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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES**

10 REBEKAH SOLIS,

11 *Plaintiff,*

12
13 vs.

14 MORGAN THOMAS CAVANAUGH,
15 VMD, INC.; MORGAN CAVANAUGH;
16 and DOES 1 to 25, inclusive,

17 *Defendant(s).*
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Case No.: 21STCV17060

**STIPULATION FOR APPROVAL OF PAGA
SETTLEMENT AND RELEASE**

Action filed: 5/5/21

Department: 76, Hon. Christopher
K. Lui

Submitted Herewith Under Separate Cover:
1. Declaration of Harout Messrelian In Support of
Stipulation of PAGA Settlement and Release; and
2. [Proposed] Order

1 **I. INTRODUCTION**

2 Plaintiff Rebekah Solis (“Plaintiff”) and Defendants MORGAN THOMAS
3 CAVANAUGH, VMD, INC. and MORGAN CAVANAUGH (“CAVANAUGH” or
4 “Defendant(s)”) have reached an agreement to settle the above-captioned action (the “Action”).
5 The parties have memorialized the terms of this settlement in a Settlement Agreement (the
6 “Settlement Agreement”). Attached as “**Exhibit A**” is a copy of the PAGA Settlement
7 Agreement. By this Motion/Stipulation and pursuant to California Labor Code § 2699(I),
8 Plaintiff seeks an order permitting settlement on the terms outlined in the Settlement Agreement.
9 Plaintiff and Defendants are collectively referred to as the “Parties” and any one of them
10 individually may be referred to as a “Party.”

11 Defendants adamantly deny any liability or wrongdoing of any kind whatsoever
12 associated with the Action, and further deny that, for any purpose other than settling the Action,
13 the Action is appropriate for representative treatment. It is the desire of the Parties to fully,
14 finally, and forever compromise, and discharge all claims known or unknown related to those
15 alleged in the Action.

16 **II. ALLEGATIONS AND INVESTIGATION**

17 A. Defendant CAVANAUGH is in the veterinary services business. At all times
18 during her employment, Plaintiff was considered an hourly, non-exempt employee and her job
19 title was “Client Care Representative”. Plaintiff was employed by CAVANAUGH from
20 approximately June 2019 through February 2021.

21 B. Plaintiff complied with the procedures of Labor Code § 2699.3 for bringing suit
22 under the Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, *et seq.*
23 (“PAGA”). On January 14, 2021, Plaintiff, on behalf of herself and Defendant’s other
24 California non-exempt hourly employees (hereafter collectively the “Aggrieved Employees”)
25 gave written notice by electronic service to the California Labor and Workforce Development
26 Agency (“LWDA”) and via certified mail to Defendant of her claims against CAVANAUGH.
27 In her notice to the LWDA, Plaintiff asserted on behalf of herself and the Aggrieved
28 Employees that Defendant (1) failed to provide meal breaks (Labor Code Sections 512, 226.7);
29 (2) failed to provide rest breaks (Labor Code Section 226.7); (3) failed to compensate for all
30 hours worked and to pay minimum wages (Labor Code Sections 1194, 1197, 1197.1); (4)
31 failed to pay wages due during employment (Labor Code Section 204); (5) failed to provide

1 accurate itemized wage statements (Labor Code Section 226); (6) failed to pay wages at the
2 end of employment (Labor Code section 203); (7) failed to keep accurate and complete payroll
3 records (Labor Code Section 1174/1174.5); (8) failed to reimburse business expenses (Labor
4 Code Sections 2800, 2802); and (9) failed to pay overtime compensation (Labor Code Section
5 510).

6 C. Plaintiff filed her initial lawsuit on May 5, 2021 in the Superior Court for
7 the State of California, County of Los Angeles, Case No. 21STCV17060, alleging as follows:
8 (1) Failure to Compensate for all Hours Worked; (2) Failure to Pay Minimum Wages; (3) Failure
9 to Pay Overtime; (4) Failure to Provide Accurate Wage Statements; (5) Failure to Pay Wages
10 Owed Every Pay Period; (6) Failure to Pay Wages When Employment Ends; (7) Violation of
11 Labor Code Section 558; (8) Failure to Maintain Accurate Records; (9) Failure to Give Rest
12 Breaks; (10) Failure to Five Meal Breaks; (11) Private Attorneys General Act (PAGA); (12)
13 Failure to Reimburse Business Expenses; and (13) Violation of California Business &
14 Professions Code Section 17200.

15 D. According to Defendant's records, it has employed 162 Aggrieved Employees
16 from March 1, 2020 through July 15, 2021, which is the applicable PAGA period, and that there
17 are paychecks issued for a total of approximately 2,934 pay periods worked (as of the July 6,
18 2021 mediation date).

19 E. Defendant denies any liability or wrongdoing of any kind whatsoever associated
20 with the lawsuit and the Representative PAGA Claim. It is the desire of the Parties to fully,
21 finally, and forever compromise, and discharge all claims known or unknown related to those
22 alleged in Plaintiff's lawsuit.

23 F. On July 6, 2021, the Parties attended a full day mediation session with
24 experienced mediator Steve Cerveris, Esq. At the mediation, the Parties agreed to settle the
25 entire action, including Plaintiff's Eleventh Cause of Action for violation of Labor Code § 2698,
26 *et seq.* (the "Representative PAGA Claim"). Before agreeing to the terms of the Settlement, the
27 Parties engaged in informal discovery regarding Defendant's policies, practices, operations,
28 time and payroll information and other topics. In advance of mediation, Defendant produced
Plaintiff's personnel file, including time and payroll data for Plaintiff and also produced the time
records and payroll records for a sample of 33 aggrieved employees. Through extensive arm's
length negotiations at the mediation and only after discovery and investigation were performed,

1 the Parties agreed to settlement terms.

2 G. The Parties conducted investigation of the facts and law before the lawsuit was
3 filed. Counsel for the Parties have further investigated the applicable law as applied to the facts
4 discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code violations
5 claimed by Plaintiff. Based on their own independent investigations and evaluations, the Parties
6 and their respective counsel are of the opinion that the Settlement for the consideration and on
7 the terms set forth in this Stipulation are fair, reasonable and adequate and are in the best interests
8 of Plaintiff, the Aggrieved Employees, and Defendant in light of all known facts and
9 circumstances and the risks inherent in litigation, especially in this pandemic era when most
businesses are struggling to remain afloat, much less prosper and make a large profit.

10 H. The Parties further recognize that the issues presented in the Representative
11 PAGA Claim are likely only to be resolved with extensive and costly pretrial and trial
12 proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay,
13 and expense disproportionate to the maximum potential benefits, especially in light of the
14 pandemic era and the business climate. *See* Declaration of Harout Messrelian, Plaintiff's
counsel, at paragraph 10, filed concurrently.

15 **III. FAIRNESS OF THE SETTLEMENT**

16 A. While this *Rebekah Solis* lawsuit has a Representative PAGA Claim, the Parties
17 are not obligated to follow the class action procedural rules for obtaining approval of this
18 settlement. *Arias v. Superior Court (Angelo Dairy)* (2009) 46 Cal.4th 969.

19 B. Plaintiff alleges that the strongest claims are that Plaintiff and other Aggrieved
20 Employees were not provided statutory meal and rest breaks. Plaintiff and others also have
21 arguments for engaging in "off the clock" work and not being compensated for those hours
22 (minimum wage violation) and in turn not being compensated all wages owed during every pay
23 period, however, by the nature of "off the clock" claims, there are issues with evidence and
24 documentary proof. Additionally, the other causes of action and associated PAGA claims are
25 derivative to the meal break, rest break, and "off the clock" allegations. In terms of the meal
26 break violations, per the sample, there was an approximate 41% violation rate for late, short, or
27 no meal breaks taken. Plaintiff also assumed a 41% violation rate for late, short, or missed rest
periods as part of her analysis into the PAGA penalty exposure.

28 C. Plaintiff contends that the civil penalty statutes applicable to the Representative

1 PAGA Claim are Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802 and 2699(f)(2). Under
2 these civil penalty statutes, an employee who suffers a Labor Code violation, may be awarded a
3 sum of money for each pay period in which he or she was underpaid. However, under Labor
4 Code § 2699(e)(2), the Court can reduce an award of civil penalties if the award is unjust,
arbitrary, oppressive, or confiscatory.

5 D. Under the civil penalty formulas applicable under PAGA, Plaintiff estimated a
6 maximum exposure of approximately \$188,500.00 for civil penalties for Plaintiff's strongest
7 disputed claims of failure to provide meal and rest breaks, calculated at a 41% violation rate.
8 Plaintiff's estimate presumes that the Court will find Defendant liable for the maximum possible
9 civil penalty for meal and rest breaks for every paycheck Defendant issued to the Aggrieved
10 Employees; and not reduce the penalty award as unjust, arbitrary, oppressive, or confiscatory.

11 E. Moreover, Plaintiff is aware of no California state courts awarding Plaintiff
12 multiple PAGA penalties for the same violation for the same pay period under different Labor
13 Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to "stack"
14 civil penalties arising under the various Labor Code statutes. Furthermore, judges have awarded
15 extremely small sums to PAGA claimants in the past. In addition, Defendant would make an
16 argument under *Naranjo v. Spectrum Security Services, Inc.*, 40 Cal. App. 5th 444 (Cal. App. 2d
17 Dist., Sept. 26, 2019) and other similar cases, that business expense reimbursements are not a
18 predicate for civil penalties for improper wage statements and untimely final wages under Labor
19 Code secs.201-203, 226, 226.3, and 2699. Defendant also adamantly disputes all of Plaintiff's
allegations in the operative Complaint.

20 F. The source of penalties available is under PAGA, which allows employees to seek
21 civil penalties for certain violations of the Labor Code so long as the penalties are not unjust,
22 arbitrary, oppressive, or confiscatory. There are no State Court decisions under the PAGA to date
23 with substantial awards of civil penalties. There is a substantial risk that the Court could reduce
24 civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence of willful
25 and intentional conduct. The PAGA expressly counsels against such awards. See Lab. Code §
26 2699(e)(2) ("...a court may award a lesser amount than the maximum civil penalty amount
27 specified by this part if, based on the facts and circumstances of the particular case, to do
28 otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.").
Further, although, class certification is not required for a PAGA claim, Defendant could contend

1 that Plaintiff should show that the PAGA claims are manageable.

2 G. As such, Defendant could also convince the Court to dismiss the claims due to
3 unmanageability. In *Ortiz v. CVS Caremark Corp.*, the court dismissed a PAGA claim because it
4 was unmanageable. 2014 WL 1117614, at *3–4 (N.D. Cal. 2014). The Ortiz court cited the
5 “multitude of individualized assessments” that case would have required in ordering dismissal.
6 *Id.* at *4. Several other courts have adopted *Ortiz*, and dismissed PAGA claims where, as here,
7 there are a large number of allegedly aggrieved individuals whose claims require individual
8 assessments. *See, e.g., Litty v. Merrill Lynch & Co.*, 2014 WL 5904904, at *3 (C.D. Cal. 2014);
9 *Bowers v. First Student, Inc.*, 2015 WL 1862914, at *4 (C.D. Cal. 2015); *see also Stafford v.*
10 *Dollar Tree Stores, Inc.*, 2014 WL 6633396, at *2–4 (E.D. Cal. 2014) (bifurcating trial of
11 plaintiff’s claim from representative claims: “in light of the number of potential aggrieved
12 employees, judicial economy favors deferring the representative portion of the PAGA claim”);
13 *Amey v. Cinemark USA Inc.*, 2015 WL 2251504, at *16 (N.D. Cal. May 13, 2015). DS, ¶ 24. The
14 risk of an unmanageable trial is heightened in a representative PAGA claim because the burden
15 of proof rests with the plaintiff to establish violations of the Labor Code “with respect to each and
16 every individual on whose behalf [they] seek[] to recover civil penalties.” *Molina v. Dollar Tree*
17 *Stores, Inc.*, 2013 U.S. Dist. LEXIS 138642, at *33-34 (C.D. Cal. Aug. 9, 2013); *Hibbs-Rines v.*
18 *Seagate Techs, LLC*, 2009 WL 513496, at *4 (N.D. Cal. Mar. 2, 2009). Moreover, in a PAGA
19 case the plaintiff must prove liability with respect to “each and every individual” through
20 representative evidence – but without sacrificing the defendant’s due process right to present
21 proof of their affirmative defenses. *Elkins v. Superior Court*, 41 Cal. 4th 1337, 1357 (2007);
22 *Walmart Stores, Inc. v. Dukes*, 131 S. Ct. 2541, 2561 (2011); *Duran v. U.S. Bank Nat’l Ass’n*, 59
23 Cal. 4th 1, 33-34 (2014). Plaintiff is required to establish a violation of the Labor Code in each
24 pay period of each and every one of the approximately 162 employees. The Court could find that
25 this is an impractical task and require the Eligible Employees to bring individual claims instead
26 of a PAGA representative claim.

27 H. The Parties further recognize that the issues presented in the Representative
28 PAGA Claim are likely only to be resolved with extensive and costly pretrial and trial
proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay,

1 and expense disproportionate to the maximum potential benefits to the Subject Employees and
2 Plaintiff from continued litigation, especially in the pandemic era where further and extensive
3 litigation may cause businesses to shut down, resulting in no monetary compensation to Plaintiff,
4 Plaintiff's attorneys, other Aggrieved Employees, and the State of California.

5 I. The settlement of the Representative PAGA Claim involves monetary relief to all
6 Aggrieved Employees, Plaintiff, her attorneys, and the State of California.

7 J. Furthermore, Plaintiff recognizes that continued litigation presents significant
8 risks that support a significant downward departure from Plaintiff's estimated civil penalties
9 amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable
10 compromise amount for these claims and is in the best interest of Plaintiff and Eligible
11 Employees and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, Case No. 12-55479
12 (9th Cir. June 3, 2014) 2014 WL 2465049, * 3. The PAGA settlement and its terms are fair, just,
13 reasonable, adequate, and equitable to Defendant, Plaintiff, and the State, especially in light of
14 the current economic climate, and are the product of good faith, and informed arms-length
15 negotiations between the Parties consistent with public policy and fully comply with applicable
16 provisions of law. *See* Declaration of Harout Messrelian, Plaintiff's counsel, at paragraph 19,
17 filed concurrently.

18 **IV. TERMS AND PROCEDURES OF THE SETTLEMENT**

19 A. The Settlement covers any and all civil penalties claims arising from Plaintiff's
20 allegations in her Complaint, including, but not limited to, Defendant's alleged failure to
21 compensate for all hours worked, failure to pay minimum wages, failure to provide meal and rest
22 breaks, failure to provide accurate itemized wage statements, failure to pay wages owed every
23 pay period and at the end of employment, , failure to maintain accurate records, failure to provide
24 business expense reimbursement, unfair business practices, and PAGA.

25 B. Defendant agrees to pay \$85,000.00 toward the Settlement (the "Gross Settlement
26 Amount" or "GSA") which will be distributed by Defendant as follows:

27 1. \$28,333.33 (33 1/3% of the GSA) in attorneys' fees to Harout Messrelian,
28 Esq. of Messrelian Law Inc.

2. \$7,279.22 in attorney litigation costs to Harout Messrelian, Esq. of
Messrelian Law Inc.

3. \$2,850.00 in PAGA Settlement Administrator costs to the Settlement

Administrators.

4. \$46,537.45 (the "Net Settlement Amount" or "NSA") will be divided as follows:

- a. \$34,903.09 (75% of "NSA") to the LWDA, which represents civil penalties payable to the LWDA under the Labor Code Private Attorneys General Act ("PAGA"), Labor Code section 2698, *et seq.*; and
- b. \$11,634.36 (25% of NSA) (the "Aggrieved Employee Amount") to the Aggrieved Employees which represents civil penalties payable to the Aggrieved Employees as compensation for civil penalties that are allegedly owed on the Representative PAGA Claim for the period from March 1, 2020 through July 15, 2021.

C. Plaintiff and each Aggrieved Employee shall receive a portion of the Aggrieved Employee Amount on a pro-rata basis by multiplying the Aggrieved Employee Amount by the ratio of (i) the number of pay periods worked by the Aggrieved Employee during the release period and (ii) the total number of pay periods worked by all Aggrieved Employees during the release period.

D. For purposes of computing taxes, one-hundred percent (100%) of the Aggrieved Employee Settlement Award shall be considered to be a civil penalty and shall not be subject to withholding, unless otherwise required by law. The Claims Administrator shall file proof of payment.

V. NO ADMISSION OF LIABILITY OR WRONGDOING

The payment of consideration or any other obligation are not and shall not be construed in any way as an admission of wrongdoing or liability on the part of Defendant, or any other person or business entity. Defendant adamantly denies all allegations of wrongdoing arising out of the employment relationship between the Parties, including the Aggrieved Employees. The Parties intend merely to avoid the expense, delay, uncertainty and burden of continued litigation.

VI. PAGA SETTLEMENT ADMINISTRATION

A. The Parties agree to use PHOENIX SETTLEMENT ADMINISTRATOR to handle the administration of this Settlement.

B. PAGA Employee List. Defendants shall compile a list containing the following information regarding each of the PAGA Employees: (1) full name; (2) last known mailing address; (4) Social Security number; and (5) the total number of pay periods worked during the

1 PAGA Period ("PAGA Employee List"). The PAGA Employee List will be provided to the
2 Settlement Administrator within fifteen (15) calendar days after the the Court has signed and
3 entered the Approval Order. This information shall be treated as and remain confidential and
4 shall be used solely to manage the notice and payment process described herein, shall not be
5 disclosed to anyone other than the Settlement Administrator, except to applicable taxing
6 authorities, or pursuant to express written authorization of Defendants, the individual in question,
or by order of the Court.

7 C. Funding of Settlement. Defendants shall fund the Gross Settlement Amount by way of
8 electronic transfer to the account to be established by the Settlement Administrator for purposes
9 of administration of the Settlement ("Settlement Administration Account") within ninety (90)
10 calendar days after the Court has signed and entered the Approval Order granting approval of the
11 PAGA Settlement. Defendants' obligations for funding the settlement are satisfied upon
12 electronic transfer of the Gross Settlement Amount to the Settlement Administrator pursuant to
13 the Settlement Administrator's instructions, provided, however, that any unsuccessful electronic
14 transfer of funds be of no fault of Defendants. In the event of an unsuccessful electronic transfer
of funds, the Parties agree to cooperate in good faith to resolve the issues.

15 D. Payments to LWDA, Plaintiff's Counsel, Plaintiff, and Settlement Administrator. Within
16 fifteen (15) calendar days after Defendants fund the Gross Settlement Amount, the Settlement
17 Administrator shall pay the Court-approved LWDA Payment to the LWDA, Attorneys' Fees and
18 Costs to Plaintiff's Counsel, and Settlement Administration Costs to itself.

19 E. Employee Notices and Payments to PAGA Employees. Within fifteen (15) calendar days
20 after Defendants fund the Gross Settlement Amount, the Settlement Administrator shall mail via
21 U.S. First Class mail to each PAGA Employee his or her Individual Settlement Check at the last
22 known address in the PAGA Employee List or a more updated address from the National Change
23 of Address Database. A notice letter explaining why the check is being sent ("Employee
24 Notice"), in a mutually-agreed upon form that has been approved by the Court, in substantially
25 the form that is attached hereto as "Exhibit B," will be included in the mailing of each PAGA
26 Employee's Individual Settlement Check. Together, an Individual Settlement Check that is
27 mailed to a PAGA Employee with the Employee Notice is referred to as a "Payment Packet."
28 Prior to mailing the Payment Packets, the Settlement Administrator shall check the addresses
provided using the National Change of Address database. Should any of the Employee Notices
be returned as undeliverable, the Settlement Administrator will have ten (10) calendar days after
it receives the returned undeliverable mail to search for a more current address for the PAGA

1 Employee (via a skip trace or other reasonable method) and to re-mail Employee Notices to the
2 traced address. The Settlement Administrator will only be required to re-mail the Payment
3 Packets once by way of this process.

4 F. Expiration of Settlement Checks. All Individual Settlement Checks will expire one
5 hundred and eighty (180) calendar days after the initial mailing of the original Payment Packets
6 to the PAGA Employees, and thereafter, shall be cancelled. If any funds remain in the Settlement
7 Administration Account as a result of cancelled Individual Settlement Checks, such funds shall
8 be transmitted to the California State Controller's Office Unclaimed Property Fund in the name
9 of each PAGA Employee whose check is voided. All duties set forth herein shall be included in
10 the Settlement Administration Costs and paid from the Gross Settlement Amount. Irrespective
11 of whether a PAGA Employee's Individual Settlement Check has been cashed, he or she will be
12 deemed to be bound to this Settlement, the release provided herein, and the Court's Approval
13 Order.

14 G. Confirmation of Administration of Settlement. Within twenty-one (21) calendar days of
15 distributing the Gross Settlement Fund, the Settlement Administrator shall provide to Plaintiff's
16 and Defendants' Counsel a written declaration verifying that it effected disbursement of the
17 Gross Settlement Fund pursuant to the terms of this Agreement.

18 H. Dismissal. Within fourteen (14) calendar days of receipt of the Settlement
19 Administrator's declaration confirming Defendant's funding of the Settlement and the Settlement
20 Administrator's disbursement of the Gross Settlement Fund and provided Defendant has also
21 issued payment to Plaintiff as set forth in Plaintiff's General Release Agreement, Plaintiff shall
22 file a Request for Dismissal of the Action in its entirety, with prejudice.

23 VII. TAXES

24 Plaintiff and each Aggrieved Employee bear full responsibility for the payment of any
25 taxes or withholdings arising from the Aggrieved Employee Settlement Awards paid to them.

26 VIII. RELEASED CLAIMS

27 Upon the approval by the Court of this Settlement, Plaintiff, the State of California and
28 each Aggrieved Employee shall fully release and forever discharge Defendant and the Released
Parties from any and all claims, rights, demands, liabilities for violation of PAGA (Labor Code
§ 2699, et seq.) that arose during the Release Period as it relates to Labor Code section 2698, et
seq. for alleged violations of California Labor Code sections 201, 202, 203, 204, 204b, 210, 226,

226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197.1, 1198, 2802, and 2698 et seq. California Business and Professions Code section 17200, California Code of Regulations Title 8, section 11040 or 11050, et seq. and the applicable Industrial Welfare Commission Orders including, but not limit to, Order No. 4/5-2001.

Plaintiff entered into a confidential individual settlement agreement with Defendant to settle her individual claims. As part of this confidential agreement, Plaintiff also provided Defendant with a general release of all claims, whether known or unknown, including unknown claims covered by Civil Code Section 1542. See, Declaration of Harout Messrelian ¶ 23.

IX. CONCLUSION

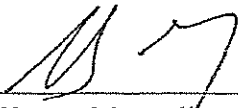
The Parties respectfully requests the Court grant this Stipulation.

Respectfully Submitted,

MESSRELIAN LAW INC.

DATED: October 19, 2021

By


Harout Messrelian, Esq.
Attorneys for Plaintiff
REBEKAH SOLIS

LANDEGGER VERANO & DAVIS, ALC

DATED: October 19, 2021

By

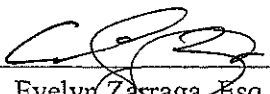

Evelyn Zarraga, Esq.
Attorneys for Defendant MORGAN THOMAS
CAVANAUGH, VMD, INC.; MORGAN
CAVANAUGH

EXHIBIT A

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (“Agreement”) is made by and between Rebekah Solis (“Plaintiff”), on behalf of herself, on behalf of the PAGA Employees (as defined below), and as a proxy/agent for the California Labor Workforce Development Agency (“LWDA”), and Defendants Morgan Thomas Cavanugh, VMD, Inc. and Morgan Cavanaugh (collectively “Defendants”), to resolve the Action and Released Claims, subject to the terms and conditions hereof and the approval of the Court. Plaintiff and Defendants are collectively referred to herein as the “Parties” and each may be individually referred to as a “Party.”

I. REPRESENTATIONS AND DEFINITIONS

1. “Action” means and refers to the civil action filed in the Superior Court of the State of California for the County of Los Angeles, entitled Rebekah Solis v. Morgan Thomas Cavanugh, VMD, Inc. and Morgan Cavanaugh, Case No. 21STCV17060, filed on May 5, 2021.

2. “Agreement” or “Settlement” means the arm’s-length settlement agreement reached between the Parties as set forth in this Private Attorneys General Act Settlement Agreement and Release, and the terms, conditions and requirements set forth herein, including any attached exhibits.

3. “Counsel for Defendant” means and refers to Alfred J. Landegger, Esq., Marie D. Davis, Esq. and Evelyn Zarraga, Esq. of Landegger Verano & Davis, ALC.

4. “Court” means and refers to the Superior Court of California for the County of Los Angeles. Court shall also mean any other Court that acquires proper jurisdiction of this Action.

5. “Defendants” means and refers to Morgan Thomas Cavanugh, VMD, Inc. and Morgan Cavanaugh (collectively “Defendants”)

6. “Effective Date” means and refers to the date by which all of the following have occurred: (1) the Court has signed and entered the Approval Order (as defined below), and (2) the Defendants have fully funded the Settlement.

7. “LWDA” means and refers to the California Labor and Workforce Development Agency.

8. “Operative Complaint” means and refers to: the Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *et seq.*, filed on May 5, 2021, in the Action.

9. “PAGA” means and refers to the Private Attorneys General Act of 2004, codified at California Labor Code § 2698, *et seq.*

10. “PAGA Employees” or singularly “PAGA Employee” means and refers to Plaintiff and all current and former non-exempt employees who worked for Defendants within the State of California during the PAGA Period.

11. “PAGA Period” means the time period from March 1, 2020 through July 15, 2021.

12. “Parties” means and refers to, collectively, Plaintiff and Defendants, and “Party” means and refers to Parties individually.

13. “Pay Periods” means and refers to the total number of pay periods that each PAGA Employee worked as a non-exempt employee for Defendants during the PAGA Period.

14. “Plaintiff” means Rebekah Solis.

15. “Plaintiff’s Counsel” means and refers to Harout Messrelian of MESSRELIAN LAW INC.

16. “Released Claims” means and refers to any and all claims, demands, rights, liabilities and causes of action under the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.*, that are based upon or arise from the factual allegations in the Operative Complaint and/or Notice to the LWDA, arising during and/or with respect to the PAGA Period, including without limitation, claims for civil penalties under the PAGA for the alleged failure to properly pay for all hours worked, pay minimum all wages, pay all overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, reimburse necessary business expenses, timely pay all wages during employment and upon separation of employment, provide compliant wage statements, and keep requisite work records, and for civil penalties for violation of and/or based on California Labor Code §§ 201, 202, 203, 204, 204b, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197.1, 1198, 2802, and all applicable Wage Orders, and all claims for attorneys’ fees and costs and statutory interest in connection therewith.

17. “Released Parties” means and refers to Defendants, and their respective agents, attorneys, insurers, past, present and future divisions, affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them, including, without limitation, Morgan Cavanaugh.

18. “Settlement Administrator” means and refers to Phoenix Settlement Administrators.

II. NATURE OF ACTION

1. On January 14, 2021, Plaintiff sent a letter to the LWDA and Defendants giving notice of her intent to pursue a representative action pursuant to the PAGA, on behalf of herself and the State of California, as well as on behalf of a proposed group of aggrieved employees. This letter is referred to as “Notice to the LWDA.”

2. On May 5, 2021, Plaintiff filed the Complaint for Damages alleging various individual wage and hour causes of action and a cause of action for enforcement under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* and commenced the representative action under the PAGA, alleging that, Defendants failed to: properly pay for all hours worked, pay all minimum wages, pay all overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, reimburse necessary business expenses, timely pay all wages during employment and upon separation of employment, provide compliant wage statements, and keep requisite work records, as applied to non-exempt employees employed by Defendants in California, during the PAGA Period.

3. The parties engaged in significant investigation and exchange of data and documents, as well as private mediation that took place on July 6, 2021 with mediator Steve Cerveris, Esq., and with the benefit of the mediator’s evaluation, the Parties reached the Settlement described herein.

4. This Settlement relates solely to the PAGA claims on behalf of Plaintiff and the State of California with respect to Plaintiff and all PAGA Employees. Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, deny liability for the Released Claims, and further deny that the Action is appropriate for representative treatment for any purpose other than settling this Action. Defendants contend, among other things, that they have complied at all times with the California Labor Code and the related Industrial Welfare

Commission Wage Orders, all other state and federal wage laws, and further contend that all of their respective employees were and are paid properly and that the Action is without merit. Defendants have denied and continue to deny each and every material factual allegation and all alleged claims asserted against it in the Action.

5. The Parties recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay and expense disproportionate to the potential benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation.

6. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable, adequate, and is in the best interests of Plaintiff, PAGA Employees, the State of California, and Defendants in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, Plaintiff's Counsel believes that the settlement amount entered into is in the best interests of the PAGA Employees and the State of California, and fair, reasonable, and adequate given the inherent risk of litigation.

III. TERMS OF SETTLEMENT

1. In consideration of the mutual covenants, promises and representations set forth in this Agreement, Plaintiff, on behalf of herself, the State of California, and all PAGA Employees, and Defendants agree to settle and compromise the Action and the Released Claims.

2. The Gross Settlement Amount. As consideration for the settlement described herein and the release provided herein, Defendants agree to pay the all inclusive total amount of Eighty Five Thousand Dollars and zero cents (\$85,000.00) ("Gross Settlement Amount"). Defendants shall fund the Gross Settlement Amount as set forth herein. The Gross Settlement Amount will include payments as follows, which Plaintiff will seek approval of from the Court, in conformity with this Agreement:

- a. Payment of Attorneys' Fees and Costs to Plaintiff's Counsel, as set forth herein;
- b. Payment to the Settlement Administrator in the amount of up Two Thousand Eight Hundred Fifty Dollars and zero cents (\$2,850.00) ("Settlement Administration Costs"); and

- c. The PAGA Penalties to be paid to the LWDA and PAGA Employees, as set forth herein.

3. Allocation and Calculation of the PAGA Penalties. The amount available for distribution to the LWDA and PAGA Employees ("PAGA Penalties") is the Gross Settlement Amount less the Court-approved Attorneys' Fees and Costs to Plaintiff's Counsel and the Settlement Administration Costs to the Settlement Administrator. Seventy Five Percent (75%) of the PAGA Penalties will be paid to the LWDA ("LWDA Payment"), and Twenty Five Percent (25%) of the PAGA Penalties will be paid to the PAGA Employees ("Employee Amount"), as required by California Labor Code § 2699(i).

4. Allocation and Calculation of the Individual Settlement Payments. Each PAGA Employee will receive a *pro rata* portion of the Employee Amount, determined based on the pay periods that he or she worked for Defendants in the State of California during the PAGA Period, to be calculated as follows: the Employee Amount will be divided by the total number of Pay Periods of all PAGA Employees to yield the "Per Pay Period Amount," and then each PAGA Employee's individual number of Pay Periods will be multiplied by the Per Pay Period Amount to yield his or her "Individual Settlement Payment." Individual Settlement Payments shall be paid to PAGA Employees by way of a single check to each PAGA Employee ("Individual Settlement Check").

5. Tax Treatment of Individual Settlement Payments to PAGA Employees. The Parties agree that Individual Settlement Payments sent to PAGA Employees will be characterized One Hundred Percent (100%) as penalties and Form 1099s will be issued. Nothing in this Agreement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff and PAGA Employees shall be deemed to acknowledge that they have not obtained any tax advice from Defendants, Counsel for Defendants, or Plaintiff's Counsel, and that neither Defendants, Counsel for Defendants, nor Plaintiff's Counsel have made any representation concerning the tax consequences, if any, of any payments made pursuant to this Agreement. To the extent that this Agreement or its attachment(s) are interpreted to contain or constitute advice regarding any U.S. or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Plaintiff and PAGA Employees are solely responsible for any tax obligations in connection with any payments made pursuant to this Agreement.

6. Plaintiff's Counsel's Attorneys' Fees and Costs. As part of the request for approval of this Settlement, Plaintiff will request that the Court award the following to Plaintiff's Counsel: up to one-third (1/3) of the Gross Settlement Amount, or Twenty-Eight Thousand Three Hundred

Thirty-Three Dollars and Thirty-Three Cents (\$28,333.33), for attorneys' fees and of up to Seven Thousand Five Hundred Dollars and zero cents (\$7,500.00) for reimbursement of actual costs and expenses of litigating the Action (together, "Attorneys' Fees and Costs"). The Attorneys' Fees and Costs shall be paid from the Gross Settlement Amount, subject to approval by the Court. Should Plaintiff's Counsel request a lesser amount for attorneys' fees and costs and/or the Court approve a lesser amount, the difference shall be a part of the PAGA Penalties to be distributed to the LWDA and PAGA Employees as described above. Payment of Attorneys' Fees and Costs will be reflected in a Form 1099 to Plaintiff's Counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

7. No Effect on Employee Benefits. The payments made to Plaintiff and other PAGA Employees pursuant to this Agreement are not intended to count as earnings by Plaintiff or the PAGA Employees, and will not entitle Plaintiff or the PAGA Employees to any additional compensation and/or benefits under any retirement, benefit, bonus, incentive, pension, welfare, and/or any other plan of or sponsored by Defendants. Defendants shall not make as part of this Agreement, nor be required to make, any deductions, nor pay any monthly contributions for any insurance, retirement, bonuses, 403(b), or profit sharing plans related to monies paid as a result of this Agreement. The Individual Settlement Payments paid to PAGA Employees shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g. bonuses, vacation, holiday pay, retirement plans, etc.) of PAGA Employees. The Parties agree that any Individual Settlement Payments paid to PAGA Employees under the terms of this Agreement do not represent any modification of PAGA Employees' previously credited hours of service or other eligibility criteria under an employee benefit plan sponsored by Defendants. Further, any Individual Settlement Payments are penalties and thus shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, any employee benefit plan or bonus plan sponsored by Defendants.

IV. RELEASE OF CLAIMS

1. Release by Plaintiff, PAGA Employees and LWDA. Upon the Effective Date, Plaintiff and each PAGA Employee, shall fully release and forever discharge the Released Parties from the Released Claims during the period from March 1, 2020, through July 15, 2021, and the State of California shall fully release and forever discharge the Released Parties from the Released Claims as they pertain to Plaintiff and PAGA Employees from March 1, 2020, through July 15, 2021.

2. The Parties have, contemporaneously with this agreement, executed a separate Plaintiff's Confidential Settlement Agreement and General Release ("Plaintiff's General Release

Agreement”) which resolves, *inter alia*, Plaintiff’s individual claims, and includes a waiver by Plaintiff of the provisions of California Civil Code Section 1542. Any consideration provided for by Plaintiff’s General Release Agreement will be paid separate from, and in addition to, the Maximum Settlement Amount. The terms of the Plaintiff’s General Release, does not become effective or enforceable unless and until the Court approves this Private Attorneys General Act Settlement Agreement and Release.

V. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

1. Settlement Approval by Court. The Parties recognize that Court approval is required in the event of any settlement of a PAGA action, in accordance with California Labor Code § 2699(l)(2), and that a judgment with respect to the PAGA action is binding with respect to non-party aggrieved employees upon Court approval, pursuant to California Labor Code § 2699(l) and *Arias v. Superior Ct.* (2009) 46 Cal.4th 969. Parties further recognize that a settlement of a PAGA action is not subject to class action procedural rules, and that PAGA Employees do not have the right to opt-out of or otherwise exclude themselves from the Settlement, or object to the Settlement, and upon approval of the Settlement by the Court and funding of the Settlement, all PAGA Employees will have released the Released Parties of and for the Released Claims and PAGA Employees will be entitled to receive payment, in conformity with the Settlement. Plaintiff’s Counsel shall, with the assistance and cooperation of Defendants and their counsel, take all necessary steps to secure the approval of this Settlement from the Court. In order to comply with the requirements of California Labor Code § 2699, promptly upon execution of this Agreement, Plaintiff’s Counsel shall prepare, file and serve a motion requesting that the Court approve the Settlement, including and not limited to the PAGA Penalties, Attorneys’ Fees and Costs, and Settlement Administration Costs, and apply to the Court for the entry of an order approving the Settlement and all of the requested payments and entering judgment (“Approval Order”). The motion shall advocate that the penalties are fair, adequate, and reasonable, which will draw no opposition from Defendants or Defense Counsel. On the same date that Plaintiff applies to the Court for approval of the Settlement, Plaintiff’s Counsel shall submit the Agreement to the LWDA in conformity with California Labor Code § 2699(l)(2).

2. With Plaintiff’s motion for approval of Settlement, Plaintiff shall submit a proposed Approval Order which shall seek, *inter alia*: (1) approval of this Settlement and the terms herein; (2) permanent bar of all PAGA Employees from prosecuting any of the Released Claims released in this Agreement against the Released Parties; and (3) that no individualized notice of entry of the Approval Order is required to be provided to the PAGA Employees. Prior to filing, Plaintiff’s Counsel will provide Defendants’ Counsel a courtesy copy of the proposed Approval Order. Upon

entry of the Approval Order by the Court, Plaintiff's Counsel shall submit the Approval Order to the LWDA in conformity with California Labor Code § 2699(1)(2).

VI. ADMINISTRATION OF THE SETTLEMENT

1. PAGA Employee List. Defendants shall compile a list containing the following information regarding each of the PAGA Employees: (1) full name; (2) last known mailing address; (4) Social Security number; and (5) the total number of pay periods worked during the PAGA Period ("PAGA Employee List"). The PAGA Employee List will be provided to the Settlement Administrator within fifteen (15) calendar days after the the Court has signed and entered the Approval Order. This information shall be treated as and remain confidential and shall be used solely to manage the notice and payment process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendants, the individual in question, or by order of the Court.

2. Funding of Settlement. Defendants shall fund the Gross Settlement Amount by way of electronic transfer to the account to be established by the Settlement Administrator for purposes of administration of the Settlement ("Settlement Administration Account") within ninety (90) calendar days after the Court has signed and entered the Approval Order granting approval of the PAGA Settlement. Defendants' obligations for funding the settlement are satisfied upon electronic transfer of the Gross Settlement Amount to the Settlement Administrator pursuant to the Settlement Administrator's instructions, provided, however, that any unsuccessful electronic transfer of funds be of no fault of Defendants. In the event of an unsuccessful electronic transfer of funds, the Parties agree to cooperate in good faith to resolve the issues.

3. Payments to LWDA, Plaintiff's Counsel, Plaintiff, and Settlement Administrator. Within fifteen (15) calendar days after Defendants fund the Gross Settlement Amount, the Settlement Administrator shall pay the Court-approved LWDA Payment to the LWDA, Attorneys' Fees and Costs to Plaintiff's Counsel, and Settlement Administration Costs to itself.

4. Employee Notices and Payments to PAGA Employees. Within fifteen (15) calendar days after Defendants fund the Gross Settlement Amount, the Settlement Administrator shall mail via U.S. First Class mail to each PAGA Employee his or her Individual Settlement Check at the last known address in the PAGA Employee List or a more updated address from the National Change of Address Database. A notice letter explaining why the check is being sent ("Employee Notice"), in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as "Exhibit A," will be included in the mailing of

each PAGA Employee's Individual Settlement Check. Together, an Individual Settlement Check that is mailed to a PAGA Employee with the Employee Notice is referred to as a "Payment Packet." Prior to mailing the Payment Packets, the Settlement Administrator shall check the addresses provided using the National Change of Address database. Should any of the Employee Notices be returned as undeliverable, the Settlement Administrator will have ten (10) calendar days after it receives the returned undeliverable mail to search for a more current address for the PAGA Employee (via a skip trace or other reasonable method) and to re-mail Employee Notices to the traced address. The Settlement Administrator will only be required to re-mail the Payment Packets once by way of this process.

5. Expiration of Settlement Checks. All Individual Settlement Checks will expire one hundred and eighty (180) calendar days after the initial mailing of the original Payment Packets to the PAGA Employees, and thereafter, shall be cancelled. If any funds remain in the Settlement Administration Account as a result of cancelled Individual Settlement Checks, such funds shall be transmitted to the California State Controller's Office Unclaimed Property Fund in the name of each PAGA Employee whose check is voided. All duties set forth herein shall be included in the Settlement Administration Costs and paid from the Gross Settlement Amount. Irrespective of whether a PAGA Employee's Individual Settlement Check has been cashed, he or she will be deemed to be bound to this Settlement, the release provided herein, and the Court's Approval Order.

6. Disputes Relating to Settlement Administration. Any disputes concerning administration of the Settlement which cannot be resolved by the Parties shall be submitted to and resolved by the Court.

7. Settlement Administrator's Tax Reporting. The Settlement Administrator shall be responsible for providing the requisite Form 1099's as required by this Agreement, and the completion of any other steps necessary for compliance with any tax obligations of the Settlement under federal, state, and/or local law, as applicable.

8. Confirmation of Administration of Settlement. Within twenty-one (21) calendar days of distributing the Gross Settlement Fund, the Settlement Administrator shall provide to Plaintiff's and Defendants' Counsel a written declaration verifying that it effected disbursement of the Gross Settlement Fund pursuant to the terms of this Agreement.

9. Dismissal. Within fourteen (14) calendar days of receipt of the Settlement Administrator's declaration confirming Defendant's funding of the Settlement and the Settlement Administrator's disbursement of the Gross Settlement Fund, and provided Defendant has also

issued payment to Plaintiff as set forth in Plaintiff's General Release Agreement, Plaintiff shall file a Request for Dismissal of the Action in its entirety, with prejudice.

VII. ADDITIONAL TERMS.

1. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

2. No Admission. Nothing contained herein, nor is the consummation of this Settlement, to be construed or deemed an admission with respect to liability, culpability, negligence, or wrongdoing on the part of Defendants, Released Parties, Plaintiff, Plaintiff's Counsel, PAGA Employees, or the LWDA. Each of the Parties hereto has entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. Defendants deny that it has engaged in any unlawful activity, that it has failed to comply with the law in any respect, that it has any liability to anyone under the claims asserted in the Action. The Parties agree that this Agreement does not constitute an admission by Defendants or any of the Released Parties of any of the matters alleged in the Action or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiff, Defendants or any of the Released Parties.

3. Nullification. If the Court should fail to approve the Settlement as agreed upon by the Parties, the Parties shall coordinate efforts to address the Court's questions or concerns and work jointly to make reasonable efforts to remedy the Settlement in order to obtain the Court's approval. If the Parties cannot resolve the issues identified by the Court in denying approval, the Parties shall be restored to their litigation positions and all funds returned to Defendants. If, after the Parties make a second attempt to obtain approval of the material terms of the Settlement, unless the Parties specifically agree to continue with their coordinated efforts to obtain Court approval, the Court fails to approve the material terms of the settlement in the form agreed to by the Parties (except for the amount of Attorneys' Fees and Costs requested by Plaintiff's Counsel), or if the Court's approval of this Agreement is reversed, modified, or declared or rendered void, then: (a) this Agreement shall be considered null and void; (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (c) all Parties to this Agreement

shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Agreement, except for the amount of the Attorneys' Fees and Costs, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

4. Attorneys' Fees, Costs And Expenses. Except as specifically set forth herein, each Party shall bear its/his/her own attorneys' fees, costs and expenses, taxable or otherwise, incurred by him/her/it/them arising out of the Action, and shall not seek reimbursement thereof from any other party to this Agreement, unless otherwise specifically stated.

5. Enforcement And Continuing Jurisdiction Of The Court. The Parties agree that upon approval by the Court, this Agreement shall be enforceable by the Court, and the Court shall retain exclusive and continuing equity jurisdiction pursuant to California Code of Civil Procedure § 664.6 of this action over all Parties and PAGA Employees to interpret and enforce the terms, conditions, and obligations set forth in this Agreement.

6. Severability. The Parties agree that if any immaterial provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions, and the remaining provisions shall be deemed enforceable.

7. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Plaintiff and Defendants regarding the settlement of the Released Claims and that this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding the resolution of the Released Claims.

8. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, no presumption for or against any Party arising out of drafting all or any part of this Agreement may be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the Parties hereby waive the benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract should be interpreted against the Party who caused the uncertainty to exist

9. Non-Evidentiary Use. Neither the existence of this Agreement, the terms of this Agreement, the negotiation and execution of this Agreement, all acts performed or documents

executed pursuant to or in furtherance of this Agreement, nor the settlement of the Action shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Plaintiff, the LWDA, Defendants or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, culpability, fault, wrongdoing, omission, concession, or damage, or of the truth of any of the factual allegations in the Operative Complaint in the Action; (b) disclosed, referred to, or offered in evidence against Plaintiff, the LWDA, or any of the Released Parties in any further proceeding in the Action, or any other civil, criminal, or administrative action or proceeding in any court, administrative agency or other tribunal except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendants to attempt to establish that a PAGA Employee has resolved or been compensated for any claims made by that employee; and (c) deemed to be, nor used as, an admission or evidence of the appropriateness of these or similar claims for representative treatment, class certification or administration other than for purposes of administering this Settlement. Nothing herein shall constitute an admission by Defendants that the Action was properly brought as a representative action other than for settlement purposes.

10. Choice Of Law. The rights and obligations of the Parties under this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. California law shall govern the interpretation of this Agreement even if a choice of law analysis under state or federal law would dictate that another forum's law be applied.

11. Cooperation. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

12. Captions And Headings. Paragraph titles, captions, or headings contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

13. Modification. This Agreement may not be changed, altered, waived, or modified, except in writing and signed by counsel for the Parties hereto, and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

14. Binding. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

15. No Publication. The Parties will, and will cause all their respective current or past counsel to: (i) maintain in confidence and not publish or otherwise disclose to any third party the terms of this Agreement or any related information, except as necessary to obtain Court approval as contemplated by this Agreement; (ii) not publish the fact and/or terms of this Agreement or any related information on their website(s), for advertising purposes and/or in publication materials generally available to the public. Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement will be admissible and subject to disclosure in any proceeding to enforce its terms.

16. Electronic Signatures and Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties. The counterparts may be executed and/or transmitted electronically or by facsimile.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement and Release as of the date set forth below.

PLAINTIFF REBEKAH SOLIS

DATED: Aug 20, 2021



Rebekah Solis (Aug 20, 2021 05:49 PDT)
Rebekah Solis

**DEFENDANT MORGAN THOMAS
CAVANAUGH, VMD, INC.**

DATED: _____

By: Morgan Thomas Cavanaugh, President

DEFENDANT MORGAN THOMAS

DATED: _____

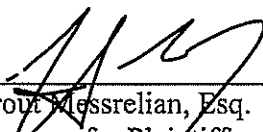
Morgan Thomas Cavanaugh

APPROVED AS TO FORM AND CONTENT:

DATED: 08/18/2021

MESSRELIAN LAW INC.

By:



Harout Messrelian, Esq.
Attorneys for Plaintiff

DATED: _____

LANDEGGER VERANO & DAVIS, ALC

By:

Alfred J. Landegger, Esq.
Marie D. Davis, Esq.
Evelyn Zarraga, Esq.
Attorneys for Defendants

14. Binding. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

15. No Publication. The Parties will, and will cause all their respective current or past counsel to: (i) maintain in confidence and not publish or otherwise disclose to any third party the terms of this Agreement or any related information, except as necessary to obtain Court approval as contemplated by this Agreement; (ii) not publish the fact and/or terms of this Agreement or any related information on their website(s), for advertising purposes and/or in publication materials generally available to the public. Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement will be admissible and subject to disclosure in any proceeding to enforce its terms.

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IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement and Release as of the date set forth below.

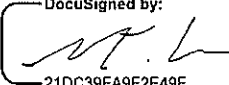
PLAINTIFF REBEKAH SOLIS

DATED: _____

Rebekah Solis

**DEFENDANT MORGAN THOMAS
CAVANAUGH, VMD, INC.**

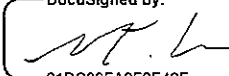
DATED: 8/27/2021

DocuSigned by:

21DC39FA9F2E49F

By: Morgan Thomas Cavanaugh, President

DEFENDANT MORGAN THOMAS

DATED: 8/27/2021 _____

DocuSigned by:

21DC39FA9F2F49F

Morgan Thomas Cavanaugh

APPROVED AS TO FORM AND CONTENT:

DATED: _____

MESSRELIAN LAW INC.

By: _____
Harout Messrelian, Esq.
Attorneys for Plaintiff

DATED: 8/26/2021 _____

LANDEGGER VERANO & DAVIS, ALC

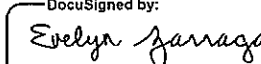
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By: _____
Alfred J. Landegger, Esq.
Marie D. Davis, Esq.
Evelyn Zarraga, Esq.
Attorneys for Defendants

EXHIBIT B

Exhibit A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual Settlement Payment from *Rebekah Solis v. Morgan Thomas Cavanaugh, VMD, Inc.*
Los Angeles County Superior Court, Case No. 21STCV17060

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> ("Individual Settlement Check"). This check is your payment from the settlement of a lawsuit entitled *Rebekah Solis v. Morgan Thomas Cavanaugh, VMD, Inc.*, Case No. 21STCV17060 ("Action"), pending in the Superior Court of California for the County of Los Angeles ("Court").

The lawsuit was filed by Rebekah Solis ("Plaintiff"), an employee of *Morgan Thomas Cavanaugh, VMD, Inc. and Morgan Thomas* ("Defendants"), on behalf of the State of California with respect to herself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). Plaintiff alleged that Defendants violated multiple provisions of the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay for all hours worked, pay all minimum wages, pay all overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, reimburse necessary business expenses, timely pay all wages during employment and upon separation of employment, provide compliant wage statements, and keep requisite work records. Defendants deny these allegations and deny any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendants, on behalf of Plaintiff, the State of California, and the following aggrieved employees: all current and former non-exempt employees who worked for Defendants within the State of California between March 1, 2020 through July 15, 2021 ("PAGA Employees").

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the PAGA Employees. You are receiving a portion of the settlement (the enclosed Individual Settlement Check) because you have been identified as a PAGA Employee. Your Individual Settlement Check is based on the total number of pay periods that you worked as a PAGA Employee during the period between March 1, 2020 through July 15, 2021 ("PAGA Period"). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The "Released Parties" means means and refers to Defendants, and their respective agents, attorneys, insurers, past, present and future divisions, affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them, including, without limitation, Morgan Cavanaugh. The "Released Claims" means and refers to any and all claims, demands, rights, liabilities and causes of action under the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.*, that are based upon or arise from the factual allegations in the Operative Complaint and/or Notice to the LWDA, arising during and/or with respect to the PAGA Period, including without limitation, claims for civil penalties under the PAGA for the alleged failure to properly pay for all hours worked, pay minimum all wages, pay all overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, reimburse necessary business expenses, timely pay all wages during employment and upon separation of employment, provide compliant wage statements, and keep requisite work records, and for civil penalties for violation of and/or based on California Labor Code §§ 201, 202, 203, 204, 204b, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197.1, 1198, 2802, and all applicable Wage Orders, and all claims for attorneys' fees and costs and statutory interest in connection therewith. **By cashing your Individual Settlement Check, you are not giving up any right to sue for damages arising out of any individual claims that you may have against Defendants.**

Your Individual Settlement Check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual Settlement Check will be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in the name of the PAGA Employee whose check is voided.

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.