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

SERGIO LOPEZ, an individual, on behalf of
himself, the State of California, as a private
attorney general, and on behalf of all others
similarly situated,

Plaintiff,

v.

PRAESIDIUM DIAGNOSTICS LLC, a
California Limited Liability Company;
SAMEDAY HEALTH, an Unknown Entity;
FELIX HUETTENBACH, an Individual; and
DOES 1 TO 50,

Defendants.

Case Number: 20STCV08378

**Settlement Agreement and Release of Class
Action**

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SETTLEMENT AGREEMENT AND RELEASE OF CLASS ACTION

This Settlement Agreement and Release of Class Action (“Settlement Agreement”) is made and entered into by: **(1)** Plaintiff Sergio Lopez (“Plaintiff”), individually and in his representative capacity on behalf of the Settlement Class, as defined below, and as a private attorney general on behalf of the State of California; and **(2)** Defendants Praesidium Diagnostics LLC, Sameday Health, and Felix Huettenbach (collectively, “Defendants”). This Settlement Agreement is subject to the approval of the Court, pursuant to California Rules of Court, rule 3.769, subdivisions (c), (d), and (e), and is made for the sole purpose of attempting to consummate settlement of the action on a class-wide basis subject to the following terms and conditions. As detailed below, in the event the Court does not enter an order granting final approval of this Settlement Agreement or the conditions precedent are not met for any reason, this Settlement Agreement is void and of no force or effect whatsoever.

1. DEFINITIONS

As used in this Settlement Agreement, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Settlement Agreement are not specifically defined below, but are defined elsewhere in this Settlement Agreement, they are incorporated by reference into this definition section.

1.1. ACTION

“Action” shall mean the following civil action: *Sergio Lopez v. Praesidium Diagnostics LLC, et al.*, case number 20STCV08378, filed on March 2, 2021, in the Superior Court of California for the County of Los Angeles.

1.2. ADMINISTRATIVE EXPENSES

“Administrative Expenses” shall include all costs and expenses associated with and paid to the third-party settlement administrator, which are anticipated not to exceed \$18,000.00.

1.3. APPLICABLE WAGE ORDERS

“Applicable Wage Orders” shall mean the California Industrial Welfare Commission (“IWC”) Wage Orders applicable to the facts of this case, including IWC Wage Orders 2-2001, 4-2001, and 17-2001 and others that may be applicable. (Cal. Code of Regs., tit. 8, §§ 11020, 11040, 11170.)

1 **1.4. CLAIMS**

2 “Claims” shall mean the claims asserted in the Action.

3 **1.5. CLASS ATTORNEY FEES AND EXPENSES**

4 “Class Attorney Fees and Expenses” shall mean the portion of the Gross Settlement Amount
5 attributable to attorney fees and litigation expenses. The Parties agree that the fee portion of the Class
6 Attorney Fees and Expenses shall be up to one-third of the Gross Settlement Amount (i.e.,
7 \$100,000.00), as approved by the Court, and the award of costs and expenses shall be up to an
8 additional \$15,000.00.

9 **1.6. CLASS COUNSEL**

10 “Class Counsel” shall mean Jonathan Melmed and Kyle Smith of Melmed Law Group P.C.

11 **1.7. CLASS MEMBER**

12 “Class Member” shall mean any person who is a prospective member of the Settlement Class,
13 or, if such person is incompetent or deceased, the person’s legal guardian, executor, heir, or successor-
14 in-interest.

15 **1.8. CLASS NOTICE**

16 “Class Notice” shall mean the *Notice of Proposed Class Action Settlement*, as set forth in the
17 form of **Exhibit 1** attached hereto, or as otherwise approved by the Court, which is to be mailed to
18 Class Members along with the Share Form.

19 **1.9. CLASS PARTICIPANTS**

20 “Class Participants” shall mean all Class Members who do not timely request exclusion from
21 the Class Settlement.

22 **1.10. CLASS PERIOD**

23 “Class Period” shall mean the period from September 1, 2020, through January 31, 2021.

24 **1.11. CLASS REPRESENTATIVE**

25 “Class Representative” shall mean Plaintiff Sergio Lopez.

26 **1.12. CLASS SETTLEMENT**

27 “Class Settlement” shall mean the settlement embodied in this Settlement Agreement, which is
28 subject to Court approval.

1 **1.13. COMPLAINT**

2 “Complaint” shall mean the currently-operative complaint in the Action.

3 **1.14. COURT**

4 “Court” shall mean the Superior Court of the County of Los Angeles.

5 **1.15. DEFENDANTS**

6 “Defendants” shall mean Defendants Praesidium Diagnostics LLC, Sameday Health, and Felix
7 Huettenbach.

8 **1.16. DEFENSE COUNSEL**

9 “Defense Counsel” shall mean the attorneys representing Defendants.

10 **1.17. EFFECTIVE DATE**

11 “Effective Date” shall be the date when all of the following events have occurred: **(a)** this
12 Settlement Agreement has been executed by all Parties and by Class Counsel and Defense Counsel;
13 **(b)** the Court has given preliminary approval to the Class Settlement; **(c)** notice has been given to the
14 Settlement Class providing them with an opportunity to request exclusion from the Class Settlement;
15 **(d)** the Court has held a Final Approval and Fairness Hearing and entered a final order and judgment
16 certifying the Settlement Class and approving this Settlement Agreement; and **(e)** the later of the
17 following events: **(i)** the expiration of the period for filing any appeal, writ, or other appellate
18 proceeding opposing the Class Settlement has elapsed without any appeal, writ, or other appellate
19 proceeding having been filed; **(ii)** the dismissal of any appeal, writ, or other appellate proceeding
20 opposing the Class Settlement with no right to pursue further remedies or relief; or **(iii)** any appeal,
21 writ, or the issuance of such other final appellate order upholding the Court’s final order with no right
22 to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Class
23 Settlement shall not become effective until the Court’s order approving the Class Settlement is
24 completely final and there is no further recourse by an appellant or objector who seeks to contest the
25 Class Settlement. In the event no objections are filed, the Effective Date shall be after steps (a) through
26 (d) are completed (i.e., the date that the court has entered a final order and judgment certifying the
27 Settlement Class and approving this Settlement Agreement).

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1.18. PARTICIPANT'S TAXES AND REQUIRED WITHHOLDING

"Participant's Taxes and Required Withholding" shall mean the Class Participant's share of any and all applicable federal, state, or local payroll taxes, including those collected under authority of the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), and/or the State Unemployment Tax Act (SUTA) on the portion of any Class Participant's Individual Settlement Amount that constitutes wages. The Participant's Taxes and Required Withholdings will be withheld from and paid out of the Net Settlement Amount.

1.19. DEFENDANTS' TAXES

"Defendants' Taxes" shall mean and refer to Defendants' share of payroll taxes (e.g., Unemployment Insurance, Employment Training Tax, Social Security, and Medicare taxes) that is owed on the portion of any Class Participant's Individual Settlement Amount that constitutes wages, if any. The Defendants' Taxes, if any, shall be separately paid by Defendants and shall not be paid from the Gross Settlement Amount or Net Settlement Amount.

1.20. FINAL APPROVAL AND FAIRNESS HEARING

"Final Approval and Fairness Hearing" shall mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class Settlement.

1.21. GROSS SETTLEMENT AMOUNT

"Gross Settlement Amount" is the agreed upon non-reversionary settlement amount totaling \$300,000.00 to be paid by Defendants in full settlement of the Released Claims asserted in this case, inclusive of the Administrative Expenses, the Participant's Taxes and Required Withholdings, the Class Attorney Fees and Expenses, the Incentive Award, and PAGA Payment. Defendants shall separately pay its share of the Defendants' Taxes, if any, in addition to the Gross Settlement Amount on the portion of each Individual Settlement Amount allocated as wages.

1.22. HEARING ON PRELIMINARY APPROVAL

"Hearing on Preliminary Approval" shall mean the hearing held on the motion for preliminary approval of the Class Settlement.

1.23. INCENTIVE AWARD

“Incentive Award” shall mean any additional monetary payment provided to the Class Representative for his efforts and risks on behalf of the Settlement Class in this Action.

1.24. INDIVIDUAL SETTLEMENT AMOUNT

“Individual Settlement Amount” shall mean the amount which is ultimately distributed to each Class Participant, less any Participant’s Taxes and Required Withholdings. The Individual Settlement Amount does not include any portion of the PAGA Payment.

1.25. NET SETTLEMENT AMOUNT

“Net Settlement Amount” shall mean the Gross Settlement Amount minus: Administrative Expenses; Class Attorney Fees and Expenses; 75% of the share of the Gross Settlement Amount allocated toward penalties pursuant to the Labor Code Private Attorney General Act of 2004 (“PAGA”), codified at Labor Code sections 2698 through 2699.6, which are payable to the California Labor and Workforce Development Agency (“LWDA”); and Plaintiff’s Incentive Award.

1.26. OPT OUT

“Opt Out” shall refer to the process of submitting a timely and valid request exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

1.27. OPT-OUTS

“Opt-Outs” shall mean all persons who timely and validly request exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

1.28. PAGA PAYMENT

“PAGA Payment” means the penalties pursuant to PAGA that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$5,000.00) to the PAGA Settlement Class. Class Counsel shall give timely notice of this Settlement Agreement to the LWDA pursuant to Labor Code section 2699, subdivision (l)(2).

1.29. PAGA PERIOD

“PAGA Period” shall mean the period from September 1, 2020, through January 31, 2021.

1.30. PAGA SETTLEMENT CLASS

“PAGA Settlement Class” shall mean all individuals who worked for Defendants as independent contractors in California during the period from September 1, 2020, through January 31, 2021. Defendants represent that the PAGA Settlement Class consists of approximately 154 individuals that worked a total of approximately 308 pay periods during the PAGA Period.

1.31. PARTIES

“Parties” shall mean Plaintiff and Defendants.

1.32. PLAINTIFF

“Plaintiff” shall mean Plaintiff Sergio Lopez.

1.33. PRELIMINARY APPROVAL DATE

“Preliminary Approval Date” shall mean the date upon which the Court enters an order preliminarily approving this Settlement Agreement.

1.34. RELEASED CLAIMS

“Released Claims” shall mean those claims arising out of or related to the allegations set forth in the Complaint (filed March 2, 2021) and/or PAGA notice to the LWDA, which arose during the Class Period, including claims for: **(1)** willful misclassification as independent contractors in violation of Labor Code sections 226.8 and 2775; **(2)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194, 1194.2, 1197, and the Applicable Wage Orders; **(3)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1194, 1197, 1198, and the Applicable Wage Orders; **(4)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code sections 226.7 and 512 and the Applicable Wage Orders; **(5)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; **(6)** failure to maintain accurate employment records in violation of Labor Code section 1174; **(7)** failure to pay timely wages during employment in violation of Labor Code sections 204 and 210; **(8)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(9)** failure to reimburse

1 business expenses in violation of Labor Code sections 2802 and 2804; **(10)** failure to provide complete
2 and accurate wage statements in violation of Labor Code sections 226 and 226.3; **(11)** deceptive,
3 fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's
4 Unfair Competition Law (Bus. & Prof. Code, §§ 17200, et seq.); **(12)** statutory penalties based on the
5 foregoing pursuant to PAGA (Lab. Code, §§ 2698-2699.6); and **(13)** all claims for liquidated damages,
6 penalties, interest, fees, and costs based on the foregoing.

7 No other claims are released other than those claims specifically plead in the Complaint or
8 otherwise specifically identified in this Settlement Agreement. This Settlement Agreement will not
9 release any person, party, or entity from claims, if any, by Class Members for workers compensation,
10 unemployment, or disability benefits of any nature. Nor does it release any claims, actions, or causes
11 of action which may be possessed by Class Members under state or federal discrimination statutes,
12 including, without limitation, the California Fair Employment and Housing Act (Gov. Code, §§ 12900–
13 12996); the Unruh Civil Rights Act (Civ. Code, § 51); the California Constitution; Title VII of the Civil
14 Rights Act of 1964 (42 U.S.C. § 2000, et seq.); the Americans with Disabilities Act (42 U.S.C. § 12101,
15 et seq.); the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1001, et seq.); and all of
16 their implementing regulations and interpretive guidelines.

17 **1.35. RELEASED PARTIES**

18 “Released Parties” shall mean Defendants and all of Defendants’ subsidiaries, affiliates,
19 shareholders, members, agents, predecessors, successors, and assigns.

20 **1.36. RELEASING PARTIES**

21 “Releasing Parties” shall mean every Class Participant and all persons purporting to act on their
22 behalf or purporting to assert a claim under or through them, including, but not limited to, their
23 dependents, heirs, assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees,
24 conservators, guardians, personal representatives, and successors-in-interest, whether individual, class,
25 representative, legal, equitable, direct or indirect, or any other type or in any other capacity.
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27
28

1.37. RESPONSE DEADLINE

“Response Deadline” shall mean the date forty-five (45) days following the date on which the Settlement Administrator first mails Class Notice to the Class Members and the last day on which Class Members may submit a request for exclusion and/or objection to Class Settlement.

1.38. SETTLEMENT ADMINISTRATOR

“Settlement Administrator” shall mean ILYM Group, Inc. (or other administrator agreed on by the parties) which the Parties have agreed will be responsible for administration of the Class Settlement and related matters.

1.39. SETTLEMENT CLASS

“Settlement Class” shall mean all individuals who worked for one or more of the Defendants as an independent contractor in California during the period from September 1, 2020, through January 31, 2021. Defendants represent that the Settlement Class consists of approximately 154 Class Members that worked a total of approximately 500 workweeks during the Class Period.

1.40. SHARE FORM

“Share Form” shall mean the *Class Action Settlement Share Form*, as set forth in the form of **Exhibit 2** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class Members along with the Class Notice.

2. FACTUAL AND PROCEDURAL BACKGROUND

2.1. PLAINTIFF’S CLAIMS

Plaintiff, individually and in his representative capacity on behalf of the Settlement Class, and as a private attorney general on behalf of the State of California, has alleged the following violations: **(1)** willful misclassification as independent contractors in violation of Labor Code sections 226.8 and 2775; **(2)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194, 1194.2, 1197, and the Applicable Wage Orders; **(3)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1194, 1197, 1198, and the Applicable Wage Orders; **(4)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code sections 226.7 and 512 and the Applicable Wage Orders; **(5)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage

1 Orders; **(6)** failure to maintain accurate employment records in violation of Labor Code section 1174;
 2 **(7)** failure to pay timely wages during employment in violation of Labor Code sections 204 and 210;
 3 **(8)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202,
 4 and 203; **(9)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804;
 5 **(10)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226
 6 and 226.3; **(11)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing
 7 in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200, et seq.);
 8 **(12)** statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698-2699.6); and
 9 **(13)** all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing.

10 **2.2. DISCOVERY, INVESTIGATION, RESEARCH, AND MEDIATION**

11 Class Counsel has conducted significant informal discovery during the prosecution of the
 12 Action. This discovery, investigation, and prosecution has included, among other things, **(a)** over a
 13 dozen telephonic conferences with Plaintiff; **(b)** inspection and analysis of hundreds of pages of
 14 documents and other information produced by Plaintiff and Defendants; **(c)** analysis of work-related
 15 data from a sample of Class Members; **(d)** an analysis of the legal positions taken by Defendants;
 16 **(d)** investigation into the viability of class treatment of the claims asserted in the Action; **(e)** analysis
 17 of potential class-wide damages, including information sufficient to understand Defendants' potential
 18 defenses to Plaintiff's claims; **(f)** research of the applicable law with respect to the claims asserted in
 19 the Complaint and the potential defenses thereto; and **(g)** assembling and analyzing of data for
 20 calculating damages.

21 Class Counsel and the Class Representative have vigorously prosecuted this case, and
 22 Defendants has vigorously contested it. The Parties have engaged in sufficient investigation and
 23 discovery to assess the relative merits of the claims of the Class Representative and of the defenses to
 24 them. After such discovery, investigation, and prosecution, the Parties attended a full-day mediation
 25 with an experienced employment law mediator, which culminated in a settlement in principal, the terms
 26 of which are elaborated in this Settlement Agreement.

1 **2.3. ALLEGATIONS OF THE CLASS REPRESENTATIVE AND BENEFITS OF**
2 **CLASS SETTLEMENT**

3 The document and data exchange in this matter, as well as discussions between counsel, have
4 been adequate to give the Class Representative and Class Counsel a sound understanding of the merits
5 of their positions and to evaluate the value of the claims of the Settlement Class. The informal discovery
6 conducted in this Action and the information exchanged by the Parties through pre-mediation
7 discussions are sufficient to reliably assess the merits of the Parties' respective positions and to
8 compromise the issues on a fair and equitable basis.

9 The Class Representative and Class Counsel believe that the claims, causes of action,
10 allegations, and contentions asserted in the Action have merit. However, the Class Representative and
11 Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings
12 necessary to prosecute the Action against Defendants through trial and through appeals. Class Counsel
13 has taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex
14 actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential
15 difficulty of obtaining certification of the Settlement Class as well as trying the claims of the class.
16 Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims
17 alleged in the Action.

18 The Class Representative and Class Counsel believe that the settlement set forth in this
19 Settlement Agreement confers substantial benefits upon Plaintiff and the Settlement Class and that an
20 independent review of this Settlement Agreement by the Court in the approval process will confirm
21 this conclusion. Based on their own independent investigation and evaluation, Class Counsel has
22 determined that the settlement set forth in this Settlement Agreement is in the best interests of Plaintiff
23 and the Class Members.

24 **2.4. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

25 Defendants have denied and continue to deny all allegations, claims, and contentions alleged
26 by Plaintiff in the Action. Defendants have expressly denied and continue to deny all charges of
27 wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions
28

1 alleged in the Action. Defendants contend that they complied with California and federal wage and
2 hour laws and have dealt legally and fairly with Plaintiff and the Class Members.

3 Defendants further deny that, for any purpose other than settling this Action, these claims are
4 appropriate for class or representative treatment. Nonetheless, Defendants have concluded that further
5 proceedings in the Action would be protracted and expensive and that it is desirable that the Action be
6 fully and finally settled in the manner and upon the terms and conditions set forth in this Settlement
7 Agreement to dispose of burdensome and protracted litigation, to permit the operation of Defendants'
8 respective businesses without further expensive litigation and the distraction and diversion of their
9 personnel with respect to matters at issue in the Action. Defendants have also taken into account the
10 uncertainty and risks inherent in any litigation, especially in complex cases such as the Action.
11 Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be
12 settled in the manner and upon the terms and conditions set forth in this Settlement Agreement.

13 **2.5. INTENT OF THE CLASS SETTLEMENT**

14 The Class Settlement set forth herein intends to achieve the following: **(1)** entry of an order
15 approving the Class Settlement; **(2)** entry of judgment of the Action; and **(3)** discharge of the Released
16 Parties from liability for any and all claims arising out of the Action and any and all of the Released
17 Claims.

18 **3. CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS**

19 For the purposes of this Settlement Agreement and the Class Settlement of this Action only, the
20 Parties agree to conditional class certification of the Settlement Class. Defense Counsel believes this
21 conditional certification is appropriate because the Released Claims are being compromised without
22 need to establish the elements of those claims on which liability turns. The conditional certification of
23 the Settlement Class shall not constitute, in this or any other proceeding, an admission of any kind by
24 Defendants, including without limitation that: **(a)** certification of a class for trial purposes is or would
25 be warranted, appropriate or proper; or **(b)** Plaintiff could establish any of the requisite elements for
26 class treatment of any of the claims in the Action.

27 In the event that the Settlement Agreement is not finally approved by the Court, a Final
28 Effective Date is not achieved, or the Class Settlement is rejected, terminated, or otherwise rendered

1 null and void as set forth herein, then certification of the Settlement Class shall be automatically
2 vacated, shall be void *ab initio*, of no force or effect, and shall not constitute evidence or a binding
3 determination that the requirements for certification of a class for trial purposes in this Action or in any
4 other action have been, are, or can be satisfied. Further, if the Agreement does not reach a Final
5 Effective Date, Plaintiff agrees that Plaintiff will not argue, claim, reference, or otherwise raise any
6 preliminary approval of the Settlement Class in connection with any later proceeding before the Court.

7 **4. APPOINTMENT OF CLASS COUNSEL**

8 For purposes of this Settlement Agreement only, and subject to the Court's approval, the Parties
9 agree to the appointment of Class Counsel as counsel for the Settlement Class and the effectuation of
10 the Class Settlement pursuant to this Settlement Agreement.

11 **5. CONSIDERATION**

12 **5.1. SETTLEMENT AMOUNT**

13 The Parties agree to settle this Action for the Gross Settlement Amount of \$300,000.00. There
14 shall be no reversion to Defendants. Defendants shall pay the Gross Settlement Amount in full. The
15 Gross Settlement Amount and other actions and forbearances taken by Defendants shall constitute
16 adequate consideration for the Class Settlement and will be made in full and final settlement of: the
17 Released Claims, the Class Attorney Fees and Expenses, Administrative Expenses, the Incentive
18 Award, the PAGA Payment (and any payments to individual PAGA Class Members resulting from the
19 PAGA Payment), and any other obligation of Defendants under this Settlement Agreement (other than
20 the Defendants' Taxes on the portion of the Net Settlement Amount allocated to the payment of wages).

21 After the Court issues an order preliminarily approving this Class Settlement, the Settlement
22 Administrator will distribute the Class Notice to the Class Members, which shall describe the terms of
23 the Class Settlement and procedures to Opt Out, object, or participate in the Class Settlement as well
24 as the Share Form, which shall identify the Class Member, the number of workweeks worked by each
25 Class Member ("Workweeks"), as well as the estimated amount of the Individual Settlement Amount
26 the Class Member can expect to receive once the Class Settlement becomes effective on the Effective
27 Date. Class Members shall be given the opportunity to challenge their Workweeks information.
28

5.2. INCENTIVE AWARD FOR PLAINTIFF

Plaintiff may petition the Court to approve an Incentive Award in an amount up to \$5,000.00 for Sergio Lopez to acknowledge his efforts on behalf of the Settlement Class in this Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents to Class Counsel. Defendants shall not oppose any request by Plaintiff for an Incentive Award in such an amount. Any Incentive Award approved by the Court shall be paid to Plaintiff from the Gross Settlement Amount and shall be in addition to any distribution to which he may otherwise be entitled as a Class Participant. Any Incentive Award approved by the Court shall not be considered wages, and the Settlement Administrator shall issue to Plaintiff an IRS Form 1099 reflecting such payment. Plaintiff shall be responsible for the payment of all taxes with respect to any Incentive Award approved by the Court and shall hold the Released Parties harmless from all liability with regard thereto.

5.3. PAYMENT TO CLASS PARTICIPANTS

Each Class Participant shall be eligible to receive payment of the Individual Settlement Amount, which is a share of the Net Settlement Amount based on the pro rata number of weeks worked by the Class Members during the Class Period as a proportion of all weeks worked by all Class Members. Each Class Participant, including Plaintiff, shall be responsible for the payment of the Participant's Taxes and Required Withholding with respect to his or her Individual Settlement Amount and shall hold the Released Parties harmless from any and all liability with regard thereto.

5.4. PAYMENT TO PAGA SETTLEMENT CLASS

Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA Payment. The PAGA Payment shall consist of the penalties pursuant to PAGA that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment must be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$5,000.00) to the PAGA Settlement Class. The portion of the PAGA Payment allocated to the PAGA Settlement Class shall be distributed to the PAGA Settlement Class based on the pro rata number of pay periods worked by each particular PAGA Settlement Class

1 member during the PAGA Period as a proportion of all pay periods worked by all members of the
2 PAGA Settlement Class.

3 **5.5. TAX TREATMENT AND PAYMENT**

4 For the purpose of calculating Defendants' Taxes and Participant's Taxes and Required
5 Withholding for the Individual Settlement Amounts for Class Participants (including any payments to
6 the Class Representative but exclusive of his Incentive Award), the Parties agree that zero percent (0%)
7 of each Individual Settlement Amount shall constitute payment in the form of wages, one hundred
8 percent (100%) of each Individual Settlement Amount shall constitute penalties and interest, and each
9 Class Participant will be issued an IRS Form 1099 for such payment to him or her. Prior to final
10 distribution, the Settlement Administrator shall calculate the total Participant's Taxes and Required
11 Withholding due as a result of the wage portion of Class Participants' anticipated Individual Settlement
12 Amounts, if any, and such actual amount will be deducted from the Net Settlement Amount.
13 Additionally, prior to the funding of the Gross Settlement Amount and final distribution, the Settlement
14 Administrator shall calculate the total Defendants' Taxes due on the wage portion of the Class
15 Participants' Individual Settlement Amounts, if any, and issue instructions to Defendants to separately
16 fund these tax obligations/withholdings, if applicable. The Parties understand that Plaintiff and the
17 Class Participants who receive any payment pursuant to this Settlement Agreement shall be solely
18 responsible for all other individual tax obligations.

19 With respect to the PAGA Payment and any payments made to individual members of the
20 PAGA Settlement Class, all such payments shall be treated as payments owing for penalties and interest
21 thereon and shall not be considered wages. The Settlement Administrator shall issue to members of the
22 PAGA Settlement Class an IRS Form 1099 reflecting such payment. Members of the PAGA Settlement
23 Class shall be solely responsible for the payment of all taxes with respect to any PAGA payments made
24 to them.

25 **5.6. NO EFFECT ON EMPLOYEE BENEFIT PLANS**

26 Neither the Class Settlement nor any amounts paid under the Class Settlement will modify any
27 previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus
28 program sponsored by Defendants. Such amounts will not form the basis for additional contributions

1 to, benefits under, or any other monetary entitlement under Defendants' sponsored benefit plans,
2 policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall
3 not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any
4 other form of compensation for the purposes of any of Defendants' benefit plan, policy, or bonus
5 program. Defendants retain the right to modify the language of their benefits plans, policies, and bonus
6 programs to reflect this intent and to make clear that any amounts paid pursuant to this Settlement
7 Agreement are not for "weeks worked," "weeks paid," "weeks of service," or any similar measuring
8 term as defined by applicable plans, policies, and bonus programs for purpose of eligibility, vesting,
9 benefit accrual, or any other purpose, and that additional contributions or benefits are not required by
10 this Settlement Agreement. Defendants do not consider the Class Settlement payments "compensation"
11 for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or
12 bonus programs, or any other plan sponsored by Defendants.

13 **5.7. CLASS ATTORNEY FEES AND EXPENSES**

14 As part of the motion for final approval of the Class Settlement, Class Counsel may apply for
15 an award of Class Attorney Fees and Expenses with the fee portion not to exceed one-third of the Gross
16 Settlement Amount (i.e., \$100,000.00) and the award of costs and expenses up to an additional
17 \$15,000.00. Defendants agree to not object to any such fee, cost, or expense application in those
18 amounts.

19 As a condition of this Class Settlement, Class Counsel has agreed to pursue fees only in the
20 manner reflected by this subsection. Any Class Attorney Fees and Expenses awarded by the Court shall
21 be paid from the Gross Settlement Amount prior to arriving at the Net Settlement Amount and shall
22 not constitute payment to any Class Members. If Class Counsel voluntarily reduces the request for
23 Class Attorney Fees and Expenses or the Court's award of Class Attorney Fees and Expenses is less
24 than set forth above, the Net Settlement Amount shall be recalculated to reflect the actual Class
25 Attorney Fees and Expenses awarded.

26 The Class Attorney Fees and Expenses approved by the Court shall reflect: **(a)** all work
27 performed and costs and expenses incurred by, or at the direction of, any attorney purporting to
28 represent the Settlement Class through the date of this Settlement Agreement; **(b)** all work to be

1 performed and costs and expenses to be incurred in connection with approval by the Court of the Class
2 Settlement; (c) all work to be performed and costs and expenses, if any, incurred in connection with
3 administering the Class Settlement through the Effective Date and dismissal of the Action with
4 prejudice; and (d) may be based on the “catalyst theory” and/or the “common fund doctrine.”

5 **6. SETTLEMENT ADMINISTRATION**

6 **6.1. COSTS AND EXPENSES**

7 All costs and expenses due to the Settlement Administrator in connection with its administration
8 of the Class Settlement, including, but not limited to, providing the Class Notice, locating Class
9 Members, processing Opt Out requests and objections, distributing the portion of the PAGA Payment
10 payable to the LWDA, distributing the portion of the PAGA Payment payable to the members of the
11 PAGA Settlement Class, and calculating, administering and distributing Individual Settlement
12 Amounts to the Class Participants and related tax forms, shall be paid from the Gross Settlement
13 Amount, and is not expected to exceed \$18,000.00.

14 **6.2. PAYMENT BY DEFENDANTS**

15 Defendants shall deposit the Gross Settlement Amount in a lump sum payment plus the
16 Defendants’ Taxes, if any, to the Settlement Administrator within fifteen (15) days of the Effective
17 Date. In no event shall Defendants be obligated to pay or deposit with the Settlement Administrator
18 more than \$300,000.00 plus the Defendants’ Taxes, if any, except where the Escalator Provision is
19 triggered, as defined in Section 9.2 of this Settlement Agreement, *infra*.

20 **7. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

21 **7.1. THE SETTLEMENT ADMINISTRATOR**

22 The Settlement Administrator will be responsible for: mailing the Class Notice and Share Form
23 (**Exhibit 1** and **Exhibit 2**, respectively) to Class Members; posting notice of entry of final order and
24 judgment certifying the Class Settlement and approving this Settlement Agreement; handling inquiries
25 from Class Members concerning the Class Notice; determining Individual Settlement Amounts;
26 determining individual payments to members of the PAGA Settlement Class; calculating the total
27 Participant’s Taxes and Required Withholding due as a result of the wage portion of Class Participants’
28 anticipated Individual Settlement Amounts, if any, and deducting such amounts from the Net

1 Settlement Amount; calculating the total Defendants' Taxes due on the wage portion of the Class
2 Participants' Individual Settlement Amounts, if any, and issuing instructions to Defendants to
3 separately fund these tax obligations/withholdings, if applicable; maintaining the settlement funds in
4 an appropriate interest-bearing account; preparing, administrating, and distributing Individual
5 Settlement Amounts to Class Participants; preparing, administrating, and distributing individual
6 payments to members of the PAGA Settlement Class; distributing the portion of the PAGA Payment
7 payable to the LWDA; and issuing a final report and performing such other duties as the Parties may
8 direct. Additionally, the Settlement Administrator will handle all tax document preparation and
9 reporting, including state and federal tax forms, if any.

10 On a weekly basis, the Settlement Administrator will provide written reports to Class Counsel
11 and Defense Counsel with summary information updating them as to the number of validated and
12 timely objections and Opt Out requests. The Settlement Administrator will serve on Class Counsel and
13 Defense Counsel via e-mail date-stamped copies of the original Opt Out requests and objections no
14 later than seven (7) days after their receipt. The Settlement Administrator will provide Class Counsel
15 with proof of mailing of the Class Notice, without listing individual Class Member names, which the
16 Settlement Administrator will file with the Court at the time Class Counsel files Plaintiff's Motion in
17 Support of the Court's Final Approval and Fairness Hearing.

18 No later than seven (7) days prior to the Final Approval and Fairness Hearing, the Settlement
19 Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary
20 information regarding: **(a)** the total amount of final Individual Settlement Amounts of each Class
21 Participant, without any identifying personal information; **(b)** the number of Class Participants to
22 receive such payments; and **(c)** the final number of Opt-Outs and objections.

23 Administrative Expenses are not anticipated to exceed \$18,000.00. Prior to the calculation and
24 distribution of the Individual Settlement Amounts, the Settlement Administrator shall calculate the
25 total Administrative Expenses through the conclusion of their services and such actual amount will be
26 deducted from the Gross Settlement Amount prior to the final calculation of the Individual Settlement
27 Amounts, even if it exceeds the anticipated maximum of \$18,000.00.

7.2. NOTICE TO CLASS MEMBERS

Notice shall be provided to Class Members in the following manner: Within fourteen (14) days after the Preliminary Approval Date, Defendants shall provide the Settlement Administrator with an updated list of Class Members and members of the PAGA Settlement Class containing names, social security numbers, dates worked with one or more Defendants, last-known addresses, and phone numbers (the “Database”). The Database shall be marked “Confidential – Settlement Administrator’s Eyes Only.” Class Counsel shall not receive a copy of this list.

Within twenty-eight (28) days following the Preliminary Approval Date, the Settlement Administrator shall determine the number of workweeks worked by each Class Member, populate the data for each Class Member accordingly, and send each Class Member the Class Notice via first-class, United States mail. The Class Notice shall also contain an easily-understood statement alerting the Class Members that, unless the Class Member elects to Opt Out of the Class Settlement, the Class Member is releasing and waiving all Released Claims against the Released Parties.

The Class Notice will inform Class Members of their estimated share of the settlement and the number of workweeks they worked during the Class Period. Class Members may dispute their workweeks if they believe they worked more weeks in the Class Period than Defendants’ records show by submitting information to the Settlement Administrator no later than forty-five (45) days after being mailed the Class Notice and Share Form by the Settlement Administrator, which is the defined Response Deadline. The Settlement Administrator will jointly work with Plaintiff and Defendants to resolve the dispute in good faith. If Plaintiff and Defendants cannot agree over the workweeks to be credited, the Settlement Administrator shall make the final decision based on the information presented by the Class Member and Defendants.

7.3. OPT-OUT PROCEDURE

Class Members who do not timely Opt Out of the Class Settlement will be deemed to participate in the Class Settlement and shall become Class Participants without having to submit a claim form or take any other action. To Opt Out of the Class Settlement, the Class Member must submit a letter or postcard to the Settlement Administrator by the Response Deadline. The Opt Out request must state

1 the Class Member's name, address, telephone number, and signature, and must also state language
2 identical or effectively congruent in verbiage and substance to the following:

3 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *SERGIO*
4 *LOPEZ V. PRAESIDIUM DIAGNOSTICS LLC, ET AL.* LAWSUIT. I UNDERSTAND
5 THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL
6 NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS
7 LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT HAVE."

8
9 Any Opt Out request that is not postmarked by the Response Deadline will be invalid. In the
10 event that, prior to the Response Deadline, any Class Notice mailed to a Class Member is returned as
11 having been undelivered by the United States Postal Service, the Settlement Administrator shall
12 perform a skip trace search and seek an address correction for such Class Members, and a second Class
13 Notice will be sent to any new or different address obtained within ten (10) days of receiving the
14 undelivered Class Notice. Such Class Members shall have an additional fourteen (14) days in which to
15 Opt Out from the date of the mailing of the second Class Notice.

16 It will be presumed that, if an envelope containing the Class Notice has not been returned within
17 twenty-eight (28) days of the mailing, the Class Member received the Class Notice. At least seven (7)
18 days prior to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class
19 Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard
20 to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall
21 specify the number of Class Members to whom the Class Notice was sent and the number of Class
22 Members to whom the Class Notice was not delivered, as well as information relating to the number
23 of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

24 If the Settlement Administrator determines that an Opt Out request returned by a Class Member
25 before the Response Deadline is deficient, then the Settlement Administrator shall mail a deficiency
26 letter to that Class Member identifying the problem. If a Class Member submits both a dispute and an
27 Opt Out request, the Settlement Administrator shall make reasonable attempts to clarify as if the Opt
28

1 Out request were deficient. If the Class Member fails to cure the deficiency, the Opt Out request shall
2 be disregarded and the claim will be paid, and the Class Member will become bound by the judgment.

3 A request to Opt Out of the Class Settlement shall not serve to exclude the Class Member from
4 participation in the PAGA Settlement Class. Opt-Outs shall still be entitled to their share of the PAGA
5 Payment. Class Members who are also members of the PAGA Settlement Class shall have no right or
6 ability to opt out of the portion of this Settlement Agreement releasing PAGA claims.

7 Class Participants will be bound by the Release of Released Claims set forth in the definition
8 of "Released Claims" provided in this Settlement Agreement.

9 **7.4. OBJECTION PROCEDURE**

10 The Class Notice shall inform the Class Members of their right to object to the Class Settlement.
11 Any Class Member who wishes to object to the Class Settlement may submit a written objection to the
12 Settlement Administrator no later than the Response Deadline. Only Class Participants may object to
13 the Settlement. The objection should include the case name and number and must set forth, in clear and
14 concise terms, a statement of the reasons why the objector believes that the Court should find that the
15 proposed Class Settlement is not in the best interest of the Settlement Class and the reasons why the
16 Class Settlement should not be approved, including the legal and factual arguments supporting the
17 objection. If an objector also wishes to appear at the Final Approval and Fairness Hearing, in person
18 or through an attorney, they may do so. The Settlement Administrator will promptly serve copies of
19 any objection or notice of intention to appear on Class Counsel and Defense Counsel. Class Members
20 wishing to make an objection may appear at the Final Approval and Fairness Hearing, either in person
21 or through a lawyer retained at their own expense.

22 **7.5. NOTICE OF FINAL JUDGMENT**

23 Within ten (10) days after the Court has held a Final and Fairness Approval Hearing and entered
24 a final order certifying the Class for settlement purposes only and approving the Class Settlement, the
25 Settlement Administrator will give notice of judgment to Class Members pursuant to rule 3.771(b) of
26 the California Rules of Court, by posting a copy of said order and final judgment on its website at a
27 web address to be included in the Class Notice.
28

1 **8. CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

2 **8.1. ALLOCATION OF THE GROSS SETTLEMENT AMOUNT**

3 The claims of all Class Members are settled for the Gross Settlement Amount of \$300,000.00,
4 which will be allocated as follows:

- 5 1. The Administrative Expenses, estimated not to exceed \$18,000.00;
- 6 2. Class Counsel's attorney fees not to exceed \$100,000.00;
- 7 3. Class Counsel's litigation costs and expenses not to exceed \$15,000.00;
- 8 4. The Incentive Award, not to exceed \$5,000.00; and
- 9 5. PAGA Payment to LWDA of \$15,000.00.

10 For purposes of calculating the estimated Individual Settlement Amounts, the Settlement
11 Administrator shall calculate the estimated Net Settlement Amount based on the estimated values
12 provided above prior to sending Notice to the Class Members. Prior to final distribution, the Settlement
13 Administrator shall recalculate the final Net Settlement Amount based on the actual values of the
14 amounts in each category.

15 **8.2. CALCULATION OF THE INDIVIDUAL SETTLEMENT AMOUNTS FOR**
16 **CLASS PARTICIPANTS**

17 Individual Settlement Amounts to be paid to Class Participants shall be paid from the Net
18 Settlement Amount. The portion of the Net Settlement Amount shall be distributed pro rata on a
19 "checks cashed" basis based on the proportional number of weeks worked by each Class Member
20 during the Class Period.

21 Defendants will provide the Settlement Administrator with any information reasonably
22 necessary to perform the calculation of number of workweeks for each Class Member, and any other
23 reasonably required information the Settlement Administrator requests to perform the calculations
24 required under this Settlement Agreement. Defendants shall have no responsibility for deciding the
25 validity of the Individual Settlement Amounts or any other payments made pursuant to this Settlement
26 Agreement, shall have no involvement in or responsibility for the determination or payment of
27 Participant's Taxes and Required Withholding (if any), and shall have no liability for any errors made
28 with respect to such Participant's Taxes and Required Withholding. Although the Settlement

1 Administrator will calculate and pay the standard Participant's Taxes and Required Withholding on the
2 portion of the Individual Settlement Amounts constituting wages on their behalf, if any, Plaintiff and
3 Class Participants represent and understand that they shall be solely responsible for any and all tax
4 obligation associated with their respective Individual Settlement Amounts and Incentive Awards.

5 **8.3. CALCULATION OF THE PAYMENTS FOR INDIVIDUAL MEMBERS OF**
6 **THE PAGA SETTLEMENT CLASS**

7 Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA
8 Payment. The PAGA Payment shall consist of the penalties pursuant to PAGA that the Parties have
9 agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which
10 is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section
11 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA
12 and twenty-five percent (25%) (i.e., \$5,000.00) to the PAGA Settlement Class.

13 The portion of the PAGA Payment allocated to the PAGA Settlement Class shall be distributed
14 to the PAGA Settlement Class based on the pro rata number of pay periods worked by each particular
15 PAGA Settlement Class member during the PAGA Period as a proportion of all pay periods worked
16 by all PAGA Settlement Class members during the PAGA Period. Each member of the PAGA
17 Settlement Class, including Plaintiff, shall be responsible for the payment of the Participant's Taxes
18 and Required Withholding with respect to their share of the PAGA Payment and shall hold the Released
19 Parties harmless from any and all liability with regard thereto.

20 Defendants will provide the Settlement Administrator with any information reasonably
21 necessary to perform the calculation of number of pay periods worked for each PAGA Settlement Class
22 member, and any other reasonably required information the Settlement Administrator requests to
23 perform the calculations required under this Settlement Agreement. Defendants shall have no
24 responsibility for deciding the validity of the individual payment amounts allocated to each member of
25 the PAGA Settlement Class or any other payments made pursuant to this Settlement Agreement, shall
26 have no involvement in or responsibility for the determination or payment of Participant's Taxes and
27 Required Withholding, and shall have no liability for any errors made with respect to such Participant's
28 Taxes and Required Withholding.

1 The members of the PAGA Settlement Class shall be solely responsible for any and all tax
2 obligation associated with their respective shares of the PAGA Payment.

3 **8.4. TIME FOR PAYMENT OF ATTORNEY FEES AND EXPENSES**

4 The Settlement Administrator shall distribute to Class Counsel any attorney fees and expenses
5 approved by the Court no later than twenty (20) days after the Effective Date.

6 **8.5. TIME FOR PAYMENT OF INCENTIVE AWARD**

7 The Settlement Administrator shall distribute to Plaintiff the Incentive Award approved by the
8 Court no later than twenty (20) days after the Effective Date.

9 **8.6. TIME FOR PAYMENT OF PAGA PAYMENT TO THE LWDA**

10 The Settlement Administrator shall distribute to the LWDA the portion of the PAGA Payment
11 due to it and approved by the Court no later than twenty (20) days after the Effective Date.

12 **8.7. TIME FOR PAYMENT OF TAXES AND REQUIRED WITHHOLDING AND**
13 **INDIVIDUAL SETTLEMENT AMOUNTS**

14 The Settlement Administrator shall make every effort to pay the Participant's Taxes and
15 Required Withholding associated with each Class Participant's Individual Settlement Amount, if any,
16 and mail the Individual Settlement Amount to each Class Participant, by first-class United States mail,
17 to the last-known address no later than twenty (20) days after the Effective Date. If the Settlement
18 Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel
19 and Defense Counsel and provide an approximate date by which the Participant's Taxes and Required
20 Withholding shall be paid, if any, and the Individual Settlement Amounts will be mailed. Under no
21 circumstances shall the Settlement Administrator distribute checks to Class Participants until all the
22 Settlement Administrator has considered, calculated, and accounted for all Individual Settlement
23 Amounts and all other remaining monetary obligations.

24 Within one hundred twenty (120) days of mailing the Individual Settlement Amounts to Class
25 Participants, the Settlement Administrator shall file with the Court and provide to Class Counsel a
26 Declaration of Payment. In the event that any Class Participant is deceased, payment shall be made
27 payable to the estate of that Class Member and delivered to the executor or administrator of that estate,
28

1 unless the Settlement Administrator has received an affidavit or declaration pursuant to California
2 Probate Code section 13101, in which case payment shall be made to the affiant(s) or declarant(s).

3 **8.8. NON-CASHED SETTLEMENT CHECKS**

4 Any funds associated with checks that have not been cashed within one hundred eighty (180)
5 days, will become void and the Individual Settlement Amount associated with the uncashed check will
6 be distributed pursuant to Code of Civil Procedure section 384 (a *cy pres* to be agreed upon by the
7 Parties and approved by the Court). For the purposes of determining whether Defendants have met
8 their financial obligation to pay the Individual Settlement Payment, Defendants will be deemed to have
9 fulfilled their obligation upon the mailing of the check to the Class Member, regardless of whether such
10 Class Member subsequently negotiates the check.

11 **8.9. DISPUTES REGARDING CLASS MEMBER WORKWEEKS DATA OR** 12 **PAYMENT OF INDIVIDUAL SETTLEMENT SHARES**

13 Class Member Workweeks and the corresponding Individual Settlement Amount shall be
14 calculated using the worker and payroll records of Defendants, which presumptively shall be deemed
15 to be full, complete, and accurate for purposes of this Settlement Agreement. To overcome that
16 presumption, any Class Member objecting to the accuracy of the number of Workweeks or amount of
17 the Individual Settlement Amount must submit documentary evidence, such as pay stubs or other
18 written work-related records, to the Settlement Administrator. Each Class Member may dispute the
19 number of Workweeks or their estimated Individual Settlement Amount contained on their Class
20 Notice (“Workweeks Dispute”). Any such Workweeks Dispute must be mailed or faxed to the
21 Settlement Administrator by the Class Member, postmarked or fax-stamped on or before the Response
22 Deadline. The Settlement Administrator shall immediately provide copies of all disputes to counsel for
23 Defendants, shall inform Class Counsel of the dispute without disclosing the identity of the Class
24 Member making the dispute, and shall immediately attempt to resolve all such disputes directly with
25 relevant Class Members with the assistance of Defendants, Defense Counsel, and Class Counsel. If the
26 dispute cannot be resolved, it shall be submitted to the Settlement Administrator for its final, non-
27 appealable decision. The Settlement Administrator shall use its best efforts to resolve all such disputes
28 prior to the Effective Date. If, however, a dispute arises or is not resolved until after the Settlement

Amount has been distributed, the initial calculation shall stand (as Defendants shall be under no obligation to pay any amounts in excess of the Gross Settlement Amount under this Settlement Agreement).

9. NULLIFICATION OF THIS SETTLEMENT AGREEMENT

9.1. VOIDABILITY

The Parties to this Agreement agree, covenant, and represent that each and every provision of this Agreement shall be deemed to be contractual, and that they shall not be treated as mere recitals at any time or for any purpose. Therefore, the Parties further agree, covenant, and represent that each and every provision of this Agreement shall be considered severable pursuant to Section 13.14 of this Settlement Agreement, *infra*, except for: **(a)** the definition of the Gross Settlement Amount, as specified Section 1.21 of this Settlement Agreement, *supra*; **(b)** the scope of the PAGA Settlement Class, as specified in Section 1.30 of this Settlement Agreement, *supra*; **(c)** the scope of the Settlement Class, as specified in Section 1.39 of this Settlement Agreement, *supra*; **(d)** the Parties' agreement to settle this Action for the Gross Settlement Amount, as specified Section 5.1 of this Settlement Agreement, *supra*; and **(e)** the release provisions of Section 11 of this Settlement Agreement, *infra*. If a court of competent jurisdiction finds the provisions of any of the aforementioned (a)-(e) to be unenforceable or invalid as against one or more Class Members, then this Agreement shall become voidable and the payments made pursuant to this Settlement Agreement to the Class Member(s) shall be returned to Defendant by said Class Member(s) as to whom the provisions have been found unenforceable or invalid; however, if a court of competent jurisdiction finds any other provision or part thereof to be invalid or unenforceable for any reason, that provision, or part thereof, shall be severed from the Settlement Agreement, and all of the remaining provisions of this Settlement Agreement shall remain in full force and effect.

9.2. PARTIES' RIGHTS TO VOID CLASS SETTLEMENT; ESCALATOR PROVISION

If 10% or more members of the Settlement Class timely submit Opt Out requests, Defendants shall have the right (but not the obligation) to void this Settlement Agreement. If the number of workweeks is greater than 550 workweeks or the number of Class Members is greater than 175 Class

Members, then the Gross Settlement Amount shall be increased proportionately for each additional workweek or Class Member included, whichever is higher (the “Escalator Provision”).

9.3. STAY ON APPEAL

In the event of a timely appeal from the approval of the Class Settlement and judgment, the judgment shall be stayed, and Defendants shall not be obligated to fund the Gross Settlement Amount or take any other actions required by this Settlement Agreement until all appeal rights have been exhausted by operation of law.

10. MOTIONS FOR COURT APPROVAL

10.1. PRELIMINARY APPROVAL

As soon as practicable after execution of this Settlement Agreement, Class Counsel will submit this Settlement Agreement to the Court along with a Motion for Preliminary Approval of the Class Settlement. Each Party shall cooperate to present the Class Settlement to the Court for preliminary approval in a timely fashion.

10.2. FINAL APPROVAL

The Final Approval and Fairness Hearing shall be held before the Court. At the Final Approval and Fairness Hearing, Plaintiff shall move the Court for the entry of the final order certifying the Settlement Class for settlement purposes only and approving the Class Settlement as being fair, reasonable, and adequate to the Class Participants within the meaning of California Rules of Court, Rule 3.769, subdivisions (c), (d) and (e), and for the entry of a final judgment of the Action consistent with the terms of the Class Settlement and rule 3.769, subdivision (h), of the California Rules of Court. Class Counsel and Defense Counsel shall submit to the Court such pleadings and/or evidence as may be required for the Court’s determination.

11. RELEASES AND WAIVERS

11.1. RELEASE OF CLAIMS BY THE SETTLEMENT CLASS

Upon the Effective Date, the Releasing Parties shall be deemed to each release the Released Parties, and each of them, of and from any and all Released Claims arising during the Class Period. It is the desire of the Parties and the Releasing Parties to fully, finally, and forever settle, compromise, and discharge the Released Claims. Each of the Releasing Parties, including each Class Participant,

1 will be bound by the release of Released Claims as a result of the Class Settlement and to the terms of
2 the final judgment and the satisfaction of such judgment.

3 Class Participants will be deemed to have acknowledged and agreed that their claims for wages
4 and/or penalties in the Action are disputed, and that their Individual Settlement Amount constitutes
5 payment of all sums allegedly due to them. Class Participants will be deemed to have acknowledged
6 and agreed that California Labor Code section 206.5 is not applicable to the Individual Settlement
7 Amount. That section provides in pertinent part as follows:

8 “An employer shall not require the execution of a release of a claim or right on account
9 of wages due, or to become due, or made as an advance on wages to be earned, unless
10 payment of those wages has been made.”
11

12 **11.2. RELEASE OF CLAIMS BY PLAINTIFF**

13 Plaintiff, on behalf of himself and his dependents, heirs and assigns, beneficiaries, devisees,
14 legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives,
15 and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect,
16 or any other type or in any other capacity, shall and does hereby forever release, discharge and agree
17 to hold harmless the Released Parties from any and all charges, complaints, claims, liabilities,
18 obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights,
19 demands, costs, losses, debts and expenses (including attorney fees and costs), known or unknown, at
20 law or in equity, which he may now have or may have after the signing of this Settlement Agreement,
21 arising out of or in any way connected with his work with Defendants including, the Released Claims,
22 claims that were asserted or could have been asserted in the Complaint, and any and all transactions,
23 occurrences, or matters between the Parties occurring prior to the date this Settlement Agreement is
24 fully executed. Without limiting the generality of the foregoing, this release shall include, but not be
25 limited to, any and all claims under: **(a)** the Americans with Disabilities Act; **(b)** Title VII of the Civil
26 Rights Act of 1964; **(c)** the Civil Rights Act of 1991; **(d)** 42 U.S.C. § 1981; **(e)** the Age Discrimination
27 in Employment Act; **(f)** the Fair Labor Standards Act; **(g)** the Equal Pay Act; **(h)** the Employee
28 Retirement Income Security Act, as amended; **(i)** the Consolidated Omnibus Budget Reconciliation

1 Act; **(j)** the Rehabilitation Act of 1973; **(k)** the Family and Medical Leave Act; **(l)** the Civil Rights Act
 2 of 1966; **(m)** the California Fair Employment and Housing Act; **(n)** the California Constitution; **(o)** the
 3 California Labor Code; **(p)** the California Government Code; **(q)** the California Civil Code; and **(r)** any
 4 and all other federal, state, and local statutes, ordinances, regulations, rules, and other laws, and any
 5 and all claims based on constitutional, statutory, common law, or regulatory grounds as well as any
 6 other claims based on theories of wrongful or constructive discharge, breach of contract or implied
 7 contract, fraud, misrepresentation, promissory estoppel, or intentional infliction of emotional distress,
 8 negligent infliction of emotional distress, or damages under any other federal, state, or local statutes,
 9 ordinances, regulations, rules, or laws. Plaintiff hereby forever releases, discharges and agrees to hold
 10 harmless Defendants and the Released Parties from any and all claims and relief, no matter how
 11 denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory
 12 damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering,
 13 statutory penalties and damages, and attorney fees and costs.

14 Plaintiff specifically acknowledges that he is aware of and familiar with the provisions of
 15 California Civil Code section 1542, which provides as follows:

16 “A general release does not extend to claims that the creditor or releasing party does not
 17 know or suspect to exist in his or her favor at the time of executing the release and that,
 18 if known by him or her, would have materially affected his or her settlement with the
 19 debtor or released party.”
 20

21 Plaintiff, being aware of California Civil Code section 1542, hereby expressly waives and
 22 relinquishes all rights and benefits he may have under section 1542 as well as any other statutes or
 23 common law principles of a similar effect. Plaintiff may hereafter discover facts in addition to or
 24 different from those which he now knows or believes to be true with respect to the subject matter of all
 25 the claims referenced herein, but agrees that, upon the Effective Date, Plaintiff shall and hereby does
 26 fully, finally, and forever settle and release any and all claims against the Released Parties, known or
 27 unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have
 28

1 been asserted upon any theory of law or equity without regard to the subsequent discovery of existence
2 of such different or additional facts.

3 **11.3. CIRCULAR 230 DISCLAIMER**

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

20 **12. DUTIES OF THE PARTIES**

21 **12.1. MUTUAL FULL COOPERATION**

22 The Parties agree to cooperate fully with one another to accomplish and implement the terms
23 of this Settlement Agreement. Such cooperation shall include, but not be limited to, execution of such
24 other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms
25 of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated
26 by this Settlement Agreement and any other efforts that may become necessary by court order or
27 otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable
28 after execution of this Settlement Agreement, Class Counsel, with the cooperation of Defendants and

1 Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of
2 this Settlement Agreement.

3 **12.2. DUTY TO SUPPORT AND DEFEND THE CLASS SETTLEMENT**

4 The Parties agree to abide by all of the terms of this Settlement Agreement in good faith and to
5 support the Class Settlement fully and to use their best efforts to defend this Class Settlement from any
6 legal challenge, whether by appeal or collateral attack.

7 **12.3. DUTIES PRIOR TO COURT APPROVAL**

8 Class Counsel shall promptly submit this Settlement Agreement to the Court for preliminary
9 approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly
10 upon execution of this Settlement Agreement, Class Counsel shall apply to the Court for the entry of a
11 preliminary order scheduling a hearing on the question of whether the proposed Class Settlement
12 should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form
13 and content the proposed Class Notice and Share Form attached hereto as **Exhibit 1** and **Exhibit 2**,
14 respectively, and directing the mailing of the Class Notice to Class Members. While Defendants can
15 reserve their right to object to facts or assertions made in the moving papers, Defense Counsel shall not
16 oppose the motion.

17 **13. MISCELLANEOUS PROVISIONS**

18 **13.1. VOIDING THIS SETTLEMENT AGREEMENT**

19 Pending Court approval and other than as provided herein, if any of the conditions set forth in
20 this Settlement Agreement are not met and satisfied, this Settlement Agreement may, at the option of
21 either Plaintiff or Defendants, be ineffective, void, and of no further force and effect, and may not be
22 used or be admissible in any subsequent proceeding, either in this Court or in any other court or forum.
23 If either Party decides to void the Settlement Agreement, then the Settlement Agreement and
24 conditional class certification shall be considered void, and neither the Settlement Agreement,
25 conditional class certification, nor any of the related negotiations or proceedings, shall be of any force
26 or effect, and the Parties shall stand in the same position, without prejudice, as if this Settlement
27 Agreement had been neither entered into nor filed with the Court. Should any Party choose to void the
28

1 Class Settlement under this subsection, such Party shall be responsible for all Settlement Administrator
2 fees and costs actually incurred.

3 **13.2. DIFFERENT FACTS**

4 The Parties acknowledge that, except for matters expressly represented herein, the facts in
5 relation to the dispute and all claims released by the terms of this Settlement Agreement may turn out
6 to be different from the facts now known by each party and/or its counsel, or believed by such Party or
7 counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or
8 presently unknown facts, and agrees that this Settlement Agreement shall be in all respects effective
9 and binding despite such difference.

10 **13.3. NO PRIOR ASSIGNMENTS**

11 The Parties represent, covenant, and warrant that they have not directly or indirectly assigned,
12 transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any
13 portion of any liability, claim, demand, action, cause of action, or right herein released and discharged
14 except as set forth herein.

15 **13.4. NON-ADMISSION**

16 Nothing in this Settlement Agreement shall be construed as or deemed to be an admission by
17 any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other
18 person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing
19 toward each other or any other person. Each of the Parties has entered into this Settlement Agreement
20 with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses,
21 and contingencies. Nothing herein shall constitute any admission by Defendants of wrongdoing or
22 liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any
23 admission by Defendants regarding the merits of the Claims in this Action, including but not limited
24 to claims for unpaid wages or violations under California or federal law. Except for the purposes of
25 effectuating this Settlement Agreement, nothing herein shall constitute an admission by Defendants
26 that the Action was properly brought as a class or representative action. To the contrary, Defendants
27 have denied and continue to deny each and every material factual allegation and all Claims. To this
28 end, the Class Settlement of the Action, the negotiation and execution of this Settlement Agreement,

1 and all acts performed or documents executed pursuant to or in furtherance of this Settlement
2 Agreement or the Class Settlement are not, shall not be deemed to be, and may not be used in any
3 judicial, quasi-judicial, administrative, or governmental proceeding as an admission or evidence of: (a)
4 any wrongdoing, liability, fault, or omission on the part of one or more Defendants; or (b) the truth of
5 any factual allegation in the Complaint and/or in the Action.

6 **13.5. NON-EVIDENTIARY USE**

7 Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation
8 or drafting of it, shall be offered or used as evidence by Plaintiff, any Class Member (including any
9 individual who requested to be excluded from the Settlement Class), Defendants, or its, her, his, or
10 their respective counsel, in the Action, except as is reasonably necessary to effectuate the Settlement
11 Agreement's purpose and terms. This Settlement Agreement may, however, be used by Defendants
12 and the Released Parties to prove or defend against any claim released herein by any Class Member in
13 any judicial, quasi-judicial, administrative, or governmental proceeding.

14 **13.6. MEDIA OR PRESS**

15 Plaintiff and Defendants, and their respective counsel, recognize, accept, and agree that the
16 Parties to this Settlement Agreement desire that the terms of this Settlement Agreement, the fact of the
17 Class Settlement embodied in this Settlement Agreement, the disposition of the Action, the Action, and
18 all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence
19 obtained during the course of the Action, shall not be discussed with or presented to the media or press.

20 **13.7. NON-RETALIATION**

21 Defendants understands and acknowledges that they have a legal obligation to not retaliate
22 against any Class Member who elects to participate in the Class Settlement or elects to Opt Out of the
23 Class Settlement. Defendants will refer any inquiries regarding this Class Settlement to the Settlement
24 Administrator or Class Counsel and will not discourage Class Members who are employees, directly
25 or indirectly, from making claims, opting out, or objecting to the Class Settlement. None of the Parties,
26 or their respective attorneys or agents, shall solicit or encourage any Class Members, directly or
27 indirectly, to Opt Out of the Class Settlement.
28

13.8. CONSTRUCTION

The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arms-length, non-collusive negotiations between the Parties and that this Settlement Agreement is not to be construed in favor of or against any party by reason of the extent to which any Party or its counsel participated in the drafting of this Settlement Agreement. If any of the dates in this Settlement Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

13.9. GOVERNING LAW

This Settlement Agreement is intended to and shall be governed by the laws of the State of California, without regard to conflict of law principles, in all respects, including execution, interpretation, performance, and enforcement.

13.10. NOTICES

Except for Class Member notices required to be made by the Settlement Administrator, all notices or other communications required or permitted under this Settlement Agreement shall be in writing and shall be sufficiently given if delivered in person to the party or their counsel by U.S. certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the party appearing in this Settlement Agreement.

13.11. CAPTIONS AND INTERPRETATIONS

Section titles or captions contained herein are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision thereof.

13.12. MODIFICATION

This Settlement Agreement may not be changed, altered, or modified, except in writing signed by the Parties (or the Parties' on their behalf) and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

1 **13.13. INTEGRATION CLAUSE**

2 This Settlement Agreement contains the entire agreement between the Parties relating to the
3 Class Settlement of the Action and the transactions contemplated thereby, and all prior or
4 contemporaneous agreements, understandings, representations, and statements, whether oral or written,
5 and whether by a party or such party's legal counsel, are hereby superseded. No rights under this
6 Settlement Agreement may be waived except in writing as provided above.

7 **13.14. SEVERABILITY**

8 Except as otherwise stated in this Settlement Agreement, if any part, term or provision of this
9 Settlement Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, the
10 validity of the remaining portions or provisions of this Settlement Agreement will not be affected, and
11 the rights and obligations of the Parties will be construed and enforced as if this Settlement Agreement
12 did not contain the particular part, term or provision held to be unenforceable.

13 **13.15. SUCCESSORS AND ASSIGNS**

14 This Settlement Agreement shall be binding on and inure to the benefit of the Parties and Class
15 Members (excluding only persons who timely Opt Out) and their respective present and former heirs,
16 trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees,
17 insurers, attorneys, accountants, auditors, advisors, consultants, pension plans, welfare benefit plans,
18 fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors,
19 successors, and assigns.

20 **13.16. CORPORATE SIGNATORIES**

21 Any person executing this Settlement Agreement or any such related document on behalf of a
22 corporate signatory or on behalf of a partnership hereby warrants and promises, for the benefit of all
23 Parties hereto, that such person has been duly authorized by such corporation or partnership to execute
24 this Settlement Agreement or any such related document.

25 **13.17. EXECUTION IN COUNTERPARTS**

26 This Settlement Agreement shall become effective upon its execution by all of the undersigned.
27 The Parties may execute this Settlement Agreement in counterparts, and execution of counterparts shall
28 have the same force and effect as if all Settling Parties had signed the same instrument.

13.18. ATTORNEY FEES, COSTS, AND EXPENSES

Except as otherwise specifically provided for herein, each party shall bear her or its own attorney fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Settlement Agreement.

13.19. ACTION TO ENFORCE AGREEMENT

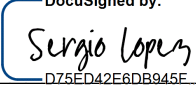
In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover her or its attorney fees and costs.

14. EXECUTION

The Parties and their counsel have executed this Settlement Agreement on the date below their signatures or the signature of their representatives. The date of this Settlement Agreement shall be the date of the latest signature.

APPROVAL AND EXECUTION BY PARTIES**CLASS REPRESENTATIVE:**

Dated: 10/8/2021

DocuSigned by:

 D75ED42E6DB945F
 Sergio Lopez
 Plaintiff and Class Representative

DEFENDANTS:

Dated: _____

Praesidium Diagnostics LLC
 Sameday Health
 Felix Huetttenbach

By: _____

Title: _____

13.18. ATTORNEY FEES, COSTS, AND EXPENSES

Except as otherwise specifically provided for herein, each party shall bear her or its own attorney fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Settlement Agreement.

13.19. ACTION TO ENFORCE AGREEMENT

In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover her or its attorney fees and costs.

14. EXECUTION

The Parties and their counsel have executed this Settlement Agreement on the date below their signatures or the signature of their representatives. The date of this Settlement Agreement shall be the date of the latest signature.

APPROVAL AND EXECUTION BY PARTIES**CLASS REPRESENTATIVE:**

Dated: _____

Sergio Lopez
Plaintiff and Class Representative

DEFENDANTS:Dated: 10/4/2021

Praesidium Diagnostics LLC
Sameday Health
Felix Huettenbach

DocuSigned by:
Felix Huettenbach
55AD0906FBA6B43E...

By: Felix HuettenbachTitle: owner

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: 10/8/21

Melmed Law Group P.C.

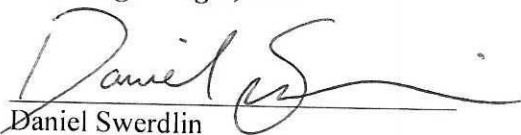


Jonathan Melmed
Attorneys for Plaintiffs

DEFENDANTS' COUNSEL:

Dated: September 30, 2021

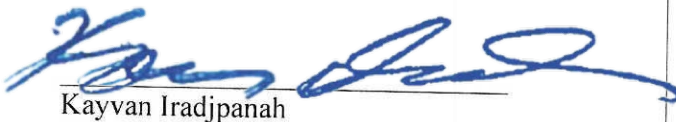
All Bridges Legal, P.C.



Daniel Swerdlin
Attorneys for Defendants Praesidium
Diagnostics LLC, Sameday Testing, and Felix
Huettenbach

Dated: October 8, 2021

Littler Mendelson, P.C.



Kayvan Iradjpanah
Attorneys for Praesidium Diagnostics LLC and
Sameday Testing

EXHIBIT 1

Notice of Proposed Class Action Settlement

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

SERGIO LOPEZ, an individual, on behalf of himself, the State
of California, as a private attorney general, and on behalf of all
others similarly situated,

Plaintiff,

v.

PRAESIDIUM DIAGNOSTICS LLC, a California Limited
Liability Company; SAMEDAY HEALTH, an Unknown
Entity; FELIX HUETTENBACH, an Individual; and DOES 1
TO 50,

Defendants.

Case Number: 20STCV08378

**Notice of Proposed Class Action
Settlement**

A court authorized this notice. This is not a solicitation from a lawyer.

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

You may be eligible to receive a settlement payment. Please read this notice carefully.

A proposed class action settlement agreement (the “Settlement”) has been reached between: (1) Plaintiff Sergio Lopez (“Plaintiff”), individually and in his representative capacity on behalf of a group of prospective class members defined below, and as a private attorney general on behalf of the State of California; and (2) Defendants Praesidium Diagnostics LLC, Sameday Health, and Felix Huettenbach (collectively, “Defendants”). The Settlement resolves disputed claims against Defendants arising out of their compensation practices as applied to individuals who performed work for one or more of the Defendants as an independent contractor in California during the “Class Period,” defined as the period spanning September 1, 2020, through January 31, 2021 (“Class Members”).

The Court has granted preliminary approval of the Settlement and ordered this notice to be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you are a Class Member (as defined above) and received this notice, you are automatically included in the Settlement and do not need to take any further action to receive a payment. If you accept your settlement amount, you will release the claims described below.

1. DESCRIPTION OF THE LAWSUIT

On March 2, 2021, Plaintiff, individually and in his representative capacity on behalf of the Class Members, and as a private attorney general on behalf of the State of California, filed a complaint against Defendants in the Superior Court of California for the County of Los Angeles in the matter of *Sergio Lopez v. Praesidium Diagnostics LLC, et al.*, case number **20STCV08378** (the “Action”). The Action sought recovery for Defendants’ alleged: (1) willful misclassification of employees as independent contractors; (2) failure to pay minimum wage for all hours worked; (3) failure to pay proper overtime wages; (4) failure to provide compliant rest periods and pay missed rest break premiums; (5) failure to provide compliant meal periods and pay missed meal period premiums; (6) failure to maintain accurate employment records; (7) failure to pay timely wages during employment; (8) failure to pay all wages due and owing at separation; (9) failure to reimburse business

1 expenses; **(10)** failure to provide complete and accurate wage statements; **(11)** deceptive, fraudulent,
2 or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair
3 Competition Law; **(12)** statutory penalties based on the foregoing pursuant to the California Labor
4 Code Private Attorneys General Act of 2004 (“PAGA”); and **(13)** claims for liquidated damages,
5 penalties, interest, fees, and costs based on the foregoing.

6 **Defendants deny all liability, deny all allegations in the Action, and have raised various**
7 **defenses to the claims.** Defendants assert that they fully complied with all applicable wage and hour
8 laws, and contend that civil penalties under PAGA are not warranted. Defendants also deny that the
9 Action is suitable for class certification. Defendants have entered into the Settlement solely for
10 purposes of resolving this dispute to avoid costly, disruptive, and time-consuming litigation and do not
11 admit to any wrongdoing or liability.

12 The Court has not ruled on the merits in the Action. By approving the Settlement and issuing
13 this notice, the Court is *not* suggesting which side would win or lose the case if it went to trial or
14 whether the claims are suitable for class certification. To avoid the additional expense, inconvenience,
15 and risk of continued litigation, however, Plaintiff and Defendants (the “Parties”) have concluded that
16 it is in their respective best interests and the interests of the Class Members to settle the Action on the
17 terms summarized in this notice. The Settlement was reached after Defendants provided extensive
18 information and documents to Plaintiff’s counsel, and after lengthy arms-length, non-collusive
19 negotiations between the Parties, including mediation with an experienced and well-respected mediator
20 in California. In these negotiations, both sides recognized the substantial risk of the Court deciding
21 against them at trial and determined that the Settlement was a fair, reasonable, and adequate way to
22 resolve the disputed claims.

23 Plaintiff and Plaintiff’s counsel—Jonathan Melmed and Kyle Smith of Melmed Law Group
24 P.C. (“Class Counsel”)—support the Settlement. Among the reasons for support are the defenses to
25 liability potentially available to Defendants, the risk of denial of class certification, the inherent risk of
26 trial on the merits, and the delays and uncertainties associated with litigation. Plaintiff and Class
27 Counsel believe that the settlement described in this notice is fair, adequate, reasonable, and in the best
28 interests of Plaintiff and the Class Members.

Under the Settlement, the following settlement class will be certified under California law: all individuals who performed work for one or more of the Defendants as an independent contractor in California during the “Class Period,” defined as the period spanning September 1, 2020, through January 31, 2021. The Settlement provides for a gross settlement amount of \$300,000.00, a share of which is to be distributed to the Class Members based on the pro rata number of weeks worked by the Class Members during the Class Period as a proportion of all weeks worked by all Class Members. In exchange for their share of the settlement amount, all participating Class Members will be deemed to have released Defendants from liability on the terms described in this notice.

On [date of preliminary approval], the Court preliminarily approved the Settlement and conditionally certified the settlement class. This notice is being sent to you because Defendants’ records indicate that you worked for Defendants during the Class Period and that you meet the definition required to be treated as a Class Member.

2. IF YOU ARE STILL EMPLOYED BY DEFENDANTS, THIS SETTLEMENT WILL NOT AFFECT YOUR EMPLOYMENT.

California law strictly prohibits retaliation. Further, Defendants are prohibited by law from taking any adverse action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member's participation or decision not to participate in the Settlement.

3. TERMS OF THE SETTLEMENT

Defendants have agreed to pay \$300,000.00 (the “Gross Settlement Amount”) to resolve the claims in the Action. The Parties agreed to the following payments from the Gross Settlement Amount:

1. **Settlement Administration Costs.** The Court has approved ILYM Group, Inc. to act as the “Settlement Administrator,” who is sending this notice to you and will perform many other duties relating to the Settlement. Under the Settlement, approximately \$18,000.00 or less will be paid from the Gross Settlement Amount to pay the Settlement Administration Costs.
2. **Attorneys’ Fees and Expenses.** Class Counsel have been prosecuting the Action on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. To date, the

Parties have aggressively litigated many aspects of the case including investigation, settlement efforts, and a full-day mediation session. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of one-third of the Gross Settlement Amount (i.e., \$100,000.00) as reasonable compensation for the work Class Counsel performed and will continue to perform in the Action. Class Counsel also will ask for reimbursement of up to \$15,000.00 for the costs Class Counsel incurred in connection with the Action.

3. **Service Payment to Class Representative.** Class Counsel will ask the Court to provide a service payment to Plaintiff in the amount of \$5,000.00 for Sergio Lopez to compensate him for his efforts on behalf of the Class Members in the Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents to Class Counsel. Plaintiff also may receive a share of the Settlement as a Class Member.

4. **PAGA Payment.** The Parties have agreed on a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$5,000.00) to the individuals who are deemed "aggrieved employees" strictly for the purposes of the Settlement (i.e., all individuals who performed work for one or more Defendants during the Class Period.).

After deducting the amounts above, the balance of the settlement amount will form the "Net Settlement Amount" for distribution to the Class Members.

4. **DISTRIBUTION OF THE SETTLEMENT TO THE CLASS MEMBERS**

Each eligible Class Member who does not request exclusion from the Settlement will be deemed a "Class Participant" and will receive a share from the Net Settlement Amount which will be distributed pro rata based on the proportional number of weeks worked by each Class Member during the Class

1 Period (the “Individual Settlement Amount”). If any Class Member requests exclusion from the
2 Settlement, his or her share will be distributed to the remaining Class Participants.

3 Zero percent (0%) of each Individual Settlement Amount will constitute payment in the form
4 of wages, one hundred percent (100%) of each Individual Settlement Amount will constitute penalties
5 and interest, and each Class Participant will be issued an IRS Form 1099 for such payment to him or
6 her.

7 Defendants, or their proxies, shall take all usual and customary deductions from the Individual
8 Settlement Amount payments that are distributed as wages, if any, including, but not limited to, state
9 and federal tax withholding, disability premiums, and unemployment insurance premiums. There will
10 be no deduction taken from the interest or penalty distribution—it will, however, be reported on IRS
11 Form 1099 as income. Class Participants are responsible for the proper income tax treatment of their
12 Individual Settlement Amount. The Settlement Administrator, Defendants and their counsel, and Class
13 Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors
14 concerning the tax consequences and treatment of payments they receive under the Settlement.

15 The workweeks you worked for Defendants during the Class Period will be calculated based
16 on Defendants’ records. If you feel that you were not credited with the correct number of workweeks
17 worked during the Class Period, you may submit evidence to the Settlement Administrator on or before
18 [Response Deadline] with documentation to establish the number of workweeks you claim to have
19 actually worked during the Class Period. **Documentation sent to the Settlement Administrator will**
20 **not be returned or preserved, so do not send originals.** The Parties and the Settlement Administrator
21 will promptly evaluate the evidence submitted and discuss in good faith how many workweeks should
22 be credited. The Settlement Administrator will make the final decision as to how many weeks are
23 credited and report the outcome to the Class Participant. If you are unsatisfied with the decision, you
24 may submit an objection, which is explained below.

25 Settlement checks will be mailed to all Class Participants after the Court grants final approval
26 of the Settlement and judgment is entered.

1 **5. THE RELEASE OF CLAIMS**

2 If the Court approves the Settlement, the Court will enter judgment and the Settlement will bind
3 all Class Participants. The Class Participants will then be barred from bringing any “Released Claims”
4 against the “Released Parties” as those terms are defined below.

5 The “Released Parties” are Defendants Praesidium Diagnostics LLC, Sameday Health, and
6 Felix Huettenbach and all of Defendants’ subsidiaries, affiliates, shareholders, members, agents,
7 predecessors, successors, and assigns.

8 The “Released Claims” are those claims arising out of or related to the allegations set forth in
9 the Action (filed March 2, 2021) and/or the PAGA notice to the California Labor & Workforce
10 Development Agency, which arose during the Class Period, including claims for: **(1)** willful
11 misclassification as independent contractors in violation of Labor Code sections 226.8 and 2775;
12 **(2)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194, 1194.2,
13 1197, and the Applicable Wage Orders; **(3)** failure to pay proper overtime wages in violation of Labor
14 Code sections 510, 1194, 1197, 1198, and the Applicable Wage Orders; **(4)** failure to provide compliant
15 rest periods and pay missed rest break premiums in violation of Labor Code sections 226.7 and 512
16 and the Applicable Wage Orders; **(5)** failure to provide compliant meal periods and pay missed meal
17 period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders;
18 **(6)** failure to maintain accurate employment records in violation of Labor Code section 1174;
19 **(7)** failure to pay timely wages during employment in violation of Labor Code sections 204 and 210;
20 **(8)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202,
21 and 203; **(9)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804;
22 **(10)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226
23 and 226.3; **(11)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing
24 in violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200 *et seq.*);
25 **(12)** statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698-2699.6); and
26 **(13)** all claims for liquidated damages, penalties, interest, fees, and costs based on the foregoing. No
27 other claims are released other than those claims specifically plead in the operative complaint in the
28 Action or specified in the Settlement.

1 The Settlement does *not* release Defendants or any person, party, or entity from claims, if any,
2 by Class Members for workers' compensation, unemployment, or disability benefits of any nature. Nor
3 does it release any claims, actions, or causes of action which may be possessed by Class Members
4 under state or federal discrimination statutes, including, without limitation, the California Fair
5 Employment and Housing Act (Gov. Code, §§ 12900–12996); the Unruh Civil Rights Act (Civ. Code,
6 § 51); the California Constitution; Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000, et seq.);
7 the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.); the Employee Retirement Income
8 Security Act of 1974 (29 U.S.C. § 1001 et seq.); and all of their implementing regulations and
9 interpretive guidelines.

10 Class Members who do not request exclusion from the Settlement will be deemed to have
11 acknowledged and agreed that their claims for wages and penalties in the Action are disputed, and that
12 the Settlement payments constitute payment of all sums allegedly due to them. Class Members will be
13 deemed to have acknowledged and agreed that California Labor Code section 206.5 is not applicable
14 to the Settlement payments. That section provides in pertinent part as follows:

15 “An employer shall not require the execution of a release of a claim or right on account
16 of wages due, or to become due, or made as an advance on wages to be earned, unless
17 payment of those wages has been made.”
18

19 **6. YOUR OPTIONS**

20 **6.1. DO NOTHING AND RECEIVE YOUR PORTION OF THE SETTLEMENT**

21 If you do nothing, you will be automatically included as a Class Participant in the Settlement
22 and will receive a settlement payment. You do *not* have to take any further action to receive your
23 settlement payment. It is, however, the responsibility of all Class Members to ensure that the Settlement
24 Administrator has your current address on file, or you may not receive important information or a
25 settlement payment. The estimated amount of your settlement payment if you do nothing is included
26 on the attached *Class Action Settlement Share Form*.
27
28

6.2. REQUEST EXCLUSION FROM THE CLASS AND THE SETTLEMENT

If you do *not* wish to take part in the class action portion of the Settlement (the “Class Settlement”), you may exclude yourself (i.e., opt out of the Class Settlement) by sending the Settlement Administrator a letter or card postmarked no later than [Response Deadline] that specifically requests exclusion from the Class Settlement in this case. The request for exclusion must include your name, address, telephone number, and signature, and it should state:

“I wish to be excluded from the settlement class in the case of *Sergio Lopez v. Praesidium Diagnostics LLC, et al.* I understand that if I ask to be excluded from the settlement class, I will not receive any money from the settlement of this lawsuit and will not be releasing any claims I might have.”

Send the request for exclusion directly to the Settlement Administrator at the following address by no later than [Response Deadline]:

ILYM Group, Inc.
14751 Plaza Drive, Suite J
Tustin, California 92780

Any person who submits a timely request for exclusion from the Class Settlement shall, upon receipt, no longer be a Class Member, shall be barred from participating in the Class Settlement, and shall receive no benefits from the class action portion of the Settlement. If you want confirmation of receipt of your request for exclusion, please send it by United States certified mail, return receipt requested, or contact the Settlement Administrator.

Importantly, Class Members who timely and validly request exclusion from the Class Settlement will *not* be excluded from their share of the PAGA Payment. Requesting exclusion from the Class Settlement applies solely to the Class Members’ entitlement to the class action portion of the Settlement and not their entitlement to the PAGA Payment. If you request exclusion from the Class Settlement you will still be entitled to your share of the PAGA Payment.

6.3. OBJECT TO THE SETTLEMENT

You have the right to object to the terms of the Settlement if you do not request exclusion. If, however, the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may file with the Settlement Administrator and the Court a written objection stating your name, address, telephone number, dates of employment with Defendants, the case name and number, each specific reason in support of your objection, and any legal support for each objection. Objections in writing must be mailed to the Settlement Administrator—ILYM Group, Inc., 14751 Plaza Drive, Suite J, Tustin, California 92780—by no later than **[Response Deadline]** for your objection to be considered. **Objections that do not include all required information, or that are not timely submitted, might not be considered by the court.**

If you choose to object to the Settlement, you may also appear to speak at the final approval and fairness hearing scheduled for **[Final Approval Hearing Date]**, at **[Final Approval Hearing Time]** in Department **[Court Department]** of the Superior Court of California for the County of Los Angeles, located at **[Court Location]**. You have the right to appear either in person or through your own attorney at this hearing.

If you object to the Settlement, you will remain a Class Member, and if the Court approves the Settlement, you will receive payment and 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 above shall have waived any objection to the Settlement, whether by appeal or otherwise.

The Court may, at the time of the final approval and fairness hearing, have certain social distancing requirements or procedures for attendance at hearings. If you wish to object to the Settlement by speaking at the final approval and fairness hearing, you may contact Class Counsel, whose information is provided below, for more information about the Court's current social distancing procedures. You may also review the Court's website for the most current information.

7. HOW TO UPDATE OR CHANGE YOUR ADDRESS

If you move after receiving this notice or if it was misaddressed, please contact the Settlement Administrator, ILYM Group, Inc., at **(888) 250-6810** or by email at

1 **claims@ilymgroupclassaction.com**, as soon as possible. **This is important to ensure that future**
 2 **notices and/or the Settlement payment reach you.**

3 **8. NOTICE OF FINAL JUDGMENT IF THE SETTLEMENT IS APPROVED**

4 Within ten (10) days after the Court has held a final and fairness approval hearing and entered
 5 a final order approving the Settlement, if it chooses to do so, the Settlement Administrator will post a
 6 copy of that order and final judgment on its website at the following website address:

7 [Case-Specific Settlement URL (to be added by Settlement Administrator)]
 8

9 **9. IF THE SETTLEMENT IS NOT APPROVED**

10 If the Settlement is not approved by the Court, or if any of its conditions are not satisfied, and
 11 the problematic term(s) or failure(s) to satisfy cannot be severed, revised, or reconciled, the Settlement
 12 may be voided, in which case no money will be paid and the dispute will return to litigation. If that
 13 happens, there is no assurance: **(1)** that the class will be certified by the Court; **(2)** that any decision at
 14 trial would be in favor of Class Members; **(3)** that a trial decision, if any, would be as favorable to the
 15 Class Members as the Settlement; or **(4)** that any favorable trial decision would be upheld if an appeal
 16 was filed.

17 **10. QUESTIONS OR COMMENTS**

18 **PLEASE DO NOT CALL OR CONTACT THE COURT.** If you have any questions about
 19 the settlement, you may contact the Settlement Administrator at: **(888) 250-6810** or by e-mail at
 20 **claims@ilymgroupclassaction.com**. You may also contact Class Counsel at the addresses or phone
 21 numbers listed below.
 22

23 **Lawyers Representing Plaintiff and the Class Members**

24 **MELMED LAW GROUP P.C.**

25 Jonathan Melmed

26 jm@melmedlaw.com

27 Kyle D. Smith

28 ks@melmedlaw.com

1801 Century Park East, Suite 850

Los Angeles, California 90067

Phone: (310) 824-3828
Fax: (310) 862-6851

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EXHIBIT 2

Class Action Settlement Share Form

CLASS ACTION SETTLEMENT SHARE FORM

Sergio Lopez v. Praesidium Diagnostics LLC, et al.

Case Number 20STCV08378

Superior Court of California for the County of Los Angeles

The proposed class action settlement agreement (the “Settlement”) described in the accompanying *Notice of Proposed Class Action Settlement* resolves disputed claims against Defendants Praesidium Diagnostics LLC, Sameday Health, and Felix Huetttenbach (collectively, “Defendants”) arising out of their compensation practices during the period from September 1, 2020, through January 31, 2021 (the “Class Period”) as applied to all individuals who performed work for one or more of the Defendants as an independent contractor in California during the Class Period (the “Class Members”).

You are receiving this form because you are believed to be a Class Member. **According to Defendants’ records, you worked [REDACTED] workweeks for Defendants during the Class Period. Accordingly, your share of the Settlement is currently estimated to be \$[REDACTED]**, which is an estimate of your allocated portion the Net Settlement Amount, as that term is defined in the accompanying *Notice of Proposed Class Action Settlement*. Your estimated share of the Settlement may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement.

You do not need to do anything to receive money under the Settlement.

If you believe the information provided above as to the number of your workweeks is incorrect and wish to dispute it, please send a written notice of objection to the Settlement Administrator, pursuant to the Notice of Proposed Class Action Settlement and no later than **[Response Deadline]**, at the following address:

ILYM Group, Inc.
claims@ilymgrouppclassaction.com
(888) 250-6810
14751 Plaza Drive, Suite J
Tustin, California 92780

If you dispute the number of workweeks specified in this Share Form, the documents and information Defendants provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Please include any such supporting documentation along with your written notice of objection, postmarked no later than **[Response Deadline]**.

Do not send originals; documentation sent to the claims administrator will not be returned or preserved.