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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF KERN**

LAKISHA LAWSON, NAHRAIN
KARAM, on behalf of themselves and
others similarly situated,

Plaintiffs,

v.

TWOMAGNETS INC., and DOES 1-20,
inclusive,

Defendants.

Case No. BCV-21-102508

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

Date of Filing:	January 27, 2021
Trial Date:	None Set
Judge:	Hon. Thomas S. Clark
Dept.	17

**I.
PREAMBLE**

1. This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Agreement”) is entered into between Plaintiffs Lakisha Lawson (“Plaintiff Lawson”) and Nahrain Karam (“Plaintiff Karam”) (collectively “Named Plaintiffs”) individually and as representatives on behalf of certain additional putative class members and/or represented employees (collectively, with the Named Plaintiffs, the “Settlement Class” or “Settlement Class Members”) as further defined in Section III of this Agreement, and defendant Twomagnets Inc. (“Twomagnets” or “Defendant”). The Settlement Class (including, without limitation, the Named Plaintiffs and the PAGA Group, as defined herein) and Twomagnets will be referred to collectively herein as the “Settling Parties.”

2. On January 27, 2021, the Named Plaintiffs, health care providers who contracted with Twomagnets, filed the instant action (“Action”) in Riverside County Superior Court. The Named Plaintiffs’ filed an amended complaint on June 16, 2021 (the “Complaint”). The Named Plaintiffs’ Complaint alleges claims on a class action basis for (i) failure to pay overtime; (ii) failure to authorize and/or permit meal breaks; (iii) failure to authorize and/or permit rest breaks; (iv) failure to furnish wage statements; (v) waiting time penalties; and (vi) unfair business practices. The Named Plaintiffs’ Complaint also includes a claim for penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”) based on the alleged Labor Code violations described above. The Named Plaintiffs’ claims are premised on the theory that Twomagnets misclassified the Named Plaintiffs and similarly situated individuals as independent contractors when they should have been treated as employees.

3. During the course of this Action, the Settling Parties have engaged in significant investigation of the facts at issue and have exchanged extensive documents and information, which have allowed the Settling Parties to fully assess the value of the claims involved.

4. On August 4, 2021, the Settling Parties attended a private mediation before David Rotman and reached a preliminary agreement to settle the Action, which is now set forth in this document.

5. Pursuant to stipulation, the Action was transferred to Kern County Superior Court.

6. This Agreement shall become effective upon the “Effective Date,” as set forth in Section VII below. The Settling Parties hereby agree to do all things and to engage in all procedures reasonably necessary and appropriate to obtain final Court approval of this Agreement, in consideration for: (a) the payment by Twomagnets of the consideration described herein, subject to the terms, conditions and limitations of this Agreement; and (b) the release of claims by the members of the Settlement Class (including, without limitation, the Named Plaintiffs and the PAGA Group), as described in Paragraphs 53 through 56 of this Agreement, and entry of Judgment thereafter.

II. PAYMENTS TO THE SETTLEMENT CLASS, CLASS COUNSEL, THE NAMED PLAINTIFF, AND THE CLAIMS ADMINISTRATOR

7. Subject to Court approval and the provisions of this Agreement, Twomagnets shall pay a total of two million, one hundred and eighty thousand, eight hundred U.S. Dollars and no cents (\$2,180,800.00), in consideration for the settlement of this Action and the related release of all claims the members of the Settlement Class (including, without limitation, the Named Plaintiffs and the PAGA Group) may have against Twomagnets, as contained in Paragraphs 53 through 56 of this Agreement—an amount that shall be referred to in this Agreement as the “Gross Settlement Value” or “GSV.” The Parties agree that deemed included in the GSV is a total of \$130,800 that Defendant paid pursuant to individual settlement agreements with certain Settlement Class Members (the “Previous Payments”). As Twomagnets has already made the Previous Payments, it is not, herein or hereby, agreeing to pay the amount of the Previous Payments again. Thus, Twomagnets total financial commitment pursuant to this Agreement shall be a non-reversionary “Common Fund” that will not exceed two million, fifty thousand U.S. Dollars, and no cents (\$2,050,000.00).

8. No portion of the Common Fund shall be disbursed or distributed until after the Effective Date.

9. The Common Fund is the maximum amount that Twomagnets shall be required to pay for the settlement of this Action. The Common Fund will cover payments to the Settlement

1 Class, payments to the PAGA Group, as defined in Section IV below, additional compensation to
2 the Named Plaintiffs as representatives of the Settlement Class, the cost of claims administration
3 and notice, compensation to the Labor Workforce and Development Agency (“LWDA”) under
4 PAGA, attorneys’ fees and reimbursement of litigation costs and expenses to Class Counsel, and
5 Twomagnet’s portion of any and all payroll taxes resulting from the Settlement.

6 **III.**
7 **CLASS CERTIFICATION FOR SETTLEMENT PURPOSES**

8 10. Solely for the purposes of this Settlement, and subject to Court approval, the
9 Settling Parties hereby stipulate to class certification of a Settlement Class comprised of all
10 individuals who Defendant classified as “independent contractors” and referred to work at any
11 healthcare facility inside California at any time from January 27, 2017, through the date of the
12 Court’s order granting preliminary approval of the Settlement (the “Class Period”).

13 11. If this Agreement is terminated pursuant to its terms, disapproved by any court
14 (including any appellate court), and/or not consummated for any reason, or the Effective Date for
15 any reason does not occur, the order certifying the Settlement Class for purposes of effectuating
16 this Agreement, and all preliminary and/or final findings regarding that class certification order,
17 shall be automatically vacated upon notice of the same to the Court, the Action shall proceed as
18 though the Settlement Class had never been certified pursuant to this Agreement and such
19 findings had never been made, the Action shall return to the procedural status quo in accordance
20 with this paragraph, and nothing in this Agreement or other papers or proceedings related to the
21 Settlement shall be used as evidence or argument by anyone concerning whether the Action may
22 properly be maintained as a class action, whether the purported class is ascertainable, whether
23 there is sufficient commonality, whether the Named Plaintiffs’ claims are typical of those of the
24 class, or whether Class Counsel or the Named Plaintiffs can adequately represent any other
25 individuals under applicable law.

26 12. Except as otherwise provided by Paragraphs 13, 38, 43, and 63 below, persons
27 who file valid and timely Requests for Exclusion from this Settlement with the Claims
28 Administrator in accordance with the provisions of this Agreement shall not share in the

1 distribution of the Common Fund, are not included in the Settlement Class, and will not be bound
2 by the terms of this Agreement.

3 **IV.**
4 **THE PAGA GROUP**

5 13. The Settlement Class includes the “PAGA Group,” which consists of all
6 individuals Defendant classified as “independent contractors” and referred to work at any
7 healthcare facility inside California at any time from January 27, 2020, through the date of the
8 Court’s order granting preliminary approval of the Settlement (the “PAGA Period”). The Parties
9 will seek approval from the Court for a “PAGA Payment” of fifty thousand U.S. Dollars and no
10 cents (\$50,000), which shall be paid from the Common Fund. Seventy-five percent (75%) of the
11 PAGA Payment will be paid to the LWDA (the “LWDA Payment”) and twenty-five percent
12 (25%) of the PAGA Payment will be distributed to the PAGA Group (the “PAGA Group
13 Payment”) as further set forth herein. All members of the PAGA Group will be sent their share of
14 the PAGA Group Payment and will be subject to the release of PAGA claims set forth in
15 Paragraph 54 below, whether or not they file Requests for Exclusions with the Claims
16 Administrator. One hundred percent (100%) of the PAGA Group Payment is in settlement of
17 claims for penalties and not subject to wage withholdings, and shall be reported on an IRS Form
18 1099.

19 **V.**
20 **APPOINTMENT OF NAMED PLAINTIFFS’ COUNSEL AS SETTLEMENT**
21 **CLASS AND PAGA COUNSEL AND CLAIMS ADMINISTRATOR**

22 14. Subject to the Court’s approval, the Settling Parties hereby stipulate to the Court’s
23 appointment of Ashkan Shakouri of Shakouri Law Firm, 11601 Wilshire Boulevard, Fifth Floor,
24 Los Angeles, California 90025, (310) 575-1827 (phone), (310) 575-1872 (facsimile) as counsel
25 for the Settlement Class and the PAGA Group (“Class Counsel”).

26 15. Subject to Court approval, the Settling Parties jointly propose ILYM Group, Inc.
27 as the third-party company to be appointed as “Claims Administrator” for this Settlement. The
28 Claims Administrator will be responsible for calculating and distributing the share of the
Settlement provided to each Settlement Class Member who does not file a Request for Exclusion

1 and to each member of the PAGA Group, regardless of whether he or she files a Request for
2 Exclusion; mailing the notices required in this Agreement; receiving and logging Requests for
3 Exclusion; researching and updating addresses through skip-traces and similar means; answering
4 questions from Settlement Class Members and members of the PAGA Group; reporting on the
5 status of the Settlement to the Settling Parties; preparing requested declarations regarding its due
6 diligence in completing and facilitating the claims administration process; providing the Settling
7 Parties with data regarding the filing of Requests for Exclusion and the calculation of
8 distributions; establishing and maintaining a non-interest-bearing distribution account for
9 purposes of distributing settlement checks and distributions of attorneys' fees and costs, the
10 Enhancement Award, and the PAGA payment to the LWDA; calculating withholding amounts
11 and other tax obligations; and performing such other tasks as required to administer this
12 Agreement or as directed by the Settling Parties.

13 **VI.** 14 **SETTLEMENT APPROVAL AND ADMINISTRATION PROCEDURES**

15 16. The Settling Parties' settlement of this Action, and their rights and obligations
16 hereunder, are expressly conditioned on both the Court's preliminary and final approval of this
17 Settlement. Preliminary approval shall be through the entry of an "Order of Preliminary
18 Approval," which Class Counsel shall file concurrently with the Motion for Preliminary
19 Approval. Class Counsel shall send drafts of the Motion for Preliminary Approval and Order of
20 Preliminary Approval to Counsel for Defendant at least seven (7) days prior to filing the same.

21 17. Among other things, the Motion for Preliminary Approval shall (a) set forth the
22 terms of this Agreement and/or attach this Agreement as an exhibit, (b) include proposed forms of
23 all notices and other documents necessary to implement the Agreement, and (c) seek a Court
24 order to grant preliminary approval of the Settlement, certify the Settlement Class for settlement
25 purposes only, and set a date for the settlement fairness or final approval hearing ("Final
26 Approval Hearing"). The Proposed Order of Preliminary Approval shall provide for notice of the
27 Settlement and related matters to the Settlement Class as specified in this Agreement, and shall be
28 substantially in the form attached hereto as Exhibit B.

1 18. At the same time Class Counsel files the Motion for Preliminary Approval and
2 Order of Preliminary Approval, Class Counsel shall submit a copy of this Agreement to the
3 LWDA pursuant to California Labor Code § 2699(1)(2).

4 19. Not later than twenty-one (21) calendar days after receipt of notice of the Court's
5 entry of the Order of Preliminary Approval, and to the extent possible based on the presence of
6 information in its records, Defendant shall provide the Claims Administrator a spreadsheet in
7 electronic format that contains, for each Settlement Class Member, his/her name; last known
8 mailing address, telephone number, and email address; the number of Defendant-referred shifts
9 he/she worked during the Class Period; the number of Defendant-referred shifts he/she worked
10 during the PAGA Period (if any) ("Class Member Contact Information").

11 20. At a mutually convenient time, Defendant shall meet-and-confer with the Claims
12 Administrator regarding the format of the spreadsheet referenced in Paragraph 19 and cooperate
13 to provide any additional information which the Claims Administrator may request that is
14 reasonable and necessary for the purpose of administering the terms of this Agreement.

15 21. Class Counsel shall timely prepare and file all papers related to the Motion for
16 Final Approval of the Settlement ("Final Approval Motion"). At least seven (7) days before
17 doing so, Class Counsel will send drafts of such papers to Defendant's Counsel for comments.
18 With the Final Approval Motion, Class Counsel will file a Proposed Order of Final Approval and
19 Final Judgement ("Proposed Final Approval Order"), unless otherwise directed by the Court. The
20 Final Approval Motion and Proposed Final Approval Order shall be consistent with the terms of
21 this Agreement and, inter alia, shall reflect the Settlement and entry of judgment of this Action,
22 dismiss the action with prejudice, and approve the Settlement pursuant to the terms of this
23 Agreement.

24 22. Within ten (10) calendar days of the Court's entry of the Final Approval Order and
25 Judgment (described in Paragraph 23(d)), Class Counsel will submit a copy of the Final Approval
26 Order and Judgment with the LWDA Pursuant to California Labor Code § 2699(1)(3).

**VII.
THE EFFECTIVE DATE**

23. This Agreement shall become final and effective on the occurrence of all of the following events described in this Paragraph 23, subparagraphs (a) through (e) (the “Effective Date”):

(a) The Settlement is executed by the Settling Parties, Class Counsel, and Defendant’s Counsel;

(b) Entry by the Court of an Order of Preliminary Approval as discussed in Paragraph 16 of this Agreement, appointment of Class Counsel as described in Paragraph 14 of this Agreement, appointment of a Claims Administrator as described in Paragraph 15 of this Agreement, and expiration of the time period for Defendant to withdraw from this Agreement as described in Paragraph 25 of this Agreement (without Defendant opting out).

(c) Class Counsel filing, at or before the Final Approval Hearing, a declaration from the Claims Administrator:

(i) Certifying that notice was sent to each Settlement Class member in accordance with Section XII of this Agreement and the Order of Preliminary Approval;

(ii) Delineating the number of Settlement Class Members who submitted timely Requests for Exclusion.

(d) Entry by the Court of an Order and Judgment Granting Final Approval and Dismissing Action with Prejudice (the “Final Approval Order and Judgment”).

(e) The occurrence of the “Effective Date of Judgment,” which shall be deemed to be the last to occur of the following:

(i) If an appeal or other review is not sought from the Final Approval Order and Judgment, the sixty-fifth (65th) calendar day after the Final Approval Order and Judgment is signed and entered by the Court; or

(ii) If an appeal or other review is sought from the Final Approval Order and Judgment, five (5) court days after the Final Approval Order and Judgment is affirmed or the appeal or other review is dismissed or denied, and the judgment is no longer subject to judicial review or other challenge.

**VIII.
FAILURE OF THE EFFECTIVE DATE TO OCCUR OR OPT-OUTS IN
EXCESS OF SEVEN AND ONE-HALF PERCENT**

24. If the Effective Date does not occur, this Agreement shall be void, except that the terms of this Paragraph 24 will survive and be binding on the Parties. In such event:

(a) Nothing in this Agreement shall be construed as a determination, admission, or concession of any substantive or procedural issue in this Action, and nothing in this Agreement may be offered into evidence in any hearing or trial, or in any subsequent pleading or in any other judicial, arbitral, or administrative proceeding;

(b) The Settling Parties expressly reserve their rights with respect to the prosecution and defense of this Action as if this Agreement never existed. In particular, Defendant does not waive, but rather expressly reserves, all rights to challenge any and all claims and allegations asserted in this Action upon all procedural and substantive grounds, including, without limitation, the ability to challenge class action treatment on any grounds and to assert any and all potential defenses or privileges. The Settling Parties agree that Defendant retains and reserves these rights, and they agree not to take a position to the contrary. Specifically, the Settling Parties agree that, if this Action were to proceed, they will not present any argument based on this Agreement, or any exhibit, attachment, act performed or document executed related to this Agreement; and

(c) The Settling Parties shall each bear half (50%) of any costs for notice or claims administration incurred by the Claims Administrator through the date that the Settlement is determined to be void.

25. The Claims Administrator shall provide written notice to Class Counsel and Defendant's Counsel no later than fifteen (15) calendar days after the Response Deadline defined in Paragraph 43 of this Agreement with a complete list of the Settlement Class Members who

1 have timely requested exclusion from the class. Defendant, in its sole and independent discretion,
2 shall have the right, but not the obligation, to revoke this Agreement if Requests for Exclusion
3 from the Settlement are filed by Settlement Class Members representing more than seven and
4 one-half percent (7.5%) of all Settlement Class Members. If Defendant chooses to exercise this
5 option, the effect will be precisely the same as if one of the events specified in Paragraph 23 did
6 not occur. Defendant must exercise this right, if at all, within ten (10) calendar days after receipt
7 of the written notice from the Claims Administrator discussed in this Paragraph 25. If Defendant
8 chooses to exercise this right, it shall each bear one hundred (100%) percent of all administration
9 costs.

10 **IX.**
11 **ATTORNEYS' FEES, COSTS AND EXPENSES, PAYMENT TO THE**
12 **LWDA, AND ENHANCEMENT AWARDS**

13 26. This Action alleges a claim for attorneys' fees and costs pursuant to, inter alia, the
14 California Labor Code. The Settling Parties agree that any and all such claims for attorneys' fees
15 and costs have been settled as a part of this Agreement.

16 27. Defendant recognizes that Class Counsel will apply to the Court for an award of
17 attorneys' fees in an amount up to, but not more than, thirty-five percent (35%) of the GSV, as
18 well as an award for actual costs and expenses incurred up to the date of filing of said application
19 not to exceed twenty-five thousand dollars (\$25,000). Defendant will not oppose Class Counsel's
20 application for the amounts described in this Paragraph 27, and Class Counsel's application under
21 this Paragraph 27 shall be scheduled for determination at the Final Approval Hearing. Any
22 amounts awarded pursuant to this Paragraph 27 shall be paid from the Common Fund. The
23 Named Plaintiffs, Class Counsel, and Settlement Class Members (including, without limitation,
24 members of the PAGA Group) shall not seek payment of attorneys' fees or reimbursement of
25 costs or expenses except as set forth herein. Defendant shall not be liable for or obligated to pay
26 any fees, expenses, costs, or disbursements to, or incur any expense on behalf of, any person or
27 entity, either directly or indirectly, in connection with this Action other than the amount or
28 amounts expressly provided for in this Agreement.

1 28. Defendant recognizes that, at the same time the application under Paragraph 27 is
2 made, Class Counsel will also apply to the Court for additional awards of ten thousand U.S.
3 dollars and no cents (\$10,000.00) each for Plaintiff Karam and Plaintiff Lawson, as reasonable
4 additional compensation for their prosecution of the claims in this Action, the time and effort
5 expended by them in doing so, and in consideration for the claims released herein (the
6 “Enhancement Award”). Defendant will not oppose Class Counsel’s application under this
7 Paragraph 28. Any Enhancement Award(s) shall be paid from the Common Fund. Any
8 Enhancement Award(s) will be in addition to the amount that each of the Named Plaintiffs may
9 be entitled to receive on account of their own individual claim pursuant to Section XI of this
10 Agreement; however, the releases set out in Paragraphs 53 through 56 of this Agreement shall
11 bind each of the Named Plaintiffs regardless of their claims as a Settlement Class Member and/or
12 member of the PAGA Group, and the Enhancement Award shall be adequate consideration for
13 said releases. The Named Plaintiffs, Class Counsel, and/or Settlement Class Members shall not
14 seek payment of any additional enhancement awards except as set forth herein.

15 29. As provided in Paragraph 13 above, the Claims Administrator will allocate from
16 the Common Fund the PAGA Payment, to cover penalties under PAGA. The Claims
17 Administrator will pay seventy-five percent (75%) of the PAGA Payment to the LWDA pursuant
18 to California Labor Code Section 2699(i). The remaining twenty-five percent (25%) of the
19 PAGA Payment will be distributed to the PAGA Group as set forth below.

20 30. Any awards pursuant to Paragraphs 27 and 28, as well as payment to the LWDA
21 and the PAGA Group, will be funded solely and completely from the Common Fund, and in no
22 event shall Defendant be obligated to pay any payments that would make Defendant’s total
23 payment towards the Settlement in excess of the Common Fund amount.

24 31. If the Court does not approve the total amount of attorneys’ fees, costs, and/or
25 Enhancement Award requested by Class Counsel pursuant to Paragraphs 27 and/or 28, any
26 remaining portion of the requested amount will be added to the Net Settlement Value (as that
27 term is defined in Paragraph 34(g) of this Agreement).

32. Any proceedings or Court decisions related to Class Counsel's application for attorneys' fees, costs and expenses, and/or the Enhancement Award, shall not terminate or cancel this Agreement, or otherwise affect the finality of the Final Approval Order and Judgment, or affect the settlement and releases set forth herein concerning this Action. Further, nothing in this Agreement shall prevent, waive, impair or impinge upon Class Counsel's right to appeal the Court's decision related to the application for attorneys' fees and costs.

33. Class Counsel shall have the sole and absolute discretion to allocate the attorneys' fees and costs amongst Class Counsel and any other attorneys. Defendant shall have no liability or other responsibility for allocation of any such attorneys' fees and expenses awarded, and, in the event that any dispute arises relating to the allocation of fees, Class Counsel agree to hold Defendant harmless from, and indemnify Defendant with respect to, any and all such liabilities, costs, and expenses, including attorneys' fees and dispute costs, of such dispute.

X. PLAN OF ALLOCATION AND DISTRIBUTION OF THE COMMON FUND

34. The Common Fund shall be allocated, in order, as follows:

(a) First, to any attorneys' fees and reasonable and necessary costs and expenses of Class Counsel, as may be awarded by the Court pursuant to Paragraph 27 of this Agreement.

(b) Second, to any Enhancement Awards as may be awarded by the Court pursuant to Paragraph 28 of this Agreement.

(c) Third, to the costs and expenses incurred by, or fees imposed by, the Claims Administrator in performing its duties under this Agreement, which are currently estimated not to exceed \$30,000.

(d) Fourth, to the LWDA Payment for the payment to the LWDA of penalties under the PAGA.

(e) Fifth, to the PAGA Group Payment for the payment to the PAGA Group of penalties under the PAGA.

1 (f) Sixth, to a sum calculated by the Claims Administrator sufficient to cover
2 Defendant's share of any standard federal, state, and local tax deductions and
3 withholdings applicable to the distribution of payments to the Settlement Class.

4 (g) Seventh, to the "Net Settlement Value" or "NSV." The Net Settlement
5 Value shall be defined as the maximum possible value of the Common Fund less the items
6 described in Paragraphs 34(a) through 34(f) above. The Net Settlement Value shall be
7 made available to the Settlement Class as described in Section XI of this Agreement. The
8 Claims Administrator shall be responsible for the allocation and distribution of the Net
9 Settlement Value to Settlement Class Members who do not file Requests for Exclusion
10 from the Settlement.

11 35. The Claims Administrator shall make payments only from the GSV, only pursuant
12 to the terms of this Agreement, and only after the Effective Date.

13 36. For the purposes of calculating applicable taxes:

14 (a) Each settlement payment from the NSV ("Class Member Payment") shall
15 be classified as follows: (1) twenty percent (20%) to unpaid wages, (2) forty percent
16 (40%) to penalties, and (3) forty percent (40%) to interest.

17 (b) One hundred percent (100%) of the Enhancement Awards will be allocated
18 to ordinary income, payable on an IRS Form 1099.

19 (c) One hundred percent (100%) of the PAGA Group Payment is in settlement
20 of claims for penalties and not subject to wage withholdings, and shall be reported on an
21 IRS Form 1099.

22 (d) Each Settlement Class Member and member of the PAGA Group shall be
23 individually responsible for his or her share of taxes attributable to the receipt of any Class
24 Member Payment and/or PAGA Group Payment.

25 (e) The Claims Administrator shall pay from the Common Fund to the
26 appropriate government authorities Defendant's portion of all taxes and withholdings
27 applicable to the Class Member Payments, including, but not limited to, payroll taxes.
28

XI.
CALCULATION OF PAYMENTS FROM THE COMMON FUND

37. As soon as practicable after receiving the spreadsheet referenced in Paragraph 19, the Claims Administrator shall perform the following calculations to determine the payments made to members of the PAGA Group and the Settlement Class.

38. Payments to the PAGA Group:

(a) The Claims Administrator will divide the PAGA Group Payment by the total number of Defendant-referred shifts worked by all members of the PAGA Group during the PAGA Period to calculate the “Per Shift PAGA Payment.”

(b) The Claims Administrator will calculate each member of the PAGA Group’s “Individual PAGA Payment” by multiplying the “Per Shift PAGA Payment” by the number of Defendant-referred shifts that the member of the PAGA Group worked during the PAGA Period.

(c) Members of the PAGA Group will receive an Individual PAGA Payment and will release their PAGA claims pursuant to Paragraph 54 below whether or not they file a Request for Exclusion from this Settlement.

39. Payments to the Settlement Class:

(a) The Claims Administrator will divide the Net Settlement Value by the total number of Defendant-referred shifts worked by all Settlement Class Members during the Class Period to calculate the “Per Shift Class Payment.”

(b) The Claims Administrator will calculate each Settlement Class Member’s “Individual Class Payment” by multiplying the “Per Shift Class Payment” by the number of Defendant-referred shifts that the Settlement Class Member worked during the Class Period.

40. The same person may be both a Settlement Class Member and a member of the PAGA Group and, if so, will be entitled to receive both an Individual Class Payment and an Individual PAGA Payment.

XII.
GIVING CLASS NOTICE AND PROCESSING REQUESTS FOR EXCLUSION

41. No later than ten (10) calendar days after receipt of the spreadsheet referenced in Paragraph 19, and subject to the requirements of the Preliminary Approval Order and this Agreement, the Claims Administrator shall send a notice by first-class U.S. Mail, proper postage prepaid and postmarked on the same day, to all Settlement Class Members whose addresses are known, substantially in the form attached hereto as Exhibit A ("Settlement Notice"). Prior to the mailing of the Settlement Notice, the Claims Administrator shall perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes.

42. The Settlement Notice shall advise each Settlement Class Member of his or her rights under this Settlement, provide the date, time, and location of the Final Approval Hearing, and include instructions on how to exclude oneself from the Settlement and how to object to the Settlement. The Settlement Notice shall state the number of Defendant-referred shifts the Settlement Class Member is credited with working during the Class Period. The Settlement Notice shall also contain the estimated dollar value of the Settlement Class Member's share of the Settlement, including both of his or her Individual Class Payment and his or her Individual PAGA Payment, if any, assuming Class Counsel's requests under Paragraphs 27 and 28 of this Agreement in their entirety and the Claims Administrator's fees remain the same as estimated in Paragraph 34(c) of this Agreement.

43. The Settlement Notice will indicate that Settlement Class Members may elect to opt out of the Settlement, relinquishing their rights to their Individual Class Payments (but not their Individual PAGA Payments). A Settlement Class Member who opts out of the Settlement will not release his or her claims pursuant to this Agreement, except for certain PAGA claims, which shall be released pursuant to Paragraph 54 of this Agreement, whether or not the Settlement Class Member opts out of the Settlement. Settlement Class Members wishing to opt out of the Settlement must send to the Claims Administrator by U.S. Mail a written "Request for Exclusion," as described in the Settlement Notice, such that it is actually received by the Claims

1 Administrator with a postmark reflecting a date within forty-five (45) calendar days from the date
2 of mailing of the Settlement Notice (“Response Deadline”). The Request for Exclusion must be
3 signed by the Settlement Class Member and include (a) his or her full name; (b) his or her current
4 address and telephone number; (c) a clear statement communicating that he or she elects to be
5 excluded from the Settlement Class; (d) the last four digits of his or her Social Security number;
6 and (e) the case name and case number of the Action. Except as otherwise provided for in this
7 Agreement, Settlement Class Members who fail to submit a valid Request for Exclusion on or
8 before the Response Deadline shall be bound by all terms of this Agreement and the Final
9 Approval Order and Judgment. So-called “mass” or “class” opt outs shall not be allowed.

10 44. The Settlement Notice will indicate that any Settlement Class Member who
11 intends to object to the fairness, reasonableness, and/or adequacy of the Settlement must submit
12 the objection to the Claims Administrator (or through any other method through which the Court
13 will accept objections, if any) no later than the Response Deadline. Each Settlement Class
14 Member who objects must set forth in his or her written objection: (a) his or her full name; (b)
15 current address; (c) a written statement of his or her objection(s) and the reasons for each
16 objection; (d) a statement of whether he or she intends to appear at the Final Approval Hearing
17 (with or without counsel); (e) his or her signature; and (f) the case name and case number of the
18 Action. If a Settlement Class Member fails to file an objection on or before the Response
19 Deadline, he or she shall be deemed to have waived all objections and shall be foreclosed from
20 making any objection (whether by appeal or otherwise) to the Settlement. A Settlement Class
21 Member cannot submit both a Request for Exclusion from and an objection to the Settlement.

22 45. Any Settlement Notices returned to the Claims Administrator as non-deliverable
23 on or before the Response Deadline shall be sent promptly via regular first-class U.S. mail to the
24 forwarding address affixed thereto and the Claims Administrator shall indicate the date of such
25 re-mailing on the Settlement Notice. If no forwarding address is provided, the Claims
26 Administrator shall promptly attempt to determine the correct address using a skip-trace, or other
27 search using the name, address and/or other information of the Settlement Class Member
28 involved, and shall then perform a single re-mailing. Those Settlement Class Members who

1 receive a re-mailed Settlement Notice shall have the later of (i) an additional ten (10) calendar
2 days from the postmarked date of re-mailing or (ii) the Response Deadline to postmark a Request
3 for Exclusion from or objection to the Settlement.

4 46. Any Settlement Class Member who disagrees with the number of Defendant-
5 referred shifts he or she is credited with working during the Class Period may submit a statement
6 in writing to that effect and enclose documentation supporting said disagreement. The Settlement
7 Notice will provide instructions about how a Settlement Class Member may state his or her
8 disagreement in this regard. The Claims Administrator will be solely responsible for resolving
9 any discrepancies between Defendant's documentation and conflicting information provided by a
10 Settlement Class Member, and said resolution by the Claims Administrator shall be final and
11 binding on all parties, and non-appealable. Once the Claims Administrator resolves a given
12 discrepancy, it will notify the Settlement Class member of its decision in writing within ten (10)
13 calendar days. Defendant agrees to provide additional information which is reasonable and
14 necessary for the Claims Administrator to resolve any such discrepancies, to the extent such
15 information is available within its records and reasonably accessible. Regardless of whether his
16 or her disagreement with the number of shifts is resolved by the Response Deadline, a Settlement
17 Class Member must still submit a Request for Exclusion by no later than the Response Deadline
18 in order to opt out of the Settlement.

19 47. The Settlement Notice shall contain the release and waiver of claims against
20 Defendant contained in Paragraphs 53, 54 and 56 of this Agreement, and an easily understood
21 statement alerting Settlement Class Members that by failing to submit a Request for Exclusion the
22 individual is executing a release and waiver of all of the claims related to those alleged in this
23 Action which the Settlement Class Members may have against Defendant. The Settlement Notice
24 shall also contain an easily understood statement explaining that, if the Settlement Class Member
25 is also a member of the PAGA Group (i.e., he or she worked a Defendant-referred shift during the
26 PAGA Period), he or she will be bound by the release of PAGA claims set forth in Paragraph 54
27 of this Agreement, irrespective of whether he or she submits a Request for Exclusion.
28

48. If a Settlement Class Member submits a timely Request for Exclusion on or before the Response Deadline that is defective as to the requirements listed herein, that Settlement Class Member shall be given an opportunity to cure the defect(s). The Claims Administrator shall mail the Settlement Class Member a cure letter within three (3) calendar days of receiving the defective submission to advise the Settlement Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Settlement Class Member shall have until the later of (i) the Response Deadline or (ii) ten (10) calendar days from the postmarked date of the mailing of the cure letter, to postmark a revised Request for Exclusion such that it is actually received by the Claims Administrator. If the revised Request for Exclusion is not postmarked within that period and received by the Claims Administrator, it shall be deemed untimely.

49. If a Settlement Class Member files both a timely and complete Request for Exclusion and a timely and complete objection to the Settlement, the later-dated document shall control. If a Settlement Class Member files both a timely Request for Exclusion and a timely objection to the Settlement, but only one document is complete, the complete document shall control. If a Settlement Class Member files both a Request for Exclusion and an objection to the Settlement simultaneously, and both are timely and complete, the Claims Administrator shall attempt to contact the individual and determine his or her intent. If said contact is unsuccessful, the Request for Exclusion shall control.

XIII. DISTRIBUTION OF THE SETTLEMENT

50. Defendant shall pay the Common Fund to the Claims Administrator not later than twenty-one (21) calendar days after the Effective Date. The Claims Administrator shall deposit the Common Fund in a non-interest-bearing distribution account immediately upon receipt of the fund transfer discussed in this Paragraph 50. Once Defendant pays the Common Fund to the Claims Administrator, any risk of loss of the Common Fund shall pass from Defendant to the Claims Administrator.

51. Within ten (10) calendar days of its receipt of the Common Fund, the Claims Administrator shall make the payments described in Section XI of this Agreement (“Member Payments”), which shall include Individual Class Payments, less applicable withholdings, to Settlement Class Members who did not submit valid Requests for Exclusion, and Individual PAGA Payments to members of the PAGA Group. The Claims Administrator will make these distributions via first-class mail.

52. After the Claims Administrator mails out the Member Payments, Settlement Class Members shall have one hundred and eighty (180) calendar days to cash or deposit the check that was mailed to them. After one hundred and eighty (180) calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the State Controller Wage Fund in the names of the Settlement Class Members who did not cash their checks. The Settling Parties agree that this disposition results in no unpaid residue, as the entire Common Fund will be paid out, regardless of whether all Settlement Class Members cash their settlement checks. Therefore, Defendant will not be required to pay any interest on said amount.

XIV. RELEASES

53. In exchange for the for the consideration, undertakings, and covenants agreed to by Defendant in this Agreement, and to the fullest extent permitted by applicable law, the Settlement Class hereby releases, discharges, and covenants not to sue Defendant, and all of its respective past and present employees, directors, officers, attorneys, representatives, insurers, agents, parents, subsidiaries, affiliates, related companies, predecessors, successors, lessees, and assigns, and any entity that could be jointly liable with any of these (individually and collectively “Defendant Releasees”) from and with respect to all actions, causes of action, suits, liabilities, claims, and demands whatsoever, and each of them, whether known or unknown, which the Settlement Class or individual members thereof, has, had, or hereafter may claim to have, against Defendant Releasees, or any of them, which arose during the Class Period and are based on, arise from, or in any way relate to any and all claims and allegations in this Action, as set forth in any

1 and all pleadings in this Action, as well as any and all claims and allegations that could have been
2 raised in this Action, which include, by way of description, but not by way of limitation, claims
3 on behalf of the Settlement Class alleging that Defendant misclassified Settlement Class
4 Members as independent contractors, failed to provide Settlement Class Members with legally
5 compliant meal periods, failed to provide Settlement Class Members with legally compliant rest
6 breaks, failed to provide Settlement Class Members with all wages due, including minimum
7 wages, regular wages, and overtime wages, failed to provide Settlement Class Members with
8 compliant wage statements, and failed to timely pay Settlement Class Members all wages due
9 upon termination, as well as any other claims under constitutional, statutory, and/or common law
10 any way related to any of the claims described in this Paragraph 53 (“Released Class Claims”).
11 For the avoidance of doubt, Released Class Claims shall include claims under the Fair Labor
12 Standards Act (“FLSA”), and the settlement check provided to each Settlement Class Member
13 shall include a notation indicating that by cashing or depositing the settlement check the
14 Settlement Class Member shall opt in to a settlement of FLSA claims.

15 54. In exchange for the for the consideration, undertakings, and covenants agreed to
16 by Defendant in this Agreement, and to the fullest extent permitted by applicable law, the PAGA
17 Group hereby releases, discharges, and covenants not to sue Defendant and all Defendant
18 Releasees from and with respect to all actions, causes of action, suits, liabilities, claims, and
19 demands under the California Labor Code Private Attorneys’ General Act (i.e., PAGA), whether
20 known or unknown, which the PAGA Group or individual members thereof, has, had, or hereafter
21 may claim to have, against Defendant Releasees, or any of them, which arose during the PAGA
22 Period and are based on, arise from, or in any way relate to any and all claims and allegations in
23 this Action, as set forth in any and all pleadings in this Action, as well as any and all claims and
24 allegations that could have been raised in this Action, which include, by way of description, but
25 not by way of limitation, claims under PAGA on behalf of PAGA Group alleging that Defendant
26 misclassified members of the PAGA Group as independent contractors, failed to provide them
27 with legally compliant meal periods, failed to provide them with legally compliant rest breaks,
28 failed to provide them with all wages due, including minimum wages, regular wages, and

1 overtime wages, failed to provide them with compliant wage statements, and failed to timely pay
2 them all wages due upon termination, as well as any other claims under PAGA any way related to
3 any of the claims described in this Paragraph 54 (“Released PAGA Claims”).

4 55. In exchange for the consideration, undertakings, and covenants undertaken by
5 Defendant in this Agreement, including but not limited to the payment of the Enhancement
6 Award, and to the fullest extent permitted by applicable law, the Named Plaintiffs hereby release,
7 discharge, and covenant not to sue the Defendant Releasees with respect to and from any and all
8 claims, charges of discrimination, demands, liens, agreements, contracts, covenants, actions, suits,
9 causes of action, disputed wages, obligations, debts, expenses, attorneys’ fees, damages,
10 penalties, interest, judgments, orders and liabilities of whatever kind or nature in law, equity or
11 otherwise, whether now known or unknown, suspected or unsuspected, and whether or not
12 concealed or hidden, which they now own or hold or they have at any time heretofore owned or
13 held, arising out of or in any way connected with any relationship with the Defendant Releasees
14 or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatever,
15 known or unknown, suspected or unsuspected, resulting from any act or omission by or on the
16 part of said Defendant Releasees, or any of them, committed or omitted prior to the date of the
17 Court’s Order granting Preliminary Approval (collectively, “Named Plaintiffs’ Claims”). The
18 Settling Parties intend the Named Plaintiffs’ release to be general and comprehensive in nature
19 and to release all Named Plaintiffs’ Claims and potential Named Plaintiffs’ Claims against
20 Defendant Releasees to the maximum extent permitted by law. Named Plaintiffs’ Claims being
21 released include specifically, by way of description, but not by way of limitation, any and all
22 Named Plaintiffs’ Claims arising out of or in any way related to: (i) any interactions between the
23 Named Plaintiffs and the Defendant Releasees; (ii) the Named Plaintiffs and Defendant’s
24 employment or independent contractor relationship, including the application therefor and
25 separation thereof; (iii) any allegations as to disputed wages, remuneration, and/or other
26 compensation, due by operation of statute, ordinance, regulation, wage order, contract, or quasi-
27 contract; (iv) any federal, state, or local law prohibiting retaliation or discrimination on the basis
28 of age, race, color, ancestry, religion, disability, sex, national origin, citizenship, or any other

1 characteristic or activity, including, without limitation, any such claims under Title VII, the
2 California Fair Employment and Housing Act, the California Labor Code, the California IWC
3 Wage Orders, the Employee Retirement Income Security Act, the Fair Labor Standards Act, and
4 the Americans With Disabilities Act or any other similar statutes whatever the city, county, state,
5 or country of enactment; (v) any claims under the Family and Medical Leave Act of 1993 and/or
6 the California Family Rights Act; (vi) any transactions, occurrences, acts, statements, disclosures,
7 or omissions occurring prior to the date of the Court's order granting Preliminary Approval; and
8 (vii) any tort or contract claims ("Released Named Plaintiffs' Claims").

9 **56. Waiver of California Civil Code Section 1542:** All Settlement Class Members
10 (including, without limitation, the Named Plaintiffs and the PAGA Group) intend and/or are
11 deemed to intend that this Agreement should be effective as a bar to any and all of the Released
12 Class Claims, Released PAGA Claims, and Released Named Plaintiffs' Claims (collectively
13 "Released Claims"). In furtherance of this intention, the Settlement Class (including, without
14 limitation, the Named Plaintiffs and the PAGA Group) expressly waives any and all rights or
15 benefits conferred on Settlement Class Members by the provisions of Section 1542 of the
16 California Civil Code, or any similar provisions under state, federal, or local law with respect to
17 the Released Claims only. California Civil Code Section 1542 provides as follows:

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

22 As to the Released Claims, all Settlement Class Members (including, without limitation,
23 the Named Plaintiffs and the PAGA Group) understand fully the statutory language of California
24 Civil Code Section 1542, and, with this understanding, assume all risks for claims released
25 hereunder that have already arisen or may in the future arise, whether known or unknown,
26 suspected or unsuspected, and specifically waive all rights they may have under California Civil
27 Code § 1542, or any similar provision under state, federal, or local law with respect to the
28 Released Claims only. The Settlement Class Members (including, without limitation, the Named

1 Plaintiffs and the PAGA Group) understand that, if any of the facts relating in any manner to this
2 Action, or to the release and dismissal of claims as provided in this Agreement, are hereafter
3 found to be other than or different from the facts now believed to be true, they have expressly
4 accepted and assumed that risk and agree that this Agreement and the release of the Released
5 Claims shall nevertheless remain effective. As to the Released Claims, the Settlement Class
6 (including, without limitation, the Named Plaintiffs and the PAGA Group) desires and intends, or
7 is deemed to desire and intend, that this Agreement shall be given full force and effect according
8 to each and all of its express terms and provisions.

9 57. Class Counsel and the Named Plaintiffs represent and warrant that—aside from
10 this Action and/or the Complaint—it and they have not filed any complaints, charges, lawsuits, or
11 other legal actions with any court or government agency, except the LWDA, relating to the
12 Released Claims. Class Counsel and the Named Plaintiffs further represent and warrant that it
13 and they have not heretofore assigned or transferred to any person not a party to this Agreement
14 any released matter.

15 58. Upon the Effective Date, by Order of the Court, the Action shall be dismissed with
16 prejudice. The Named Plaintiffs and Class Counsel shall have the responsibility for ensuring that
17 the Action is dismissed with prejudice in accordance with the terms of this Agreement.

18 59. The Court shall enter an order retaining jurisdiction over the Parties to this
19 Agreement with respect to the future performance of the terms of this Agreement pursuant to
20 Code of Civil Procedure Section 664.6 and any other applicable statutes. In the event that any
21 applications for relief are made, such applications shall be made to the Court.

22 60. Upon the Effective Date: (a) the Agreement shall be the exclusive remedy for any
23 and all claims released in Paragraphs 53 through 56 above; and (b) Named Plaintiffs and the
24 Settlement Class Members (including members of the PAGA Group) stipulate to be and shall be
25 permanently barred and enjoined by Court order from initiating, asserting, or prosecuting against
26 the Defendant Releasees in any federal or state court or any tribunal any and all of the claims
27 released in Paragraphs 53 through 56 of this Agreement.
28

**XV.
MODIFICATION OR TERMINATION OF THE SETTLEMENT**

61. If the preconditions necessary to trigger the Effective Date (as set forth in Section VII of this Agreement) are not met, this Agreement shall be cancelled and terminated unless Class Counsel and Defendant's counsel mutually agree in writing to proceed with and effectuate this Agreement. In the event that this Agreement is not approved by the Court or the settlement set forth in this Agreement is terminated or fails to become effective in accordance with its terms, Paragraphs 24, 61, and 64-67 herein shall survive and be binding on the Parties, but this Agreement shall otherwise be null and void.

62. The terms and provisions of this Agreement may be amended, modified, or expanded by written agreement of the Parties and approval of the Court; provided, however that, after entry of the Final Approval Order and Final Judgment, the Parties may by written agreement effect such amendments, modifications, or expansions of this Agreement and its implementing documents (including all exhibits hereto) without further notice to the Settlement Class or approval by the Court if such changes are consistent with the Court's Final Approval Order and Final Judgment and do not materially alter, reduce or limit the rights of Settlement Class Members under this Agreement.

**XVI.
ADDITIONAL TERMS AND CONDITIONS**

63. Final Approval Order and Judgment: The Final Approval Order and Judgment shall contain findings and rulings separately approving the PAGA Payment and the settlement of PAGA claims under the Settlement. The Final Approval Order and Judgment shall further state that all Settlement Class Members who did not submit timely and valid Requests for Exclusion shall be bound by the releases and waivers set forth in Paragraphs 53 and 56 of this Agreement, and that all members of the PAGA Group shall be bound by the releases and waivers set forth in Paragraphs 54 and 56 of this Agreement, whether or not such members of the PAGA Group submitted timely and valid Requests for Exclusion. The Final Approval Order and Judgment shall contain findings and rulings to the effect that Settlement Class Members have released

1 claims under the FLSA that arose during the Class Period and are based on, arise from, or in any
2 way relate to any and all claims and allegations in this Action, as set forth in any and all pleadings
3 in this Action, as well as any and all claims and allegations that could have been raised in this
4 Action, and that the cashing or deposit of a settlement check shall constitute binding and
5 irrefutable evidence that the Settlement Class Member in question desired and intended to, and
6 did, opt into an FLSA settlement.

7 64. Settlement Not Evidence: The Parties expressly acknowledge and agree that this
8 Agreement and its exhibits, along with all related drafts, motions, pleadings, conversations,
9 negotiations, and correspondence, constitute an offer of compromise and a compromise within the
10 meaning of California Evidence Code section 1152, Federal Rule of Evidence 408, and/or any
11 equivalent state or federal law or rule. In no event shall this Agreement, any of its provisions or
12 any negotiations, statements or court proceedings relating to its provisions in any way be
13 construed as, offered as, received as, used as, or deemed to be evidence of any kind in the Action,
14 any other action, or in any judicial, administrative, regulatory or other proceeding, except in a
15 proceeding to enforce this Agreement or the rights of the Parties or their counsel under this
16 Agreement. Without limiting the foregoing, neither this Agreement nor any related negotiations,
17 statements, or court proceedings shall be construed as, offered as, received as, used as or deemed
18 to be evidence or an admission or concession of any liability or wrongdoing whatsoever on the
19 part of any person or entity, including, but not limited to, Defendant, the Defendant Releasees, the
20 Named Plaintiffs, the Settlement Class, or the PAGA Group, or as a waiver by any of the
21 foregoing of any applicable privileges, claims or defenses.

22 65. Best Efforts: The Settling Parties shall take all necessary actions to accomplish
23 approval of the Settlement, the Settlement Notice, and dismissal of the Action. The Settling
24 Parties (including their counsel, successors, and assigns) agree to cooperate fully and in good
25 faith with one another and to use their best efforts to effectuate the Settlement, including without
26 limitation in seeking preliminary and final Court approval of this Agreement and the Settlement
27 embodied herein, carrying out the terms of this Agreement, and promptly agreeing upon and
28 executing all such other documentation as may be reasonably required to obtain final approval by

1 the Court of the Settlement. The Settling Parties agree to use all reasonable efforts, consistent
2 with this Agreement and subject to Section XV, to cure any defect identified by the Court that
3 must be addressed to obtain the Court's approval of the Settlement.

4 66. Confidential Information: All information marked as "Confidential" provided by
5 Defendant to the Named Plaintiffs, Class Counsel, any individual member of the Settlement Class
6 and/or PAGA Group, counsel for any individual Settlement Class Member, and/or the Claims
7 Administrator, pursuant to the implementation of this Agreement, constitutes confidential and
8 proprietary business information and shall be deemed confidential and shall not be used for any
9 purpose other than for the effectuation of this Settlement. Any materials inadvertently produced
10 shall, upon Defendant's request, be promptly returned to Defendant's counsel, and there shall be
11 no implied or express waiver of any privilege, right and defense. The Named Plaintiffs and Class
12 Counsel agree that the confidential information made available to them or to the Claims
13 Administrator through the settlement process was made available, as agreed to, on the condition
14 that neither the Named Plaintiffs nor Class Counsel may disclose such information, or summaries
15 thereof, to third parties; that it not be the subject of public comment; that it not be used by the
16 Named Plaintiffs or Class Counsel in any way in this litigation should the Settlement not be
17 achieved, and that it is to be returned if a Settlement is not concluded.

18 67. Publicity: The Named Plaintiffs and Class Counsel (including, without limitation,
19 all counsel listed in Paragraph 14) agree that they will not publicize or announce this Settlement
20 in press releases, marketing materials, or on the internet until after the Effective Date, unless
21 otherwise required by the Court. After the Effective Date, the Named Plaintiffs and Class
22 Counsel agree that references to this Settlement on their websites, the internet or in other public
23 communications will not identify the claims asserted (except that reference to the matter as a
24 "wage and hour class action" is not prohibited) or Twomagnets Inc. or Clipboard Health as the
25 defendant, unless the case is being cited and/or mentioned in a filing with any state or federal
26 court in connection with Class Counsel seeking to obtain approval from the court as appointment
27 as class counsel, or in connection with a fee request.

1 68. Settlement Is Fair and Reasonable: Class Counsel has considerable experience in
2 litigating and settling wage-and-hour class actions of this type, and is sufficiently familiar with
3 the facts of this case and the applicable laws and regulations to make an informed judgment as to
4 the fairness of this Settlement. In light of this experience, and for reasons that will be more fully
5 explained in the Motion for Preliminary Approval, Class Counsel and the Named Plaintiffs
6 believe that the settlement terms herein are fair and reasonable with regard to the interests of the
7 Settlement Class. The terms of the Settlement resulted from several months of intense arm's-
8 length negotiations, including a full-day mediation session with private mediator David Rotman.

9 69. Notices: Except as otherwise set forth herein, all notices, requests, demands and
10 other communications related to or in connection with this Agreement shall be in writing, and
11 shall be provided by appropriate method depending on the urgency (e.g., personal delivery, e-
12 mail, facsimile, overnight delivery, or first-class U.S. mail) to:

13 **TO THE SETTLEMENT CLASS:**

14 ASHKAN SHAKOURI
15 ash@shakourilawfirm.com
16 SHAKOURI LAW FIRM
17 11601 Wilshire Blvd., 5th Floor
18 Los Angeles, CA 90025
19 Telephone: (310) 575-1827
20 Facsimile: (310) 575-1890

21 **TO TWOMAGNETS INC.:**

22 ADAM J. KARR
23 akarr@omm.com
24 ANDREW LICHTENSTEIN
25 alichtenstein@omm.com
26 O'MELVENY & MYERS LLP
27 400 S. Hope St., 18th Floor
28 Los Angeles, CA 90071
 Telephone: (213) 430-6000
 Facsimile: (213) 430-6407

29 70. Representations:

30 (a) The Named Plaintiffs, on behalf of themselves, the Settlement Class, and
31 the PAGA Group, have expressly authorized Class Counsel to take all appropriate action
32 required or permitted to be taken pursuant to this Agreement to effectuate its terms.

33 (b) Each attorney executing this Agreement on behalf of any party hereto
34 hereby warrants that full authority to do so has been given by his/her client(s).

35 (c) Defendant, Class Counsel, and the Named Plaintiffs waive their right to file
36 an appeal, writ, or any challenge whatsoever to the terms of this Agreement; provided,
37 however, that Class Counsel and the Named Plaintiffs may appeal the Court's
38

determination with regard to the requests for attorneys' fees and costs. Consistent with Paragraph 32, however, any such appeal will have no effect whatsoever on the other terms and provisions of this Agreement, including, by way of example but not of limitation, the releases set out in Paragraphs 53 through 56 of this Agreement.

(d) The Settling Parties represent and agree that neither have received and/or relied upon any advice and/or representations from the other and/or their or its attorneys as to the necessity for withholding or the taxability of the consideration paid pursuant to this Agreement, whether pursuant to federal, state or local income tax statutes or otherwise.

71. Construction and Interpretation: This Agreement, including its exhibits, constitutes the entire agreement and understanding between the Settling Parties, and supersedes any previous agreements or understandings between the Settling Parties. No representations, warranties or inducements have been made to any party concerning the subject matter of this Agreement and/or its exhibits other than the representations, warranties and covenants contained in such documents. This Agreement and related exhibits shall be construed each as a whole, and with reference to one another, according to their fair meaning and intent. Each of the Settling Parties represent that its/their counsel has participated and cooperated in the drafting and preparation of this Agreement and related exhibits; hence, in any construction to be made of this Agreement and/or its exhibits, the same shall not be construed against any party on the basis that said party was the drafter.

72. Governing Law: This Agreement and the exhibits hereto shall be deemed to have been negotiated, executed and delivered, and to be wholly performed, in the State of California. The rights and obligations of the parties under the Agreement shall be construed and enforced in accordance with, and be governed by, the laws of the State of California without regard to choice of law principles.

73. Counterparts: This Agreement may be executed in one or more counterparts by facsimile, electronic signature or email, which for the purposes of this Agreement shall be accepted as an original, and which may be filed with the Court. All executed counterparts, and

1 each of them, shall be deemed to be one and the same instrument. Once available, a complete set
2 of executed counterparts shall be filed with the Court. Copies of the complete set of executed
3 counterparts may be used for all purposes in lieu of the originals, and shall have the same force
4 and effect as the originals.

5 74. Severability: In the event any one of the provisions contained in this Agreement
6 shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity,
7 illegality, or unenforceability shall not affect other provisions if Defendant's Counsel and Class
8 Counsel, on behalf of the Parties, mutually elect to proceed as if such invalid, illegal, or
9 unenforceable provision had never been included in this Agreement.

10 75. Attorneys' Fees, Costs, and Expenses: Except as otherwise specifically provided
11 for herein, each party shall bear his/her/its own attorneys' fees, costs and expenses, taxable or
12 otherwise, incurred by them in or arising out of this Action, and shall not seek reimbursement
13 thereof from any other party to this Agreement.

14 76. Calculation of Time: To resolve ambiguity, any reference to a span of "days" in
15 this Agreement should be interpreted as a reference to calendar days unless stated to the contrary.
16 To the extent that a given span of days ends on a national holiday, or weekend, the calculation
17 should be deemed as ending on the next business day, e.g., a calculation that ends on a Saturday
18 will carry forward to the following Monday.

19
20 **IN WITNESS WHEREOF**, the undersigned Settling Parties and their duly-authorized
21 representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily
22 and with a full understanding of its consequences.

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26 (ALL SIGNATURES ON PAGE 29)
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DocuSigned by:

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3/18/2022

Lakisha Lawson
Plaintiff, individually, and on behalf
of the Settlement Class and the PAGA
Group

Date

Nahrain Karam
Plaintiff, individually, and on behalf
of the Settlement Class and the PAGA
Group

Date

Brett McDonald
General Counsel, for and on behalf of
Defendant Twomagnets Inc.

Date

APPROVED AS TO CONTENT AND FORM:

SHAKOURI LAW FIRM
Ashkan Shakouri

Ashkan Shakouri

3/18/22

By: Ashkan Shakouri
Attorneys for Named Plaintiffs, the
Settlement Class, and the PAGA Group

Date

O'MELVENY & MYERS LLP
Adam J. Karr
Andrew Lichtenstein

By: Adam J. Karr
Attorneys for Defendant
Twomagnets Inc.

Date

 Lakisha Lawson
 Plaintiff, individually, and on behalf
 of the Settlement Class and the PAGA
 Group

 Date

DocuSigned by:

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3/18/2022

 Nahrain Karam
 Plaintiff, individually, and on behalf
 of the Settlement Class and the PAGA
 Group

 Date

 Brett McDonald
 General Counsel, for and on behalf of
 Defendant Twomagnets Inc.

 Date

APPROVED AS TO CONTENT AND FORM:

SHAKOURI LAW FIRM
 Ashkan Shakouri

Ashkan Shakouri

3/18/22

By: Ashkan Shakouri
 Attorneys for Named Plaintiffs, the
 Settlement Class, and the PAGA Group

 Date

O'MELVENY & MYERS LLP
 Adam J. Karr
 Andrew Lichtenstein

 By: Adam J. Karr
 Attorneys for Defendant
 Twomagnets Inc.

 Date

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Lakisha Lawson
Plaintiff, individually, and on behalf
of the Settlement Class and the PAGA
Group

Date

Nahrain Karam
Plaintiff, individually, and on behalf
of the Settlement Class and the PAGA
Group

Date



Brett McDonald
General Counsel, for and on behalf of
Defendant Twomagnets Inc.

3/15/2022

Date

APPROVED AS TO CONTENT AND FORM:

SHAKOURI LAW FIRM
Ashkan Shakouri

By: Ashkan Shakouri
Attorneys for Named Plaintiffs, the
Settlement Class, and the PAGA Group

Date

O'MELVENY & MYERS LLP
Adam J. Karr
Andrew Lichtenstein



By: Adam J. Karr
Attorneys for Defendant
Twomagnets Inc.

3/23/22

Date

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

To: All individuals who Twomagnets Inc. (dba Clipboard Health) classified as “independent contractors” and referred to work at any healthcare facility inside California at any time from January 27, 2017, through [DATE OF PRELIMINARY APPROVAL].

PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS. YOU MAY BE ENTITLED TO MONEY FROM THIS SETTLEMENT.

I. INTRODUCTION

A proposed class action settlement (the “Settlement”) of the above-captioned action (the “Action”) pending in the Superior Court of the State of California, in the County of Kern (the “Court”), has been reached by the parties and has been granted preliminary approval by the Court presiding over the Action.

A final settlement hearing is currently scheduled to be held on [DATE] at [TIME] to determine whether the Settlement should be granted final approval (“Final Approval Hearing”). Twomagnets Inc.’s (“Twomagnets” or “Defendant”) records show that you were classified by Twomagnets as an “independent contractor” and referred to work at a healthcare facility inside California at some time during the period between January 27, 2017 and [DATE OF PRELIMINARY APPROVAL] (“Class Period”) and therefore are a Class Member in this Action. As a Class Member, you may be entitled to money under the Settlement and your legal rights may be affected. The purpose of this Notice is to (1) describe the Action, (2) inform you of the terms of the Settlement, and (3) inform you of your rights and options in connection with the Settlement.

II. SUMMARY OF THE ACTION

Plaintiffs Lakisha Lawson and Nahrain Karam (collectively “Plaintiffs” or “Named Plaintiffs”) are health care providers who Twomagnets classified as independent contractors and referred to work at healthcare facilities inside California. Plaintiffs filed the instant Action on January 27, 2021, and filed an amended complaint on June 16, 2021 (“the Complaint”). Plaintiffs allege in the Complaint that, during the Class Period, Twomagnets misclassified them as independent contractors, rather than employees, and failed to provide them with the meal and rest breaks, overtime wages, accurate itemized wage statements, and timely wages upon termination that are due to employees under the California Labor Code. Plaintiffs also seek civil penalties based on the alleged violations. Plaintiffs seek to maintain a class action for their claims on behalf of themselves as individuals and on behalf of all similarly situated individuals who were classified as independent contractors and referred to work at any healthcare facility inside California at any time during the Class Period.

Twomagnets denies that it violated the law in any way as described in the lawsuit and believes that it properly treated Plaintiffs and putative Class Members as independent contractors. Nothing in this Notice, or the Settlement itself, or any actions to carry out the terms of the Settlement mean that Twomagnets admits any fault, guilt, negligence, wrongdoing or liability whatsoever.

The Court granted preliminary approval of the Settlement on [DATE], on behalf of a Settlement Class defined as:

All individuals who Twomagnets classified as “independent contractors” and referred to work at any healthcare facility inside California at any time from January 27, 2017, through [DATE].

At that time, the Court also preliminarily approved Plaintiffs to serve as the Class Representatives, and the Shakouri Law Firm to serve as Class Counsel.

III. SUMMARY OF SETTLEMENT TERMS

Settlement Amount. Twomagnets has agreed to pay an amount not to exceed \$2,180,800.00 (the “Gross Settlement Value”) to fully resolve the claims in the Action. This Gross Settlement Value (“GSV”) includes, but is not limited to, all settlement payments to Class Members, Class Counsel’s attorneys’ fees and litigation expenses, all Claims Administration expenses, payments to individuals and the California Labor and Workforce Development Agency (“LWDA”) under the California Private Attorneys General Act (“PAGA”), and an Enhancement Award to each of the Class Representatives, as outlined below. The GSV also includes \$130,800 in payments previously made to certain Class Members pursuant to individual settlement agreements. Thus, only the remaining \$2,050,000 will be paid and distributed pursuant to this Settlement.

Claims Administration and Other Payments. The Court has tentatively approved certain payments to be made from the GSV as follows, which will be subject to final Court approval:

- **Claims Administration.** Payment to the Claims Administrator, estimated not to exceed \$30,000 for the expense of notifying the Class Members of the Settlement, processing claims and opt-outs submitted by Class Members, and distributing settlement payments.
- **Attorneys’ Fees and Expenses.** Payment to Class Counsel of reasonable attorneys’ fees, not to exceed thirty-five percent (35%) of the GSV, as reasonable compensation for the work Class Counsel has performed in this Action, and will continue to perform through

settlement finalization, and an additional amount for reimbursement of litigation expenses actually incurred in connection with the Action, not to exceed \$25,000. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

- Service Enhancements to the Class Representatives. An Enhancement Award not to exceed \$10,000 to each of the Class Representatives to compensate them for services on behalf of the Class in initiating and prosecuting the Action. This payment is in addition to whatever payments the Class Representatives are otherwise entitled to as Class Members.
- Payment to LWDA. A payment of \$37,500 will be made to the LWDA for its portion of the Settlement allocated to civil penalties under PAGA.
- PAGA Group Payment. A payment of \$12,500 for Class Members' portion of the Settlement allocated to civil penalties under PAGA (the "PAGA Group Payment") will be made to the "PAGA Group," which consists of all individuals Twomagnets classified as "independent contractors" and referred to work at any healthcare facility inside California at any time from January 27, 2020 through [DATE] (the "PAGA Period").
- Employer-Required Payroll Taxes. A sum calculated by the Claims Administrator sufficient to cover Twomagnets' share of any standard federal, state, and local tax deductions and withholdings applicable to the distribution of payments to Class Members.
- Previous Payments. Twomagnets has previously made payments of a total of \$130,800 pursuant to individual settlement agreements with certain Class Members (the "Previous Payments"). As Twomagnets has already made the Previous Payments, it will not pay the amount of the Previous Payments again.

Calculation of Class Member Awards. The Claims Administrator will make settlement payments automatically to each Class Member who does not choose to opt out of the Settlement. All settlement payments to Class Members will come from the Net Settlement Value ("NSV"), which shall be the GSV minus the payments identified above. If you wish to exclude yourself from the Settlement Class, you must submit a written request to opt out to the Claims Administrator, as described below in Section IV. From the GSV, the Claims Administrator will also pay each member of the PAGA Group his or her share of the PAGA Group Payment, regardless of whether he or she chooses to opt out of the Settlement. Specific calculations of settlement payments shall be made as follows:

1. Payments from the NSV to Class Members

- a) The Claims Administrator will allocate a percentage of the NSV to each Class Member who does not choose to opt out of the Settlement. The percentage of the NSV allocated to each Class Member shall be determined as follows:
 - i. The Claims Administrator will divide the NSV by the total number of Twomagnets-referred shifts worked by all Class Members during the Class Period to calculate the "Per Shift Class Payment."
 - ii. The Claims Administrator will calculate each Class Member's "Individual Class Payment" by multiplying the "Per Shift Class Payment" by the number of Twomagnets-referred shifts that the Class Member worked during the Class Period.

2. Payments from the PAGA Group Payment to Members of the PAGA Group

- a) The Claims Administrator will allocate a percentage of the PAGA Group Payment to each member of the PAGA Group regardless of whether he or she chooses to opt out of the Settlement. The percentage of the PAGA Group payment allocated to each individual in the PAGA Group shall be determined as follows:
 - i. The Claims Administrator will divide the PAGA Group Payment by the total number of Twomagnets-referred shifts worked by all members of the PAGA Group during the PAGA Period to calculate the "Per Shift PAGA Group Payment."
 - ii. The Claims Administrator will calculate each member of the PAGA Group's "Individual PAGA Group Payment" by multiplying the "Per Shift PAGA Group Payment" by the number of Twomagnets-referred shifts that the member of the PAGA Group worked during the PAGA Period.

3. The disbursement to each Class Member shall be the number which results from adding his or her Individual Class Payment to his or her Individual PAGA Group Payment, if any.

Only Class Members who did not opt out of the Settlement as provided for below will be entitled to receive an Individual Class Payment. Members of the PAGA Group will be entitled to receive an Individual PAGA Group Payment pursuant to the Settlement regardless of whether they choose to opt out of the Settlement. If the conditions of the Settlement (as described in this Notice) are met, and if the Court grants final approval of the Settlement, then settlement checks will be mailed to Class Members who did not opt out and to all members of the PAGA Group.

Tax Matters. Individual Class Payments shall be allocated as follows: (1) twenty percent (20%) to unpaid wages; (2) forty percent (40%) to penalties; and (3) forty percent (40%) to interest. One hundred percent (100%) of the Individual PAGA Group Payments are in settlement of claims for penalties and not subject to wage withholdings, and shall be reported on an IRS Form 1099. Class Members shall be individually responsible for their share of taxes attributable to the receipt of all settlement payments. Class Members shall be exclusively liable for any and

all tax liability, if any. Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

Class Release. Upon the final approval by the Court of the Settlement, and in exchange for the consideration, undertakings, and covenants agreed to by Defendant under the Settlement, and to the fullest extent permitted by applicable law, the Settlement Class will release, discharge, and covenants not to sue Twomagnets, and all of its respective past and present employees, directors, officers, attorneys, representatives, insurers, agents, parents, subsidiaries, affiliates, related companies, predecessors, successors, lessees, and assigns, and any entity that could be jointly liable with any of these (individually and collectively “Defendant Releasees”) from and with respect to all actions, causes of action, suits, liabilities, claims, and demands whatsoever, and each of them, whether known or unknown, which the Settlement Class or individual members thereof, has, had, or hereafter may claim to have, against Defendant Releasees, or any of them, which arose during the Class Period and are based on, arise from, or in any way relate to any and all claims and allegations in this Action, as set forth in any and all pleadings in this Action, as well as any and all claims and allegations that could have been raised in this Action, which include, by way of description, but not by way of limitation, claims on behalf of the Settlement Class alleging that Defendant misclassified Settlement Class Members as independent contractors, failed to provide Settlement Class Members with legally compliant meal periods, failed to provide Settlement Class Members with legally compliant rest breaks, failed to provide Settlement Class Members with all wages due, including minimum wages, regular wages, and overtime wages, failed to provide Settlement Class Members with compliant wage statements, and failed to timely pay Settlement Class Members all wages due upon termination, as well as any other claims under constitutional, statutory, and/or common law any way related to any of the claims described in this Paragraph (“Released Class Claims”). Released Class Claims includes claims under the Fair Labor Standards Act (“FLSA”) that arose during the Class Period and are based on, arise from, or in any way relate to any and all claims and allegations in this Action, as set forth in any and all pleadings in this Action, as well as any and all claims and allegations that could have been raised in this Action, and the cashing or deposit of a settlement check shall constitute binding and irrefutable evidence that the Settlement Class Member in question desired and intended to, and did, opt into an FLSA settlement.

PAGA Release. Upon the final approval by the Court of the Settlement, and in exchange for the consideration, undertakings, and covenants agreed to by Defendant, and to the fullest extent permitted by applicable law, the PAGA Group will release, discharge, and covenants not to sue Defendant and all Defendant Releasees from and with respect to all actions, causes of action, suits, liabilities, claims, and demands under the California Labor Code Private Attorneys’ General Act (i.e., PAGA), whether known or unknown, which the PAGA Group or individual members thereof, has, had, or hereafter may claim to have, against Defendant Releasees, or any of them, which arose during the PAGA Period and are based on, arise from, or in any way relate to any and all claims and allegations in this Action, as set forth in any and all pleadings in this Action, as well as any and all claims and allegations that could have been raised in this Action, which include, by way of description, but not by way of limitation, claims under PAGA on behalf of PAGA Group alleging that Defendant misclassified members of the PAGA Group as independent contractors, failed to provide them with legally compliant meal periods, failed to provide them with legally compliant rest breaks, failed to provide them with all wages due, including minimum wages, regular wages, and overtime wages, failed to provide them with compliant wage statements, and failed to timely pay them all wages due upon termination, as well as any other claims under PAGA any way related to any of the claims described in this Paragraph (“Released PAGA Claims”).

Waiver of California Civil Code Section 1542. All Settlement Class Members (including, without limitation, the Named Plaintiffs and the PAGA Group) intend and/or are deemed to intend that this Agreement should be effective as a bar to any and all of the Released Class Claims, Released PAGA Claims, and Released Named Plaintiffs’ Claims (collectively “Released Claims”). In furtherance of this intention, the Settlement Class (including, without limitation, the Named Plaintiffs and the PAGA Group) expressly waives any and all rights or benefits conferred on Settlement Class Members by the provisions of Section 1542 of the California Civil Code, or any similar provisions under state, federal, or local law with respect to the Released Claims only. California Civil Code Section 1542 provides as follows:

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

As to the Released Claims, all Settlement Class Members (including, without limitation, the Named Plaintiffs and the PAGA Group) understand fully the statutory language of California Civil Code Section 1542, and, with this understanding, assume all risks for claims released hereunder that have already arisen or may in the future arise, whether known or unknown, suspected or unsuspected, and specifically waive all rights they may have under California Civil Code § 1542, or any similar provision under state, federal, or local law with respect to the Released Claims only. The Settlement Class Members (including, without limitation, the Named Plaintiffs and the PAGA Group) understand that, if any of the facts relating in any manner to this Action, or to the release and dismissal of claims as provided in this Agreement, are hereafter found to be other than or different from the facts now believed to be true, they have expressly accepted and assumed that risk and agree that this Agreement and the release of the Released Claims shall nevertheless remain effective. As to the Released Claims, the Settlement Class (including, without limitation, the Named Plaintiffs and the PAGA Group) desires and intends, or is deemed to desire and intend, that this Agreement shall be given full force and effect according to each and all of its express terms and provisions.

All Class Members shall be bound by the Class Release unless they formally opt-out of the Settlement. Furthermore, members of the PAGA Group will be bound by the PAGA Release, whether or not they formally opt-out of the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order finally approving the Settlement.

IV. RIGHT TO OPT OUT

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or “opt out.” **If you opt out, you will receive no Individual Class Payment from the Settlement, and you will not be bound by its terms**, except that members of the PAGA Group will receive an Individual PAGA Group Payment even if they opt out of the Settlement and will still be bound by the PAGA Release. To opt out, you must submit a signed, written “Request for Exclusion” to the Claims Administrator postmarked no later than [DATE]. The written Request for Exclusion must expressly and clearly indicate that you have received this Notice, have decided not to participate in the Settlement, and desire to be excluded from the Settlement. The written Request for Exclusion must set forth your name, address, telephone number, and last four digits of your Social Security Number. Written Requests for Exclusion must be signed, dated, and mailed by First Class U.S. Mail or equivalent, to the address below:

Lawson v. Twomagnets Inc.
c/o [CLAIMS ADMIN]
[ADDRESS]

Written Requests for Exclusion from the Settlement that are postmarked after [DATE], or are unsigned by the Class Member, will be rejected, and Class Members submitting untimely Requests for Exclusion shall be bound by the Settlement and the Releases described above.

If you opt out of the Settlement pursuant to the above, you (1) will no longer be a Class Member, (2) will be barred from participating in the Settlement, (3) will not be bound by the Class Release described above (except you will still be bound by the above-described PAGA Release), (4) will be barred from filing an objection to the Settlement, and (5) will not receive a payment from the Settlement (except that members of the PAGA Group will receive an Individual PAGA Group Payment regardless of whether they choose to opt out of the Settlement).

If you choose to do nothing, and if the Court grants final approval of the Settlement, you will be bound by the Class Release (as well as the PAGA Release). If you do not want to be bound by the Class Release, you must exclude yourself from the Settlement by following the directions in this [Section].

V. RIGHT TO OBJECT

If you are a Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court, you may object to the Settlement. Objections must be in writing, must state the full name, address, telephone number, and dates of employment of the individual submitting the objection, must state the basis for the objection, and must be filed with the Claims Administrator and mailed or delivered to Class Counsel and counsel for Twomagnets at the below addresses on or before [DATE]. All objections or other correspondence must state the name and number of the case, which is *Lawson v. Twomagnets Inc.*, in the Superior Court of the State of California, County of Kern, Case No. BCV-21-102508. To object to the Settlement, you must remain a member of the Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Class Counsel:	Counsel for Twomagnets:
Ashkan Shakouri, Esq. SHAKOURI LAW FIRM 11061 Wilshire Blvd., Fifth Floor Los Angeles, California 90025 Telephone: (310) 575-1827	Adam J. Karr, Esq. Andrew Lichtenstein, Esq. O'MELVENY & MYERS LLP 400 South Hope Street, 18th Floor Los Angeles, California 90071 Telephone: (213) 430-2899

VI. FINAL APPROVAL HEARING ON THE SETTLEMENT

The Final Approval Hearing will be held on [DATE], at [TIME], in Department J, in the Superior Court of the State of California, in and for the County of Kern, located at 1215 Truxtun Avenue, Bakersfield, CA 93301. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them. The Hearing may be continued without further notice. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.**

If you appear at the Final Approval Hearing in person, you must follow the Court's COVID-19 rules, which are currently as follows:

Effective September 7, 2021 any person allowed or required to enter any Kern County Superior Courthouse building must wear an approved face mask over their mouth and nose regardless of their vaccination status.

A properly worn mask completely covers the nose and mouth of the wearer. A mask should be secured to the head, with ties or ear loops. A mask should fit snugly but comfortably against the side of the face. Masks do not include face shields, gaiters, bandanas or scarves. Masks can be either manufactured or homemade and should be a solid piece of material without slits, vents, exhalation valves or punctures.

If an individual needs to enter a courthouse building and cannot safely wear a mask because of a disability, as defined by the Americans with Disabilities Act (ADA, 42 U.S.C. 12101 et seq.), they should submit a Request for Accommodations by Persons with Disabilities and Order form, Judicial Council Form MC-410. Forms are available on the Court's website under General Information ADA, at <https://www.courts.ca.gov/documents/mc410.pdf>, or by mail upon request to the ADA

Coordinator's office. Forms shall be submitted in hard copy form to the Human Resources Department or via email to HR@kern.courts.ca.gov.

Individual judicial officers reserve the authority to modify any part of this rule inside their individual courtroom.

Due to evolving nature of the pandemic, you should check for the latest updates on accessing the courthouse by viewing the Court's website at <https://www.kern.courts.ca.gov/covid19>.

VII. ADDITIONAL INFORMATION

This Notice is only a summary of the Action and the Settlement. Class Members should contact the Claims Administrator at *Lawson v. Twomagnets Inc.*, c/o [REDACTED], [ADDRESS], with any concerns or questions regarding the Settlement. You may also refer to the pleadings, the Joint Stipulation of Class Action Settlement and Release, and other papers filed in the Action, which may be inspected at the Office of the Clerk for the Superior Court of the State of California, in and for the County of Kern, located at 1115 Truxtun Avenue, Bakersfield, CA 93301, during regular business hours of each court day, or online through the Court's Public Access System. For more information please visit the Court's website at: <http://www.kern.courts.ca.gov/>.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH QUESTIONS.

EXHIBIT B

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4
5 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**
6 **COUNTY OF KERN**
7

8 LAKISHA LAWSON, NAHRAN KARAM,
9 on behalf of themselves and others similarly
10 situated,

11 Plaintiffs,

12 v.

13 TWOMAGNETS INC., and DOES 1-20,
14 inclusive

15 Defendants.
16

Case No. BCV-21-102508

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL TO
CLASS ACTION SETTLEMENT**

Compl. Filed: January 27, 2021

17 The Court has before it the joint stipulation by Plaintiffs Lakisha Lawson and Nahrain
18 Karam (collectively, “Plaintiffs”) and Defendant Twomagnets, Inc. (doing business as Clipboard
19 Health) (“Defendant”) for preliminary approval of a proposed class action settlement and
20 settlement of claims for penalties under the California Labor Code Private Attorneys General Act
21 (“PAGA”). Unless otherwise specified, all capitalized terms in this Order shall have the same
22 meaning given to those terms in the Stipulation.

23 After reviewing the parties’ written submissions and after hearing arguments of counsel, the
24 Court hereby finds and orders as follows:

25 1. The Court finds on a preliminary basis that the settlement memorialized in the Joint
26 Stipulation of Class Action Settlement and Release (“Stipulation”) and filed with the Court, falls
27 within the range of reasonableness and therefore meets the requirements for preliminary approval.
28 The Stipulation sets out the terms upon which Defendant will settle all claims which have been

1 brought against it in this matter.

2 **2. Settlement Class.** The Court finds, for purposes of settlement only, that the
3 Settlement Class as defined in the Stipulation meets the requirements for certification under
4 California law, and therefore conditionally certifies for settlement purposes only the following
5 class:

6 All individuals who Defendant classified as “independent contractors” and referred
7 to work at any healthcare facility inside California at any time from January 27,
8 2017, through the date of the Court’s order granting preliminary approval of the
9 Settlement (the “Settlement Class”).

10 **3. PAGA Group.** A subset of the Settlement Class that is defined as the “PAGA
11 Group” in the Stipulation will be entitled to receive the “PAGA Group Payment” under the terms of
12 the Stipulation, in settlement of their PAGA claims. The Court finds on a preliminary basis that the
13 allocation of funds in settlement for such PAGA claims falls within the range of reasonableness and
14 therefore meets the requirements for preliminary approval. The Court preliminarily accepts the
15 parties’ definition of the PAGA Group, for settlement purposes only, as follows:

16 All individuals who Defendant classified as “independent contractors” and referred
17 to work at any healthcare facility inside California at any time from January 27,
18 2020, through the date of the Court’s order granting preliminary approval of the
19 Settlement.

20 **4. Appointment of Class Representative.** The Court appoints, for settlement
21 purposes only, Plaintiffs Lakisha Lawson and Nahrain Karam as Class Representatives.

22 **5. Appointment of Class Counsel.** The Court appoints, for settlement purposes only,
23 Ashkan Shakouri, Esq., State Bar Number 242072, and Sharon W. Lin, State Bar Number 260443,
24 of Shakouri Law Firm, located at 11601 Wilshire Boulevard, Fifth Floor, Los Angeles, California,
25 90025, as counsel for the Settlement Class and the PAGA Group (“Class Counsel”).

26 **6. Claims Administrator and Notice.** The Settling Parties shall retain the services of
27 ILYM Group, Inc. for the administration of the Settlement, and said entity is hereby appointed
28 Claims Administrator. As described in the Stipulation, Defendant shall provide the Claims
Administrator with the Class Member Contact Information, as specified in the Stipulation, no later
than 21 calendar days after the date of entry of this Order. As described in the Stipulation, by no

1 later than ten (10) calendar days after receiving the Class Member Contact Information, the Claims
2 Administrator shall provide notice of settlement (“Settlement Notice”) to all Settlement Class
3 members (including members of the PAGA Group) by first class U.S. mail to their last known
4 address according to the information that Defendant will provide to the Claims Administrator
5 pursuant to the Stipulation. The Settlement Notice shall substantively be in the form lodged as
6 Exhibit A to the Stipulation. The Court finds that the content and schedule of the mailings
7 discussed in this Order meet the requirements of due process, provide the best notice practicable,
8 and will constitute sufficient notice to Settlement Class members.

9 7. **Exclusions.** Settlement Class members may exclude themselves from the
10 Settlement Class, relinquishing their rights to their individual class settlement payments (but not
11 their Individual PAGA Payments) by sending to the Claims Administrator by U.S. mail a written
12 “Request for Exclusion,” as described in the Settlement Notice. Pursuant to the terms of the
13 Stipulation, all Settlement Class members will be bound by the Stipulation and its release unless
14 they timely file a proper Request for Exclusion. A Settlement Class member who opts out of the
15 Settlement will not release his or her claims pursuant to the Stipulation, except for Released PAGA
16 Claims, as defined in the Stipulation, whether or not the Settlement Class Member opts out of the
17 Settlement.

18 8. **No Admissions.** Neither this Order nor the Stipulation, nor any of their terms or
19 provisions, nor any of the negotiations or proceedings connected with them, shall be construed as
20 an admission or concession by Defendant of the truth of any of the allegations in this litigation, or
21 of any liability, fault, or wrongdoing of any kind.

22 9. **Final Approval.** The Court sets a Hearing on Final Approval for
23 _____, 2022 in Department 17 of the Superior Court of the State of California,
24 County of Kern, located at 1415 Truxtun Ave, Bakersfield, CA, 93301.

25 a. Plaintiff must file a Motion for Final Approval of the Settlement, including any
26 Application for Attorneys’ Fees, Costs, and Expenses and Enhancement Awards,
27 with this Court by _____, 2022.

28 b. Objections to the proposed settlement by Settlement Class members will be

1 considered by the Court if received within forty-five (45) calendar days from the
2 date the Settlement Notice is first mailed.

- 3 c. Each Settlement Class member who objects must set forth in his or her written
4 objection: (a) his or her full name; (b) current address; (c) a written statement of his
5 or her objection(s) and the reasons for each objection; (d) a statement of whether he
6 or she intends to appear at the Final Approval Hearing (with or without counsel); (e)
7 his or her signature; and (f) the case name and case number of the Action.

8
9 **IT IS SO ORDERED.**

10
11 Dated: _____

12 _____
13 HON. ERIC J. BRADSHAW
14 Superior Court of California, County of Kern