contended that, with respect
20 to the PAGA claim, the Court is unlikely to assess cumulative penalties for the maximum number
21 of possible, separate California Labor Code and IWC Wage Order violations, because it would be
22 unjust, arbitrary, oppressive, and/or confiscatory, especially where certain conduct may be
23 regulated by multiple provisions of the California Labor Code and IWC Wage Orders that are
24 interrelated and work in tandem.

25 78. Defendants also maintained and continue to maintain that they had legally-compliant
26 employment policies and practices throughout the statutory period. Defendants denied and
27 continue to deny that they ever violated any provision of the California Labor Code or IWC Wage
28 Orders, and have argued, that, even if, arguendo, such violations occurred, they will not be treated

1 as having engaged in subsequent violations giving rise to heightened penalties. In other words,
2 Defendants maintain that heightened civil penalties for subsequent violations would not be
3 assessed unless it could be shown that Defendants had notice that they were violating the law, e.g.
4 because they had been cited by a labor agency or adjudged by a court to have done so. See, e.g.,
5 *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.4th 1157, 1209. Defendants maintain that they would
6 be able to show a lack of willfulness in the violations, such that the alleged California Labor Code
7 violations would not be considered “willful.” Defendants contended that, at best, even if a violation
8 giving rise to a penalty was shown for each pay period, only the lower civil penalty associated
9 with initial violations would apply.

10 79. Importantly, to prevail on the PAGA claim, Defendants contended that some courts
11 have required plaintiffs to show at the outset that they have suffered injury, in order to establish
12 standing, and that Plaintiffs would also have to prove all requisite elements to prove violations of
13 the underlying California Labor Code and IWC Wage Order provisions, in order to show that
14 Defendants’ conduct gave rise to penalties. The allegations regarding misclassification, off-the-
15 clock work, unpaid wages, non-compliant meal and rest periods, and unreimbursed business
16 expenses are fundamental to this action; however, for the reasons discussed above, there were
17 substantial challenges to showing liability and exposure for these legal and factual theories and
18 claims. Defendants maintain that Plaintiffs would not be able to establish violations of the
19 underlying California Labor Code and IWC Wage Order provisions and the fundamental
20 misclassification and off-the-clock allegations, and wage, meal and rest period, and business
21 expenses reimbursement violations. Defendants also contended that multiple individualized issues
22 vitiated the manageability of representative adjudication of the PAGA claim.

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

25 81. Defendants also maintained that, in addition to its strong arguments against the
26 underlying claims, taking the current unsettled state of law, it would be unjust to award the
27 maximum potential PAGA penalties. There was a dearth of law and guidance regarding trials
28 and/or assessment of penalties under the PAGA statute, and there is no clearly-established

1 methodology for the valuation and/or assessment of PAGA penalties.

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

13 83. Defendants pointed to case law that held that, given the derivative nature of a PAGA
14 claim, it would stand or fall based on the alleged violations from which it derives, and the success
15 of showing, *inter alia*, misclassification, overtime work, off-the-clock work, failure to properly
16 pay wages, failure to reimburse for expenses, etc. Defendants also pointed to case law
17 demonstrating that courts have attributed little separate value to PAGA claims, for example,
18 allowing them to be resolved for \$0 where the other underlying California Labor Code claims are
19 being resolved. See, e.g. *Matter of Nordstrom Commission Cases* (2010) 186 Cal.App.4th 576,
20 588-590 (No abuse of discretion by the trial court in approving the allocation of \$0 toward PAGA
21 penalties, where PAGA claim is resolved as a part of an overall resolution of the underlying
22 California Labor Code violations); *Franco v. Ruiz Food Prods, Inc.* (E.D. Cal. Nov. 27, 2012) No.
23 1:10-cv-02354-SKO, 2012 WL 5941801, at *14 (approving allocation of \$10,000, out of the
24 settlement of \$2.5 million, toward the settlement of the PAGA claim); *Garcia v. Gordon Trucking*
25 (E.D. Cal. Oct. 31, 2012) No.1:10-CV-0324-AWI-SKO, 2012 WL 5364575, at *3 (approving the
26 allocation of \$10,000, out of the settlement of \$3.7 million, toward the settlement of the PAGA
27 claim); *Chu v. Wells Fargo Investments, LLC* (N.D. Cal. Feb. 16, 2011) No. C 05-4526 MHP, C
28 0647924 MHP, 2011 WL 672645, at *1 (approving the allocation of \$10,000, out of the settlement

1 of \$6.9 million, toward the settlement of the PAGA claim); *Jack v. Hartford Ins. Co.* (S.D. Cal.
2 Oct. 13, 2011) No. 3:09-cv-1683—MMA (JMA), 2011 WL 4899942, at *18 (approving the
3 allocation of \$3,000, out of the settlement of \$1.2 million, toward the settlement of the PAGA
4 claim); *Schiller v. David's Bridal, Inc.* (E.D. Cal. June 11, 2012) 2012 WL 2117001, at *14
5 (approving the allocation of \$10,000, out of the settlement of \$518,245, toward settlement of the
6 PAGA claim).

7 84. Plaintiffs' counsel also considered that "PAGA's penalty provisions are subject to a
8 variety of equitable factors which" call for "qualitative evaluation and weighing of a variety of
9 factors" by the trial court. *Laface v. Ralphs Grocery Co.* (Cal. Ct. App. 2022) 75 Cal.App.5th 388,
10 458. Plaintiffs' counsel considered that a court may reduce the amount of PAGA penalties awarded
11 to an employee based upon discretionary factors other than the employer's ability to pay, and that
12 many trial courts have significantly reduced PAGA civil penalties or altogether declined to award
13 PAGA civil penalties. See, e.g., *Fleming v Covidien, Inc.* (C.D. Cal. Aug. 12, 2011) No. ED CV10-
14 01487 RGK (OPx), 2011 U.S. Dist. LEXIS 154590, at **8-9 (Out of \$2,800,000 PAGA penalties
15 requested, the court awarded \$500,000.); *Thurman v. Bayshore Transit Management, Inc.* (2012)
16 203 Cal.App.4th 1112, 1136, *disapproved on other grounds* (Out of \$512,000 PAGA penalties
17 requested, the court awarded \$358,588.); *Aguirre v Genesis Logistics* (C.D. Cal. Dec. 30, 2013)
18 No. SACV 12-00687-JVS (ANx), 2013 U.S. Dist. LEXIS 189820, at **6-7 (Out of \$1,800,000
19 PAGA penalties requested, the court awarded \$500,000.); *Halevi v Aroma Bakery Café, Inc.* (Aug.
20 30, 2013) Los Angeles County Superior Court No. 468146 (The court declined to award PAGA
21 penalties after trial, although at trial the court awarded wages to class, on the basis that, *inter alia*,
22 action was not prompted by availability of PAGA penalties, penalties were not necessary to
23 remedy ongoing or future violations, and plaintiffs did not offer evidence establishing imposition
24 of penalties on individual defendants would not be confiscatory.); *Makabi v Gedalia* (Mar. 2,
25 2016) No. B261005, 2016 Cal. App. Unpub. LEXIS 1489, at **6-7 (Noting that the trial court
26 found in favor of plaintiffs on California Labor Code violation claims, but declined to award any
27 PAGA penalties.); *Arnold v San Diego Second Chance Program* (Dec. 18, 2017) San Diego
28 County Superior Court No. 37-2016-00018375 (No PAGA penalties awarded.); *Felczer v Apple*

1 *Inc.* (Sept. 13, 2017) San Diego County Superior Court No. 37-2011-00102593 (No PAGA
2 penalties awarded.); *Allen v American Multi-Cinema* (July 24, 2016) Alameda County Superior
3 Court No. RG11585502 (No PAGA penalties awarded.); *Atempa v Pama* (July 31, 2015) San
4 Diego County Superior Court (Out of PAGA penalties of \$456,133 sought, the court awarded
5 \$197,434.00.); *Driscoll v Granite Rock* (Sept. 20, 2011) Santa Clara County Superior Court No.
6 1-08-cv-103426 (The court declined to award PAGA penalties.); *In re Taco Bell Wage and Hour*
7 *Actions* (E.D. Cal. Apr. 8, 2016) No. 1:07-cv-01314-SAB, 2016 U.S. Dist. LEXIS 48557, at *41
8 (The court declined to award PAGA penalties after trial.); *Morales v Bridgestone Retail*
9 *Operations LLC* (Aug. 2, 2018) Orange County Superior Court No. 30-2017-00900244 (Out of \$7
10 million PAGA penalties requested, the court awarded \$425,000.); *Carrington v Starbucks Corp.*
11 (2018) 30 Cal.App.5th 504, 517, 529 (Out of \$75 million in penalties sought, the court affirmed
12 the trial court's \$150,000 PAGA penalty award based on 30,000 violations, which reduced the
13 penalty rate to \$5 per violation.). Overall, there were significant risks and uncertainty as to whether
14 or not the PAGA claim will be found to be manageable, whether or not Plaintiffs will prevail on
15 the merits and establish entitlement to penalties, and the extent of penalties likely to be assessed.

16 85. Based on information provided by Defendants, it is estimated that ninety-nine (99)
17 non-exempt aggrieved employees worked during the period from April 1, 2020 to May 8, 2022
18 (i.e., the PAGA Period for non-exempt employees) and eleven (11) salaried exempt customer
19 relations specialist aggrieved employees worked during the period from January 28, 2020 to May
20 8, 2022 (i.e., the PAGA Period for the salaried exempt customer relations specialist aggrieved
21 employees). Based on Plaintiffs' counsel's investigations and analysis, it was determined that the
22 estimated potential PAGA penalties is approximately \$171,500.00 (98 individuals x \$1,750 civil
23 penalties) for non-exempt aggrieved employees and is approximately \$19,250.00 (11 individuals
24 x \$1,750 civil penalties) for salaried exempt customer relations specialist aggrieved employees,
25 which the Court could determine whether or not to assess and whether or not to reduce.

26 86. Plaintiffs' counsel recognized the realities of Defendants' arguments, evidence and
27 information obtained through investigations as well as from Plaintiffs, Defendants, and other
28 sources, the circumstances and realities of the case, the current state of the law, the costs of

1 continued litigation, and the risks to recovery, and applied appropriate discounts for them. At this
2 juncture, regarding the non-exempt aggrieved employees, a discount of 50% was applied to
3 account for the risks associated with establishing manageability and possible bifurcation of
4 discovery and/or trial (bringing the value of the claim closer to \$85,750.00), a discount of 50%
5 was applied to account for the risks associated with succeeding on the merits and establishing
6 liability (bringing the value of the claim closer to \$42,875.00), and a discount of 50% was applied
7 to account for the risks associated with proving the extent of penalties that are warranted and
8 possible discretionary reduction of penalties by the Court (bringing the value of the claim closer
9 to \$21,437.50). Regarding the salaried exempt customer relations specialist aggrieved employees,
10 a discount of 50% was applied to account for the risks associated with establishing manageability
11 and possible bifurcation of discovery and/or trial (bringing the value of the claim closer to
12 \$9,625.00), a discount of 50% was applied to account for the risks associated with succeeding on
13 the merits and establishing liability (bringing the value of the claim closer to \$4,812.50), and a
14 discount of 50% was applied to account for the risks associated with proving the extent of penalties
15 that are warranted and possible discretionary reduction of penalties by the Court (bringing the
16 value of the claim closer to \$2,406.25).

17 **J. Summary**

18 87. The foregoing discussion confirms that the amount of the Settlement is adequate in
19 light of the merits of this case, Plaintiffs' allegations and causes of action, the evidence at issue
20 with respect to those allegations and causes of action, and legal and factual arguments and
21 circumstances which pose challenges to monetary recovery. The conclusion to be drawn from the
22 foregoing analysis is that neither class certification, liability, nor the ability to adjudicate and/or
23 recover monetary relief on a class-wide or PAGA representative basis is clear-cut, which is why
24 the Parties elected to settle this matter. Plaintiffs' counsel recognized the circumstances and
25 realities of the case, applicable case law and regulations, the costs and expenses of further litigation
26 and certification, and risks to recovery, and applied appropriate discounts as discussed above. This
27 Settlement involves highly disputed claims and is the product of compromise.

28 I declare under penalty of perjury under the laws of the State of California that the

1 foregoing is true and correct.

2 Executed on this 30th day of September 2024, at Glendale, California.

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5 Tara Zabehi
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EXHIBIT 1

1 **FIRST AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA**

2 **SETTLEMENT AND RELEASE**

3 This First Amended Joint Stipulation of Class Action and PAGA Settlement and Release
4 (“Settlement,” “Agreement,” or “Settlement Agreement”) is made and entered into by and between
5 Plaintiff CHUMANI BROWN (“Plaintiff Brown”), Plaintiff OSCAR MORALES (“Plaintiff
6 Morales”) (collectively “Plaintiffs” or “Class Representatives”) and Defendants MED ONE
7 GROUP, MED ONE CAPITAL, INC., and MED ONE CAPITAL FUNDING, LLC (collectively
8 “Med One” or “Defendants”) (collectively with Plaintiffs, the “Parties”).

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

12 **DEFINITIONS**

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

15 2. “Class Counsel” means Edwin Aiwasian, Arby Aiwasian, Joanna Ghosh, and Tara
16 Zabeji of Lawyers *for* Justice, P.C., counsel for Plaintiffs, who will seek to be appointed counsel
17 for the Class.

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

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

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

17 6. “Class Period” means April 1, 2020 to May 8, 2022 for the Hourly Class Members
18 and April 6, 2017 to May 8, 2022 for the Salaried Class Members.

19 7. “Class Representatives” shall mean Plaintiff Chumani Brown and Plaintiff Oscar
20 Morales.

21 8. “Class Representatives Incentive Payment” shall mean the amounts to be paid to the
22 Class Representatives, as set forth in Paragraph 61 below, in addition to their Individual Settlement
23 Payment and Plaintiff Brown’s Individual PAGA Payment, in recognition of their efforts in assisting
24 with the prosecution of the Action.

25 9. “Class Settlement” means the settlement and resolution of Released Class Claims.

26 10. “Court” shall mean the Alameda County Superior Court of California.

27 11. “Defendants” shall mean, collectively, Med One Group, Med One Capital Funding,
28 LLC and Med One Capital, Inc.

1 12. “Defense Counsel” shall mean Katherine C. Den Bleyker and Anne Osborn of
2 O’Hagan Meyer LLP.

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

10 14. “Employee PAGA Portion” shall mean the amount that is Twenty-Five percent
11 (25%) of the PAGA Penalties, in the amount of Twenty-Five Thousand Dollars and Zero Cents
12 (\$25,000.00), available for distribution to PAGA Members.

13 15. “Final Approval” shall mean the Court entering an order granting final approval of
14 the Settlement.

15 16. “Final Approval Hearing” shall mean the hearing at which the Court will consider
16 and determine whether the Settlement should be granted Final Approval.

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

25 18. “Individual PAGA Payment” shall mean the amount payable from the Employee
26 PAGA Portion to each PAGA Member.

27 19. “Individual Settlement Payment” shall mean the amount payable from the Net
28 Settlement Amount to each Participating Class Member, which is the Participating Class Member’s

1 Individual Settlement Share reduced by the employee's share of taxes and withholdings with respect
2 to the wage portion of the Individual Settlement Share, as provided in Paragraph 65 below.
3 Individual Settlement Payments shall be paid by a settlement check made payable to Participating
4 Class Members.

5 20. "Individual Settlement Share" shall mean the *pro rata* share of the Net Settlement
6 Amount that a Class Member may be eligible to receive under the Settlement Agreement, to be
7 calculated in accordance with Paragraph 65 below.

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

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

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

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

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

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

1 27. “PAGA Penalties” shall mean the amount that the Parties have agreed to allocate as
2 civil penalties in order to settle claims arising under PAGA. The Parties have agreed to allocate One
3 Hundred Thousand Dollars and Zero Cents (\$100,000.00) of the Gross Settlement Amount as PAGA
4 Penalties. Seventy-Five percent (75%) of the PAGA Penalties in the amount of Seventy-Five
5 Thousand Dollars and Zero Cents (\$75,000.00) shall be paid directly to the LWDA (i.e., the LWDA
6 Payment) in accordance with Labor Code §§ 2698 *et seq.* The remaining Twenty-Five percent (25%)
7 of the PAGA Penalties in the amount of Twenty-Five Thousand Dollars and Zero Cents
8 (\$25,000.00), shall be distributed to PAGA Members (collectively, the amount is the “Employee
9 PAGA Portion” and individually these payments are “Individual PAGA Payment(s)”). PAGA
10 Members will receive an Individual PAGA Payment regardless of their decision to participate in (or
11 opt out of) the Class Settlement, if the PAGA Penalties are approved by the Court.

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

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

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

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

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

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

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

26 35. “Plaintiff Brown” shall mean Chumani Brown.

27 36. “Plaintiff Morales” shall mean Oscar Morales.

28 37. “Plaintiffs” shall mean Plaintiff Brown and Plaintiff Morales.

1 38. “Preliminary Approval” shall mean the Court entering an order granting preliminary
2 approval of the Class Settlement.

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

13 40. “Released Class Claims” shall collectively mean any and all claims, demands, rights,
14 liabilities and causes of action against the Released Parties that were pled in the Operative
15 Complaint, or which could have been pled in the Operative Complaint based on the factual
16 allegations therein, that arose during the Class Period, including but not limited to causes of action
17 for failure to pay overtime wages (Cal. Lab. Code §§ 204, 510, 1194, 1197, 1198, and applicable
18 provisions of the relevant Industrial Wage Order); failure to provide meal periods and associated
19 premium payments (Cal. Lab. Code §§ 226.7, 512, and applicable provisions of the relevant
20 Industrial Wage Order); failure to provide rest periods and associated premium payments (Cal. Lab.
21 Code §§ 226.7, 512, 516, and applicable provisions of the relevant Industrial Wage Order); failure
22 to pay minimum wage (Cal. Lab. Code §§ 558, 1194, 1197, 1197.1, 1198 and applicable provisions
23 of the relevant Industrial Wage Order); failure to timely pay wages upon termination of employment
24 and waiting time penalties (Cal. Lab. Code §§ 201, 202, 203); failure to timely pay wages during
25 employment (Cal. Lab. Code §§ 204); failure to furnish accurate wage statements (Cal. Lab. Code
26 § 226, *et seq.*); failure to keep requisite payroll records (Cal. Lab. Code § 1174); failure to reimburse
27 business expenses (Cal. Lab. Code §§ 2800, 2802); all claims for unfair competition (Cal. Bus. &
28 Prof. Code §§ 17200, *et seq.*) based on the aforementioned alleged California Labor Code violations,

1 and all claims for attorneys' fees and costs relating to the Released Class Claims, that could have
2 been premised on the facts, claims, causes of action or legal theories described above.

3 41. "Released PAGA Claims" shall mean all claims, demands, rights, liabilities and
4 causes of action for civil penalties under California Labor Code Private Attorneys General Act of
5 2004 (Cal. Lab. Code § 2698 et seq.) against the Released Parties, based on the January 28, 2021
6 Notice to the Labor & Workforce Development Agency, that arose during the PAGA Period,
7 including but not limited to claims for civil penalties for violations of California Labor Code §§
8 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800,
9 and 2802, and applicable Wage Orders of the Industrial Welfare Commission, including but not
10 limited to Industrial Welfare Commission Wage Order Nos. 4-2001 and 7-2001, and all related
11 claims for attorneys' fees and costs.

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

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

25 44. "Response Deadline" shall mean the date that is sixty (60) days after the Settlement
26 Administrator mails the Class Notice to Class Members and the last date on which Class Members
27 may submit Requests for Exclusion from the Class Settlement, written Objections to the Class
28 Settlement, or Workweek disputes. In the event the 30th day falls on a Sunday or Federal holiday,

1 the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.
2 The Response Deadline for Requests for Exclusion or Objections will be extended fifteen (15)
3 calendar days for any Class Member who is re-mailed a Class Notice by the Settlement
4 Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response
5 Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response
6 Deadline may also be extended by express agreement between Class Counsel and Defendants.
7 Under no circumstances, however, will the Settlement Administrator have the authority to
8 unilaterally extend the Response Deadline.

9 45. "Settlement Administrator" shall mean Simpluris, Inc., or any other third-party class
10 action settlement administrator agreed to by the Parties and approved by the Court for purposes of
11 administering this Settlement. The Parties each represent that they do not have any financial interest
12 in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator
13 that could create a conflict of interest.

14 46. "Settlement Administration Costs" shall mean the costs payable from the Gross
15 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering
16 this Settlement, including, but not limited to, printing, distributing, and tracking documents for this
17 Settlement, calculating/confirming the Workweeks from the information contained in the Class List,
18 calculating each Participating Class Member's Individual Settlement Share and Individual
19 Settlement Payment, calculating each PAGA Member's Individual PAGA Payment, tax reporting,
20 distributing payments due under the Settlement, providing necessary reports and declarations, and
21 other duties and responsibilities set forth herein to process this Settlement, and as requested by the
22 Parties or the Court. Settlement Administration Costs shall not exceed Eight Thousand Dollars
23 (\$8,000).

24 47. "Workweeks" shall mean the number of weeks each Class Member was employed
25 by Med One during the Class Period. The Settlement Administrator will calculate the number of
26 Workweeks by calculating the number of days each Class Member was employed by Med One
27 during the Class Period, and dividing by seven (7).

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RECITALS

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

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

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

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

52. On July 15, 2024, Plaintiff Brown and Plaintiff Morales filed a Second Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code §2698, Et. Seq. (“Operative Complaint”), which added plaintiff Morales’ claims and alleges eleven (11) causes of action against Defendants for failure to properly pay minimum and overtime wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and pay associated waiting-time penalties, timely pay wages upon termination of employment, provide compliant wage statements, maintain complete and accurate payroll records, reimburse necessary business-related expenses, for unfair business

1 practices (pursuant to California Business and Professions Code Section 17200 et seq.), and civil
2 penalties pursuant to PAGA.

3 53. Class Counsel in the Action diligently investigated the claims against Defendants,
4 including any and all applicable defenses and the applicable law, and obtained and reviewed
5 extensive information, data, and documents to assess the claims and allegations.

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

10 55. The settlement discussions were conducted at arm's-length, and the Settlement is the
11 result of an informed and detailed analysis of Defendants' potential liability and total exposure in
12 relation to the costs and risks associated with continued litigation. Based on the documents
13 produced, as well as Class Counsel's own independent investigation and evaluation, Class Counsel
14 believes that the settlement with Defendants for the consideration and on the terms set forth in this
15 Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class
16 Members in light of all known facts and circumstances, including the risk of significant delay and
17 uncertainty associated with litigation and various defenses asserted by Defendants.

18 **TERMS OF AGREEMENT**

19 56. Settlement Consideration. Defendants shall fund the Gross Settlement Amount
20 following Final Approval by the Court and the occurrence of the Effective Date. The following will
21 be paid out of the Gross Settlement Amount: (1) Class Counsel's Fees and Costs, (2) Settlement
22 Administration Costs, (3) Class Representatives Incentive Payment to Plaintiffs, (4) PAGA
23 Penalties to be paid to the LWDA and PAGA Members, and (5) the Individual Settlement Shares to
24 be paid to Participating Class Members. Any employer-side payroll taxes due on the Individual
25 Settlement Shares shall be paid by Defendants separately from and in addition to the Gross
26 Settlement Amount. Aside from the employer-side payroll taxes noted, or at the option of
27 Defendants as specified in Paragraph 57 below, Defendants shall not be required under any
28 circumstances to pay more than the Gross Settlement Amount. The Gross Settlement Amount is

1 non-reversionary; no portion of the Gross Settlement Amount will revert to Defendants.

2 57. Defendants' Option to Increase the Gross Settlement Amount. As of February 9,
3 2022, Defendants represented that the number of total Workweeks through February 9, 2022 was
4 Four Thousand Six Hundred (4,600). If the actual number of Workweeks for Hourly Class Members
5 during the period April 1, 2020 to May 8, 2022 and Workweeks for Salaried Class Members during
6 the April 6, 2017 to May 8, 2022 is more than Five Thousand Sixty (5,060), then Defendants shall,
7 in their sole discretion, have the option to either:

8 (a) end the Class Period and end the PAGA Period on the date that the
9 total Workweeks reach 5,060; or

10 (b) increase the Gross Settlement Amount, as defined in Paragraph 17
11 above, on a proportional basis for Workweeks in excess of Five
12 Thousand Sixty (5,060).

13 58. Funding of the Gross Settlement Amount. Within twenty-one (21) calendar days of
14 the Effective Date of the Settlement, Defendants will deposit the Gross Settlement Amount into a
15 Qualified Settlement Fund ("QSF") to be established by the Settlement Administrator. Defendants
16 shall provide all information necessary for the Settlement Administrator to calculate necessary
17 payroll taxes including their official name, eight (8) digit state unemployment insurance tax ID
18 number, and other information requested by the Settlement Administrator, no later than seven (7)
19 calendar days of the Effective Date.

20 59. Distribution of the Gross Settlement Amount. Within fourteen (14) calendar days of
21 the funding of the Settlement, the Settlement Administrator will issue the following payments: (1)
22 Individual Settlement Payment checks to all Participating Class Members and Individual PAGA
23 Payment checks to all PAGA Members; (2) LWDA Payment to the LWDA; (3) the Class
24 Representatives Incentive Payment to Plaintiffs; (4) Class Counsel's Fees and Costs to Class
25 Counsel, and (5) Settlement Administration Costs to the Settlement Administrator.

26 60. Class Counsel's Fees and Costs. Defendants agree not to oppose or impede any
27 application or motion by Class Counsel for attorneys' fees of up to thirty-five percent (35%) of the
28 Gross Settlement Amount (i.e., One Hundred Fifty-Seven Thousand Five Hundred Dollars

1 (\$157,500) if the Gross Settlement Amount remains \$450,000) plus the reimbursement of actual
2 costs and expenses associated with Class Counsel's litigation and settlement of the Action, in an
3 amount not to exceed Twenty Thousand Dollars (\$20,000), subject to Court approval, which will
4 be paid from the Gross Settlement Amount. Any portion of the requested fees or costs that is not
5 awarded by the Court to Class Counsel shall become part of the Net Settlement Amount and
6 distributed to Participating Class Members as provided in this Agreement. Any adjustments made
7 by the Court to the requested fees and costs shall not be deemed a material modification of this
8 Agreement.

9 61. Class Representatives Incentive Payment. Defendants agree not to oppose or object
10 to any application or motion by Plaintiffs for Class Representatives Incentive Payments of Seven
11 Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each. The Class Representative
12 Incentive Payment to Plaintiffs is in exchange for the release of Released Class Claims, release of
13 Released PAGA Claims, and general release of Plaintiff Brown and Plaintiff Morales' individual
14 claims, as provided herein, and for Plaintiffs' time, effort, and risk in bringing and prosecuting the
15 Action. Any adjustments made by the Court to the requested Class Representatives Incentive
16 Payment shall not be deemed a material modification of this Agreement. In the event that the Court
17 reduces or does not approve the requested Class Representatives Incentive Payment, the Settlement
18 Agreement remains in full force and effect; Plaintiffs shall not have the right to revoke the
19 Agreement for that reason; it shall remain binding; and any portion of the requested Class
20 Representatives Incentive Payment that is not awarded to the Class Representatives shall become
21 part of the Net Settlement Amount and distributed to Participating Class Members as provided in
22 this Agreement.

23 62. Settlement Administration Costs. The Settlement Administrator will be paid for the
24 reasonable costs of administration of the Settlement and distribution of payments from the Gross
25 Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not
26 exceed Eight Thousand Dollars (\$8,000). To the extent that Settlement Administration Costs are
27 less than Eight Thousand Dollars (\$8,000), the difference between Eight Thousand Dollars (\$8,000)
28 and the actual costs of settlement administration shall become part of the Net Settlement Amount

1 and distributed to Participating Class Members as provided in this Agreement.

2 63. PAGA Penalties. One Hundred Thousand Dollars and Zero Cents (\$100,000.00) of
3 the Gross Settlement Amount shall be allocated from the Gross Settlement Amount for settlement
4 of claims for civil penalties under the PAGA. The Settlement Administrator shall pay seventy-five
5 percent (75%) of the PAGA Penalties, or Seventy-Five Thousand Dollars and Zero Cents
6 (\$75,000.00), to the LWDA (i.e., the LWDA Payment). The remaining twenty-five percent (25%)
7 of the PAGA Penalties, or Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) (i.e., the
8 Employee PAGA Portion), will be distributed to PAGA Members on a *pro rata* basis based on their
9 PAGA Workweeks. PAGA Members shall be issued payment of their share of the Employee PAGA
10 Portion regardless of their decision to opt-out of the Class Settlement.

11 64. Net Settlement Amount for Payment of Class Claims. The Net Settlement Amount
12 will be distributed to Participating Class Members through Individual Settlement Shares in
13 accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

14	Gross Settlement Amount	\$ 450,000.00
15	Class Representative Incentive Payment	
16	(Plaintiff Brown):	\$ 7,500.00
17	Class Representative Incentive Payment	
18	(Plaintiff Morales):	\$ 7,500.00
19	Class Counsel's Fees:	\$ 157,500.00
20	Class Counsel's Costs:	\$ 20,000.00
21	PAGA Penalties:	\$ 100,000.00
22	Settlement Administration Costs:	\$ 8,000.00
23	Estimated Net Settlement Amount:	\$ 149,500.00

24 65. Calculations of Payments to Participating Class Members and PAGA Members.

25 (a) Calculation of Individual Settlement Shares. The Settlement
26 Administrator will determine the total number of Workweeks for each Participating Class
27 Member and the total aggregated number of Workweeks worked by all Participating Class
28 Members during the Class Period. The Settlement Administrator will be provided with such

1 information, by Defendants, as is necessary to calculate each Participating Class Member's
2 Workweeks and the aggregated number of Workweeks. The amount that each Participating
3 Class Member will be eligible to receive will be calculated by dividing each Participating
4 Class Member's individual Workweeks by the total Workweeks of all Participating Class
5 Members, and multiplying the resulting fraction by the Net Settlement Amount.

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

17 (c) Tax Allocation of Individual Settlement Payments and Individual
18 PAGA Payments. All Individual Settlement Shares will be allocated as follows: thirty-three
19 and one third percent (33.33%) of each Individual Settlement Share will be allocated as
20 wages, and sixty-six and two thirds percent (66.66%) shall be allocated as interest, penalties,
21 and non-wage damages. The portion of the Individual Settlement Shares allocated to wages
22 will be reported by the Settlement Administrator on an IRS Form W-2, and the portion of
23 the Individual Settlement Shares allocated to interest, penalties, and non-wage damages will
24 be reported by the Settlement Administrator on an IRS Form-1099 (if required). The
25 Individual PAGA Payments are non-wage payments that will be reported by the Settlement
26 Administrator on an IRS Form-1099 (if required).

27 66. No Credit Toward Benefit Plans. The payments made to Plaintiffs, Participating
28 Class Members, and PAGA Members under this Settlement, will not be utilized to calculate any

1 additional benefits under any benefit plans to which any Participating Class Members and/or PAGA
2 Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)
3 plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.
4 Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,
5 contributions, or amounts to which any Participating Class Members and/or PAGA Members may
6 be entitled under any benefit plans.

7 67. Settlement Administration Process. The Parties agree to cooperate in the
8 administration of the Settlement and to make all reasonable efforts to control and minimize the costs
9 and expenses incurred in administration of the Settlement. The Settlement Administrator will
10 provide the following services:

- 11 (a) Establish and maintain a Qualified Settlement Fund.
- 12 (b) Calculate the Individual Settlement Payment that each Participating Class
13 Member shall receive and the Individual PAGA Payment that each PAGA
14 Member shall receive.
- 15 (c) Print and mail the Class Notice.
- 16 (d) Perform address searches as detailed in Paragraph 70, including conduct
17 additional address searches and skip traces for mailed Class Notices that are
18 returned as undeliverable.
- 19 (e) Process Requests for Exclusion, Objections, calculate Participating Class
20 Members' Individual Settlement Payments and PAGA Members' Individual
21 PAGA Payments, field inquiries or disputes from Class Members and/or PAGA
22 Members. This service will include payment calculations, printing and issuance
23 of settlement payment checks, and preparation of any necessary IRS W2 and
24 1099 Tax Forms. Basic accounting for and payment of employee tax
25 withholdings will also be included as part of this service.
- 26 (f) Inform Defendants of their employer-side payroll tax liability and making all
27 necessary deposits and payments to the necessary taxing authorities for the
28 payments received for employer-share of payroll taxes.

- 1 (g) Supply Class Counsel with a draft declaration at the conclusion of the period
2 for submission of Requests for Exclusion, Objections, and Workweeks
3 disputes.
- 4 (h) Provide declarations and/or other information to this Court as requested by the
5 Parties and/or the Court.
- 6 (i) Provide weekly status reports to counsel for the Parties.
- 7 (j) Posting a copy of the Final Approval Order and Judgment online at the
8 Settlement Administrator's website for a period of sixty (60) days pursuant to
9 California Rule of Court 3.769.

10 68. Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval,
11 Defendants will provide the Class List to the Settlement Administrator.

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

16 70. Confirmation of Contact Information in the Class List. Prior to mailing, the
17 Settlement Administrator will perform a search based on the National Change of Address Database
18 for information to update and correct for any known or identifiable address changes. Any Class
19 Notice returned to the Settlement Administrator as non-deliverable on or before the Response
20 Deadline will be sent within five (5) business days via regular First-Class U.S. Mail to the
21 forwarding address affixed thereto and the Settlement Administrator will indicate the date of such
22 re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator
23 will promptly attempt to determine the correct address using a skip-trace, or other comparable search
24 database, using the name, address and/or Social Security number of the Class Member involved,
25 and will then perform a single re-mailing of the Class Notice within five (5) business days. If any
26 Class Notice sent to a Class Member who is a current employee is returned to the Settlement
27 Administrator as undeliverable, then, the Settlement Administrator shall request that Defendants
28 undertake reasonable efforts to facilitate the Settlement Administrator's obtaining the current

1 address from the Class Member within seven (7) calendar days of the Settlement Administrator's
2 request for assistance. Those Class Members to whom a Class Notice is re-mailed, whether by skip-
3 trace or by request, will have their Response Deadline extended to the date that is fifteen (15)
4 calendar days after the original Response Deadline.

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

17 72. Workweeks Dispute. Class Members and PAGA Members will have an opportunity
18 to dispute the number of Workweeks during the Class Period and/or PAGA Period which they have
19 been credited in writing. Such disputes must: (a) contain the disputing individual's full name,
20 address, telephone number, and the last four digits of his or her Social Security number, signature,
21 and date; (b) the title of the Action or something similar to the title of the Action (e.g., "Chumani
22 Brown, et al. v. Med One Group et al."); (c) contain a clear statement explaining that the Class
23 Member and/or PAGA Member disputes the number of Workweeks credited to him or her during
24 the Class Period and/or PAGA Period and the reasons for doing so; and (d) if available, attach
25 documentation to support the Class Member and/or PAGA Member's position. The date of the
26 postmark on the return mailing envelope receipt confirmation will be the exclusive means to
27 determine whether a Workweeks dispute has been timely submitted. All Workweeks disputes must
28 be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and Defense

1 Counsel the Workweeks dispute were timely submitted. Absent evidence rebutting Defendants'
2 records, Defendants' records will be presumed determinative. However, if a Class Member and/or
3 PAGA Member produces evidence contrary to Defendants' records by the Response Deadline, the
4 Settlement Administrator shall notify Class Counsel and Defense Counsel to discuss and resolve the
5 dispute, including providing all available relevant information to all counsel. The Parties will resolve
6 all disputes jointly, which shall be final and binding on any Class Member and/or PAGA Member
7 disputing Workweeks, and shall thereafter instruct the Settlement Administrator how to proceed in
8 processing the dispute. If the Parties cannot reach an agreement, disputes shall be referred to the
9 Settlement Administrator for a determination and if the dispute remains unresolved after that, the
10 dispute shall be submitted to the Court for final determination. All such disputes are to be submitted
11 to the Court prior to the Final Approval Hearing, for resolution by the Court.

12 73. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
13 Class Settlement must sign and postmark a written Request for Exclusion to the Settlement
14 Administrator by the Response Deadline. The Request for Exclusion in conformity with Paragraph
15 43 above. The date of the postmark on the return mailing envelope receipt confirmation will be the
16 exclusive means to determine whether a Request for Exclusion has been timely submitted. All
17 Requests for Exclusion must be submitted to the Settlement Administrator, who will certify jointly
18 to Class Counsel and Defense Counsel the Requests for Exclusion that were timely submitted. All
19 Class Members who do not request exclusion from the Class Settlement will be bound by the Class
20 Settlement if the Settlement is granted final approval by the Court. All PAGA Members will be
21 bound to the PAGA Settlement regardless of whether or not they submit a valid and timely Request
22 for Exclusion.

23 74. Defendants' Right to Rescind. If ten percent (10%) or more of the Class Members
24 elect not to participate in the Settlement, Defendants may, at their own individual election, rescind
25 the Agreement and all actions taken in furtherance of it will be thereby null and void. Defendants
26 must meet and confer with Class Counsel prior to exercising this right and must make clear their
27 intent to rescind the Agreement within thirty (30) calendar days of the Response Deadline. If
28 Defendants exercise their right to rescind the Agreement, Defendants shall be responsible for all

1 Settlement Administration Costs incurred to the date of rescission.

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

9 76. Objection Procedures. To object to the Class Settlement in writing, a Participating
10 Class Member may postmark a complete Objection to the Settlement Administrator on or before the
11 Response Deadline. The written Objection must be in conformity with Paragraph 39 above. The
12 postmark date will be deemed the exclusive means for determining that the Objection is timely. In
13 addition and also as an alternative, a Participating Class Member may object to the Class Settlement
14 by appearing at the Final Approval Hearing to present his or her objection to the Class Settlement
15 orally to the Court (i.e., a Class Member may appear at the Final Approval Hearing to present their
16 objection to the Class Settlement without submitting a written Objection). At no time will any of
17 the Parties or their counsel seek to solicit or otherwise encourage Participating Class Members to
18 submit objections to the Settlement or appeal from Final Approval of the Settlement. Class Counsel
19 will not represent any Class Members with respect to any objections to the Settlement.

20 77. Certification Reports and Declarations.

21 a. The Settlement Administrator will provide Defense Counsel and Class
22 Counsel a weekly report which certifies: (a) the number of Class Members who have submitted
23 Requests for Exclusion; (b) the number of re-mailed and/or undeliverable Class Notices; and (c)
24 whether any Class Member and/or PAGA Member has submitted a Workweeks dispute. The
25 Settlement Administrator will also provide a declaration for filing with the Court in advance of the
26 Final Approval Hearing that: (a) provides the number of Class Members who have submitted timely
27 and valid Requests for Exclusion and provides these individuals' names; (b) provides the number
28 of re-mailed and/or undeliverable Class Notices; (c) attaches copies of all Objections received; and

1 (d) provides such other data and information as Class Counsel and Defense Counsel deem
2 appropriate (e.g., a breakdown of how settlement funds are contemplated to be distributed and
3 estimated average payment amounts).

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

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

18 79. Administration of Taxes by the Settlement Administrator. The Settlement
19 Administrator will be responsible for issuing to the Plaintiffs, Participating Class Members, PAGA
20 Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all
21 amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for
22 forwarding all payroll taxes and penalties to the appropriate government authorities.

23 80. Tax Liability. Defendants make no representation as to the tax treatment or legal
24 effect of the payments called for hereunder, and Plaintiffs, Participating Class Members, and PAGA
25 Members are not relying on any statement, representation, or calculation by Defendants or by the
26 Settlement Administrator in this regard. Plaintiffs, Participating Class Members, and PAGA
27 Members understand and agree that except for Defendants' payment of the employer's portion of
28 any payroll taxes, they will be solely responsible for the payment of their own share of any taxes

1 and penalties due in connection with the payments made to them under the Settlement and described
2 herein. Defendants' share of any employer-side payroll taxes and other required employer
3 withholdings due on the Individual Settlement Shares, including, but not limited to, Defendants'
4 FICA and FUTA contributions ("Employer Taxes"), shall be paid separate and apart from the Gross
5 Settlement Amount.

6 81. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
7 the "acknowledging party" and each Party to this Agreement other than the acknowledging party,
8 an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written
9 communication or disclosure between or among the Parties or their attorneys and other advisers, is
10 or was intended to be, nor shall any such communication or disclosure constitute or be construed or
11 be relied upon as, tax advice within the meaning of United States Treasury Department circular 230
12 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her
13 or its own, independent legal and tax counsel for advice (including tax advice) in connection with
14 this Agreement, (b) has not entered into this Agreement based upon the recommendation of any
15 other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any
16 communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty
17 that may be imposed on the acknowledging party, and (3) no attorney or advisor to any other party
18 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
19 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
20 acknowledging party of the tax treatment or tax structure of any transaction, including any
21 transaction contemplated by this Agreement.

22 82. Release by Participating Class Members, PAGA Members, and Plaintiff Brown on
23 behalf of the LWDA and the State of California.

- 24 a. Upon the Effective Date and full funding of the Gross Settlement Amount, in
25 exchange for the consideration set forth in this Agreement, Plaintiff Brown
26 and Participating Class Members shall fully release and discharge the
27 Released Parties from any and all Released Class Claims for the Class Period
28 (i.e., the period April 1, 2020 to May 8, 2022 for the Participating Hourly

1 Class Members and the period April 6, 2017 to May 8, 2022 for the
2 Participating Salaried Class Member). This release shall be binding on
3 Plaintiff Brown and all Participating Class Members, including each of their
4 respective attorneys, agents, spouses, executors, representatives, guardians
5 ad litem, heirs, successors, and assigns, and shall inure to the benefit of the
6 Released Parties, who shall have no further or other liability or obligation to
7 Plaintiff Brown or any Participating Class Member with respect to the
8 Released Class Claims, except as expressly provided herein.

- 9 b. Plaintiff Brown, the State of California with respect to PAGA Members, and
10 all PAGA Members, regardless of whether they submit timely and valid
11 Requests for Exclusion from the Class Settlement, shall fully release and
12 discharge the Released Parties from any and all Released PAGA Claims for
13 the PAGA Period (i.e., the period April 1, 2020 to May 8, 2022 for the Hourly
14 PAGA Group Members and the period January 28, 2020 to May 8, 2022 for
15 the Salaried PAGA Group Members).

16 83. Release of Additional Claims & Rights by Plaintiffs. Upon the Effective Date in
17 consideration of Defendants' promises and agreements as set forth herein, Plaintiffs shall be deemed
18 to release all claims related to their employment or alleged employment with the Released Parties
19 including all claims alleged in the Action, and all claims known and unknown, without exception,
20 except as may be prohibited by law. Specifically, Plaintiffs shall be deemed to waive all rights and
21 benefits afforded by California Civil Code Section 1542, which provides:

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

27 This release specifically excludes claims for unemployment insurance, disability, social
28 security, and workers' compensation (with the exception of claims arising pursuant to California

1 Labor Code Sections 132(a) and 4553).

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

15 85. Preliminary Approval Hearing. Plaintiffs will file an unopposed motion before the
16 Court to request Preliminary Approval of the Agreement, and the entry of a Preliminary Approval
17 order for: (a) conditional certification of the Class for settlement purposes only, (b) Preliminary
18 Approval of the proposed Agreement, and (c) setting a date for a Final Approval Hearing. The
19 Preliminary Approval order will provide for the Class Notice to be sent to all Class Members as
20 specified herein. In conjunction with the Preliminary Approval Motion, Plaintiffs will submit this
21 Agreement, which sets forth the terms of the Settlement, and will include the proposed Class Notice
22 attached as “Exhibit A.” Class Counsel will be responsible for drafting all documents necessary to
23 obtain Preliminary Approval.

24 86. Final Settlement Approval Hearing and Entry of Judgment. Upon completion of the
25 Class Notice process, including the expiration of the deadlines to postmark Requests for Exclusion
26 or Objections to the Class Settlement, a Final Approval Hearing will be conducted to determine the
27 Final Approval of the Settlement Agreement along with the amounts properly payable for: (a)
28 Individual Settlement Shares; (b) PAGA Penalties; (c) Class Counsel’s Fees and Costs; (d) Class

1 Representatives Incentive Payment for Plaintiffs; and (d) Settlement Administration Costs. Class
2 Counsel will be responsible for drafting all documents necessary to obtain Final Approval. In
3 connection with the Final Approval Hearing, Class Counsel will request that the Court make a
4 finding that the Settlement is fair, reasonable and adequate and that the Class Notice process
5 satisfied the requirements of due process. Class Counsel will be responsible for drafting the
6 application for attorneys' fees and costs to be heard at the Final Approval Hearing. Any failure by
7 the Court to fully and completely approve the Agreement as to the Action or the entry of any Order
8 by the Court with regard to the Action which has the effect of modifying material terms of this
9 Agreement or preventing the full and complete approval of the Agreement as written and agreed to
10 by the Parties, will result in this Agreement and all obligations under this Agreement being null and
11 void. Defendants agree they shall not oppose the granting of the Motion for Final Approval,
12 provided Defendants have not exercised their right to rescind pursuant to this Agreement.

13 87. Judgment and Continued Jurisdiction. Upon expiration of the Response Deadline,
14 with the Court's permission, a Final Approval Hearing shall be conducted to determine Final
15 Approval of the Settlement. Pursuant to California Rule of Court 3.769(h), after granting Final
16 Approval, the Court shall retain jurisdiction over the Parties to enforce the terms of the judgment.

17 88. Exhibits Incorporated by Reference. The terms of this Agreement include the terms
18 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
19 herein. Any Exhibits to this Agreement are an integral part of the Settlement.

20 89. Entire Agreement. This Agreement and any attached Exhibits constitute the entire
21 Agreement among these Parties, and no oral or written representations, warranties or inducements
22 have been made to any Party concerning this Agreement or its Exhibits other than the
23 representations, warranties and covenants contained and memorialized in the Agreement and its
24 Exhibits.

25 90. Amendment or Modification. Prior to filing a motion for Preliminary Approval and
26 submitting this Agreement to the Court, this Agreement may be amended or modified only by a
27 written instrument signed by counsel for all Parties or their successors-in-interest. After filing a
28 motion for Preliminary Approval and submitting this Agreement to the Court, this Agreement may

1 be amended or modified only by a written instrument signed by counsel for all Parties or their
2 successors-in-interest and subject to Court approval.

3 91. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
4 and represent they are expressly authorized by the Parties whom they represent to negotiate this
5 Agreement and to take all appropriate action required or permitted to be taken by such Parties
6 pursuant to this Agreement to effectuate its terms and to execute any other documents required to
7 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other
8 and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to
9 reach agreement on the form or content of any document needed to implement the Settlement, or on
10 any supplemental provisions that may become necessary to effectuate the terms of this Settlement,
11 the Parties may seek the assistance of the Court to resolve such disagreement.

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

14 93. California Law Governs. All terms of this Agreement hereto will be governed by and
15 interpreted according to the laws of the State of California.

16 94. Execution and Counterparts. This Agreement is subject only to the execution of all
17 Parties. However, the Agreement may be executed in one or more counterparts. All executed
18 counterparts and each of them, including facsimile and scanned copies of the signature page, will
19 be deemed to be one and the same instrument provided that counsel for the Parties will exchange
20 among themselves original signed counterparts.

21 95. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
22 this Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
23 Settlement after extensive arms-length negotiations, taking into account all relevant factors, present
24 and potential.

25 96. Invalidity of Any Provision. Before declaring any provision of this Agreement
26 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
27 consistent with applicable precedents so as to define all provisions of this Agreement valid and
28 enforceable.

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

4 98. Class Action Certification for Settlement Purposes Only. The Parties agree to
5 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
6 Settlement is not approved, the stipulation to certification will be void. The Parties further agree that
7 certification for purposes of the Settlement is not an admission that class action certification is
8 proper under the standards applied to contested certification motions and that this Agreement will
9 not be admissible in this or any other proceeding as evidence that either: (a) a class action should be
10 certified, or (b) Defendants are liable to Plaintiffs or any Class Member.

11 99. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
12 dispute that has arisen between them and to avoid the burden, expense and risk of continued
13 litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, that they
14 have violated any federal, state, or local law; violated any regulations or guidelines promulgated
15 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any
16 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged
17 in any other unlawful conduct with respect to its employees. Neither this Agreement, nor any of its
18 terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission
19 or concession by Defendants of any such violations or failures to comply with any applicable law.
20 Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its
21 terms and provisions shall not be offered or received as evidence in any action or proceeding to
22 establish any liability or admission on the part of Defendants or to establish the existence of any
23 condition constituting a violation of, or a non-compliance with, federal, state, local or other
24 applicable law.

25 100. Captions. The captions and section numbers in this Agreement are inserted for the
26 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
27 provisions of this Agreement.

28 101. Waiver. No waiver of any condition or covenant contained in this Agreement or

1 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
2 constitute a further waiver by such party of the same or any other condition, covenant, right or
3 remedy.

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

9 103. Representation By Counsel. The Parties acknowledge that they have been
10 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
11 and that this Agreement has been executed with the consent and advice of counsel and reviewed in
12 full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the
13 Agreement.

14 104. All Terms Subject to Final Court Approval. All amounts and procedures described
15 in this Agreement herein will be subject to Final Approval by the Court.

16 105. Cooperation and Execution of Necessary Documents. The Parties agree to cooperate
17 to promote participation in the Settlement, and in seeking court approval of the Settlement. The
18 Parties and their counsel agree not to take any action to encourage any Class Members to opt out of
19 and/or object to the Settlement.

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

27 107. Voluntary Agreement. The Parties acknowledge that they have entered into this
28 Agreement voluntarily, on the basis of their own judgment and without coercion, duress, or undue

1 influence of any Party, and not in reliance on any promises, representations, or statements made by
2 the other Parties other than those contained in this Agreement. Each of the Parties hereto expressly
3 waives any right he/it might ever have to claim that this Agreement was in any way induced by
4 fraud.

5 108. Confidentiality. Other than the filing of the Motion for Preliminary Approval and the
6 Motion for Final Approval of the Agreement with the Court, submission of this Agreement and
7 other submissions required to be made to the Labor and Workforce Development Agency pursuant
8 to PAGA, Plaintiffs and Class Counsel agree not to disclose or publicize the Agreement
9 contemplated herein, the fact of the Agreement, its terms or contents, or the negotiations underlying
10 the Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Class
11 Members, the Court, and as shall be contractually and/or legally required to effectuate the terms of
12 the Agreement as set forth herein in any manner. Nothing in this Agreement shall limit Defendants'
13 ability to fulfill disclosure obligations reasonably required by law or in furtherance of business
14 purposes, including the fulfillment of obligations stated in this Agreement or limit Class Counsel's
15 communications with the Class Members in furtherance of approval of this Settlement.

16 109. Binding Agreement. The Parties warrant that they understand and have full authority
17 to enter into this Settlement, and further intend that this Agreement will be fully enforceable and
18 binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding
19 to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might
20 apply under federal or state law.

21 **IT IS SO AGREED.**

22
23 Dated: 09/05/2024, 2024

Electronically Signed 2024-09-06 01:47:03 UTC - 104.28.124.35
Chumani Brown
Hiretex AssureSign® 8080ca94-c20f-4556-9a7c-b1e201718920

Chumani Brown, Plaintiff and Proposed Class
Representative

24
25
26 Dated: _____, 2024

Oscar Morales, Plaintiff and Proposed Class
Representative

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2 the other Parties other than those contained in this Agreement. Each of the Parties hereto expressly
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19 to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might
20 apply under federal or state law.

21 **IT IS SO AGREED.**

22
23 Dated: _____, 2024

Chumani Brown, Plaintiff and Proposed Class
Representative

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25
26 Dated: 09/06/2024, 2024

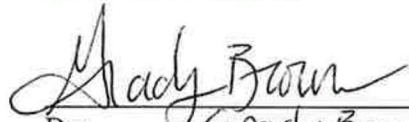
Oscar Morales

Oscar Morales, Plaintiff and Proposed Class
Representative

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Dated: Sept. 5th, 2024

MED ONE GROUP


By: Grady Brown
Its: SVP of HR

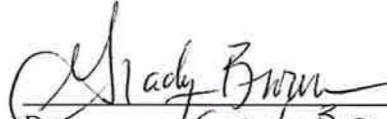
Dated: Sept. 5th, 2024

MED ONE CAPITAL, INC.


By: Grady Brown
Its: SVP of HR

Dated: Sept. 5th, 2024

MED ONE CAPITAL FUNDING, LLC


By: Grady Brown
Its: SVP of HR

APPROVED AS TO FORM:

Dated: September 6, 2024

LAWYERS for JUSTICE, PC


Tara Zabehi
Attorneys for Plaintiffs and Proposed Class Counsel

Dated: September 5, 2024

O'HAGAN MEYER LLP


Anne K. Osborn
Katherine C. Den Bleyker
Attorneys for Defendants Med One Group, Med One Capital, Inc., and Med One Capital Funding, LLC