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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JACQUELINE GONZAGA, individually, and
on behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

MOLINA HEALTHCARE, INC., a Delaware
corporation; MOLINA HEALTHCARE OF
CALIFORNIA, a California corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No.: 21STCV03598

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

1 **JOINT STIPULATION OF CLASS AND REPRESENTATIVE ACTION**
2 **SETTLEMENT AND RELEASE**

3 This Joint Stipulation of Class and Representative Action Settlement and Release (“Settlement”
4 or “Settlement Agreement”) is made and entered into by and between Plaintiff Jacqueline Gonzaga
5 (“Plaintiff” or “Class Representative”), as an individual and on behalf of all others similarly situated, and
6 Defendants Molina Healthcare, Inc. (“MHI”) and Molina Healthcare of California (“MHC”) (together,
7 “Defendants,” and collectively with Plaintiff, the “Parties”), subject to Court approval. In consideration
8 of the promises and mutual covenants and agreements contained herein, the Parties hereby covenant and
9 agree as follows:

10 **INTRODUCTORY INFORMATION**

11 1. On January 29, 2021, Plaintiff Jacqueline Gonzaga filed this lawsuit against Defendants.
12 Plaintiff filed the operative First Amended Complaint on May 18, 2021. The First Amended Complaint
13 alleges eleven causes of action for: (1) unpaid overtime (Lab. Code, §§ 510 and 1198); (2) unpaid
14 minimum wages (Lab. Code, §§ 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198); (3) failure to provide
15 meal periods (Lab. Code, §§ 226.7, 512, subd. (a), 516, and 1198); (4) failure to authorize and permit rest
16 periods (Lab. Code, §§ 226.7, 516, and 1198); (5) failure to provide accurate itemized wage statements
17 and maintain payroll records (Lab. Code, §§ 226, subd. (a), 1174, subd. (d), and 1198); (6) failure to
18 timely pay wages upon termination (Lab. Code, §§ 201-203); (7) failure to timely pay wages during
19 employment (Lab. Code, §§ 204, 210); (8) failure to reimburse business expenses (Lab. Code, § 2802);
20 (9) “unlawful” business practices (Bus. & Prof. Code, § 17200, et seq.); (10) “unfair” business practices
21 (Bus. & Prof. Code, § 17200, et seq.); and (11) civil penalties pursuant to the California Labor Code
22 Private Attorneys General Act of 2004 (“PAGA”; Lab. Code, § 2698, et seq.). Plaintiff alleges the first
23 ten causes of action on behalf of herself and two putative classes defined as: (1) “All persons who
24 worked for Defendants as non-exempt, hourly paid employees in California, within four years prior to
25 the filing of the initial complaint until the date of trial (‘Class’)”; and (2) “All persons who worked for
26 Defendants as non-exempt, hourly paid employees in California and who received at least one wage
27 statement within one (1) year prior to the filing of the initial complaint until the date of trial (‘Subclass’)”.
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1 2. On June 11, 2021, Defendants filed their answer to the First Amended Complaint,
2 generally denying all of the allegations in the First Amended Complaint and alleging a number of
3 affirmative defenses. Defendants deny all of Plaintiff's allegations and assert that they have fully
4 complied with all applicable laws and regulations in connection with their employment of Plaintiff and
5 any other employees she seeks to represent. Defendants further contend that this Action is not
6 maintainable as a class action or as a PAGA representative action.

7 3. The Parties have investigated the facts and analyzed the relevant legal issues with regard
8 to the claims and defenses in the Action. Based on this investigation and analysis, Plaintiffs believe the
9 Action has merit, while Defendants believe the Action has no merit.

10 4. In July 2021, the Parties agreed to explore the potential resolution of the Action through
11 an early mediation. Before the Parties agreed to mediate the Action, Defendant MHC served and
12 Plaintiff responded to one set of requests for production of documents and produced responsive
13 documents. As part of an informal pre-mediation exchange of documents, information, and data,
14 Defendants produced, and Plaintiff's counsel reviewed approximately 800 pages of documents relevant
15 to Plaintiff's claims, including policy documents and forms. Defendants also produced time and pay
16 records for 20% of putative class members which Plaintiff's expert analyzed.

17 5. On September 27, 2021, the Parties participated in a mediation with mediator Michael
18 Loeb, Esq. with JAMS. The Parties reached an agreement to settle the Action in its entirety after a long
19 day of extensive arm's-length negotiations with the assistance of the mediator.

20 6. The Parties have each looked at the uncertainties of continued litigation and the benefits
21 to be obtained under the proposed settlement, and have considered the costs, risks and delays associated
22 with the continued prosecution of this Action and the likely appeals of any rulings in favor of either
23 Plaintiffs or Defendants.

24 7. It is the Parties' intention and the objective of this Settlement Agreement to avoid the
25 costs of further litigation and trial, and to settle and dispose of, fully and completely and forever, the
26 claims released herein and described below.
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DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

8. “Action” means the case entitled *Gonzaga v. Molina Healthcare, Inc., et al.*, Case No. 21STCV03598, filed January 29, 2021, currently pending in the Superior Court of the State of California, County of Los Angeles.

9. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or Seven Hundred Fifty Thousand Dollars (\$750,000.00). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Twenty Thousand Dollars (\$20,000.00), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.

10. “Class Counsel” means Capstone Law APC.

11. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and will include each Class Member’s full name; most recent mailing address and telephone number; Social Security number; and dates of employment.

12. “Class Member(s)” or “Settlement Class” means all current and former hourly non-exempt employees employed by Defendants in California at any time from January 29, 2017 to the date of Preliminary Approval of the settlement or December 31, 2021, whichever date is earlier.

1 13. “Class Period” means the period from January 29, 2017 to the date of Preliminary
2 Approval of the settlement or December 31, 2021, whichever date is earlier.

3 14. “Class Representative Enhancement Payment” means the amount to be paid to Plaintiff
4 in recognition of her effort and work in prosecuting the Action on behalf of Class Members, and for her
5 general release of claims. Subject to the Court granting final approval of this Settlement Agreement and
6 subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class
7 Representative Enhancement Payment of Ten Thousand Dollars (\$10,000.00). Defendants have agreed
8 not to oppose Plaintiff’s request for a Class Representative Enhancement Payment as set forth above.

9 15. “Court” means the Los Angeles County Superior Court.

10 16. “Defendants” means Defendants Molina Healthcare, Inc. and Molina Healthcare of
11 California.

12 17. “Effective Date” means either (a) the date sixty (60) days after the entry of the Final
13 Approval, if no motions for reconsideration and no appeals or other efforts to obtain review have been
14 filed, or (b) in the event that a motion for reconsideration, an appeal or other effort to obtain review of the
15 Final Approval, the date sixty (60) days after such reconsideration, appeal or review has been finally
16 concluded and is no longer subject to review, whether by appeal, petition for rehearing, petition for
17 review or otherwise.

18 18. “Final Approval” or “Judgment” means the date on which the Court enters an order and
19 judgment granting final approval of the Settlement Agreement.

20 19. “Gross Settlement Amount” means the Gross Settlement Amount of Two Million Two
21 Hundred Fifty Thousand Dollars (\$2,250,000.00), which is the maximum total amount that Defendants
22 shall be required to pay, exclusive of Defendants’ share of Withholdings and Taxes, for any and all
23 purposes under this Settlement Agreement. The following shall be paid from the Gross Settlement
24 Amount: (a) all Individual Settlement Payments, (b) Attorneys’ Fees and Costs, (c) the Class
25 Representative Enhancement Payment, (d) the PAGA Settlement Amount, and (e) Settlement
26 Administration Costs. Under no circumstances shall Defendants pay any sum in excess of the Gross
27 Settlement Amount in connection with the Settlement, except for Defendants’ share of Withholdings and
28 Taxes arising from the Settlement Awards to be paid to Settlement Class Members as wages, which shall

1 not be paid from the Gross Settlement Amount. In no event will Defendants be liable for more than the
2 Gross Settlement Amount, except as otherwise explicitly set forth herein. There will be no reversion of
3 the Gross Settlement Amount to Defendants.

4 20. "Individual Settlement Payment" means each Participating Class Member's and PAGA
5 Member's respective shares of the Net Settlement Fund and PAGA Fund.

6 21. "Net Settlement Fund" means the portion of the Gross Settlement Amount remaining
7 after deducting the Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the
8 PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be
9 distributed to Participating Class Members.

10 22. "Notice of Objection" means a Class Member's valid and timely written objection to the
11 Settlement Agreement. Any Objection may be submitted by email, fax, or mail as provided in the Class
12 Notice by the Response Deadline or fifteen (15) calendar days after the re-mailed Notice Packet, if
13 applicable.

14 23. "Notice Packet" means the Notice of Class Action Settlement, substantially in the form
15 attached as Exhibit A.

16 24. "PAGA Fund" means Twenty-Five Thousand Dollars (\$25,000.00) of the PAGA
17 Settlement Amount, to be disbursed to PAGA Members pursuant to the formula set forth in Paragraph
18 51(b).

19 25. "PAGA Members" means all current and former hourly non-exempt employees
20 employed by Defendants in California at any time from January 29, 2020 to the date of Preliminary
21 Approval of the settlement or December 31, 2021, whichever date is earlier.

22 26. "PAGA Notice" means the notice dated February 12, 2021 filed on Plaintiff's behalf
23 with the Labor and Workforce Development Agency ("LWDA") against Defendants and attached as
24 Exhibit 1 to the operative First Amended Complaint.

25 27. "PAGA Period" means the period from January 29, 2020 to the date of Preliminary
26 Approval of the settlement or December 31, 2021, whichever date is earlier.
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1 28. “PAGA Settlement” means the Parties’ agreement to allocate a portion of the Gross
2 Settlement Amount to the LWDA and PAGA Members in connection with Plaintiff’s claim under the
3 Labor Code Private Attorneys General Act of 2004 (“PAGA”; Lab. Code, § 2698, et seq.).

4 29. “PAGA Settlement Amount” means the amount that the Parties have agreed to pay to
5 the LWDA and PAGA Members in connection with the PAGA Settlement. The Parties have agreed
6 that One Hundred Thousand Dollars (\$100,000.00) of the Gross Settlement Amount will be allocated to
7 the PAGA Settlement. Pursuant to PAGA, Seventy-Five Percent (75%), or Seventy Five Thousand
8 Dollars (\$75,000.00), of the PAGA Settlement Amount will be paid to the California Labor and
9 Workforce Development Agency (“Labor and Workforce Development Agency Payment”), and
10 Twenty-Five Percent (25%), or Twenty Five Thousand Dollars (\$25,000.00), of the PAGA Settlement
11 will be disbursed to PAGA Members, and regardless whether they request to be excluded from the
12 Settlement Class.

13 30. “Parties” means Plaintiff and Defendants collectively.

14 31. “Participating Class Members” means all Class Members who do not submit timely and
15 valid Requests for Exclusion.

16 32. “Plaintiff” means Plaintiff Jacqueline Gonzaga.

17 33. “Preliminary Approval” means the date on which the Court enters an order granting
18 preliminary approval of the Settlement Agreement.

19 34. “Released Class Claims” means all claims, rights, demands, debts, liabilities,
20 obligations, damages, and actions or causes of action of any kind that were alleged in the First Amended
21 Complaint or the PAGA Notice, or that could reasonably have been alleged against any of the Released
22 Parties, arising from, related to, or based on the same set of operative facts as those set forth in the
23 operative First Amended Complaint or the PAGA Notice during the Class Period, or any facts
24 discovered in the course of the litigation, including (without limitation): (i) all claims for unpaid wages,
25 including unpaid minimum wages, straight-time wages, and overtime wages; (ii) all claims for meal and
26 rest break violations and for failure to pay meal and rest break premiums; (iii) all claims for failure to pay
27 and correctly calculate the regular rate of pay; (iv) all claims for failure to timely pay wages upon
28 termination; (v) all claims for failure to timely pay wages during employment; (vi) all claims for failure

1 to reimburse for necessary business expenses; (vii) all claims for wage statement violations and failure to
2 maintain accurate records; and (viii) all claims asserted under California Labor Code sections 201, 202,
3 203, 204, 226, 226.7, 510, 512(a), 516, 558, 1174(d), 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, and
4 2802, and the Wage Orders promulgated thereunder based on the preceding claims listed in (i) through
5 (viii), California Business & Professions Code § 17200, et seq., and California Code of Civil Procedure
6 sections 382 and 1021.5. Expressly excluded from the Released Class Claims are (a) claims for wages in
7 Workers' Compensation and Unemployment Insurance benefit cases and (b) claims for benefits under
8 the Employee Retirement Income Security Act of 1974 (ERISA).

9 35. "Released PAGA Claims" means all claims asserted pursuant to California Labor Code
10 § 2698, et seq., that arise out of or are related to the Released Class Claims during the PAGA Period.

11 36. "Released Parties" means Defendants, their present, former or future parents,
12 subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors and assigns,
13 and each of their respective present, past or future officers, directors, employees, partners (both general
14 and limited), shareholders, agents, attorneys, insurers, and any other successors, assigns, or legal
15 representatives.

16 37. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a
17 request to be excluded from the Settlement Class. The Request for Exclusion must: (i) set forth the
18 name, address, telephone number and last four digits of the Social Security Number of the Class
19 Member requesting exclusion; (ii) be signed by the Class Member; (iii) be returned to the Settlement
20 Administrator; (iv) clearly state that the Class Member does not wish to be included in the Settlement;
21 and (v) be faxed, emailed, or postmarked on or before the Response Deadline or fifteen (15) calendar
22 days after the re-mailed Notice Packet, if applicable.

23 38. "Response Deadline" means the deadline by which Class Members must postmark, fax,
24 or email to the Settlement Administrator Requests for Exclusion, postmark, fax, or email disputes
25 concerning the calculation of Individual Settlement Payments, or postmark, fax, or email Notices of
26 Objection to the Settlement Administrator. The Response Deadline will be sixty (60) calendar days from
27 the initial mailing of the Notice Packet by the Settlement Administrator, unless the sixtieth (60th)
28

1 calendar day falls on a Sunday or State holiday, in which case the Response Deadline will be extended to
2 the next day on which the U.S. Postal Service is open.

3 39. “Settlement Administration Costs” means the costs payable from the Gross Settlement
4 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
5 printing, distributing, and tracking documents for this Settlement, creating and managing a website for
6 this Settlement, tax reporting, distributing the Gross Settlement Amount, and providing necessary reports
7 and declarations, as requested by the Parties. The Settlement Administration Costs will be paid from the
8 Gross Settlement Amount, including, if necessary, any such costs in excess of the amount represented by
9 the Settlement Administrator as being the maximum costs necessary to administer the Settlement. Based
10 on an estimated Settlement Class of approximately 4,300 Class Members, the Settlement Administration
11 Costs will not exceed Twenty-Five Thousand Dollars (\$25,000).

12 40. “Settlement Administrator” means Simpluris, Inc., or any other third-party class action
13 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
14 administering this Settlement. The Parties each represent that they do not have any financial interest in
15 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
16 could create a conflict of interest.

17 41. “Withholdings and Taxes” means all withholdings from the Individual Settlement
18 Payments required by law plus all federal, state, and local employment payroll taxes due in regard to the
19 Individual Settlement Payments whether owed by a Participating Class Member, PAGA Member, or by
20 Defendants.

21 42. “Workweeks” means the number of days of employment for each Class Member during
22 the Class Period and for each PAGA Member during the PAGA Period dividing by seven (7), and
23 rounding up to the nearest whole number. All Class Members will be credited with at least one
24 Workweek during the Class Period, and all PAGA Members will be credited with at least one
25 Workweek during the PAGA Period. Workweeks will be calculated using Defendants’ records. Class
26 Members and PAGA Members may dispute the number of Workweeks they worked during the Class
27 Period and PAGA Period as described in the Notice Packet by the Response Deadline or fifteen (15)
28 calendar days after the re-mailed Notice Packet, if applicable.

TERMS OF SETTLEMENT AGREEMENT

The Plaintiff, on behalf of herself and the Settlement Class, and Defendants agree as follows:

43. Funding of the Gross Settlement Amount. Defendants will make a one-time deposit of the Gross Settlement Amount of Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000.00) into a Qualified Settlement Account to be established by the Settlement Administrator. Defendants will pay the employer's share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will be used for: (i) Individual Settlement Payments; (ii) the Labor and Workforce Development Agency Payment; (iii) the Class Representative Enhancement Payment; (iv) Attorneys' Fees and Costs; and (v) Settlement Administration Costs. Defendants will deposit the Gross Settlement Amount and the employer's share of payroll taxes within fifteen (15) business days of the Effective Date ("Funding Date").

44. Attorneys' Fees and Costs. Defendants agree not to oppose any application or motion by Class Counsel for Attorneys' Fees and Costs of not more than Seven Hundred Fifty Thousand Dollars (\$750,000.00), plus the reimbursement of all out-of-pocket costs and expenses associated with Class Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Twenty Thousand Dollars (\$20,000.00), both of which will be paid from the Gross Settlement Amount.

45. Class Representative Enhancement Payment. In exchange for a general release, and in recognition of her effort and work in prosecuting the Action on behalf of Class Members, Defendants agree not to oppose any application or motion for a Class Representative Enhancement Payment of Ten Thousand Dollars (\$10,000.00) to Plaintiff. The Class Representative Enhancement Payment will be paid from the Gross Settlement Amount and will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payment.

46. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which will not exceed Twenty-Five Thousand Dollars (\$25,000). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting

1 on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Notice
2 Packets, creating the website for this Settlement, calculating and distributing the Gross Settlement
3 Amount, and providing necessary reports and declarations.

4 47. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
5 of One Hundred Thousand Dollars (\$100,000.00) from the Gross Settlement Amount will be designated
6 for satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Seventy
7 Five Thousand Dollars (\$75,000.00), of this sum will be paid to the LWDA and Twenty-Five Percent
8 (25%), or Twenty Five Thousand Dollars (\$25,000.00), will be paid to PAGA Members in proportion to
9 the number of Workweeks worked during the PAGA Period.

10 48. No Right to Exclusion or Objections by PAGA Members. Because this settlement
11 resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private
12 Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA
13 Member has the right to exclude himself or herself from the Settlement. PAGA Members will be bound
14 by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether he or
15 she cashes any payment received as a result of this Settlement. The Parties also agree that no PAGA
16 Member has the right to object to the terms of the Settlement Agreement.

17 49. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating
18 Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendants.

19 50. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No
20 portion of the PAGA Fund will revert to or be retained by Defendants.

21 51. Individual Settlement Payment Calculations. Individual Settlement Payments will be
22 calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of
23 Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations
24 of Individual Settlement Payments will be made as follows:

25 51(a) Payments from the Net Settlement Fund. The Settlement Administrator will
26 calculate the total number of Workweeks worked by each Class Member
27 during the Class Period and the aggregate total number of Workweeks
28 worked by all Class Members during the Class Period. To determine each

1 Class Member's estimated "Individual Settlement Payment" from the Net
2 Settlement Fund, the Settlement Administrator will use the following
3 formula: The Net Settlement Fund will be divided by the aggregate total
4 number of Workweeks, resulting in the "Workweek Value." Each Class
5 Member's "Individual Settlement Payment" will be calculated by
6 multiplying each individual Class Member's total number of Workweeks by
7 the Workweek Value. The Individual Settlement Payment will be reduced
8 by any required deductions for each Participating Class Member as
9 specifically set forth herein, including employee-side tax withholdings or
10 deductions. The entire Net Settlement Fund will be disbursed to all Class
11 Members who do not submit timely and valid Requests for Exclusion. If
12 there are any valid and timely Requests for Exclusion, the Settlement
13 Administrator shall proportionately increase the Individual Settlement
14 Payment for each Participating Class Member according to the number of
15 Workweeks worked, so that the amount actually distributed to the
16 Settlement Class equals 100% of the Net Settlement Fund.

17 51(b) Payments from the PAGA Fund. The Settlement Administrator will
18 calculate the total number of Workweeks worked by each PAGA Member
19 during the PAGA Period and the aggregate total number of Workweeks
20 worked by all PAGA Members during the PAGA Period. To determine
21 each PAGA Member's estimated "Individual Settlement Payment," the
22 Settlement Administrator will use the following formula: The PAGA Fund
23 will be divided by the aggregate total number of Workweeks, resulting in
24 the "PAGA Workweek Value." Each PAGA Member's "Individual
25 Settlement Payment" will be calculated by multiplying each individual
26 PAGA Member's total number of Workweeks by the PAGA Workweek
27 Value. The entire PAGA Fund will be disbursed to all PAGA Members.
28

1 52. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
2 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
3 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any
4 Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)
5 plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.
6 Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions,
7 or amounts to which any Class Members may be entitled under any benefit plans.

8 53. Administration Process. The Parties agree to cooperate in the administration of the
9 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
10 administration of the Settlement.

11 54. Delivery of the Class List. Within fifteen (15) business days of Preliminary Approval,
12 Defendants will provide the Class List to the Settlement Administrator. The Class List provided by
13 Defendants to the Settlement Administrator, along with any updated contact information identified by
14 the Settlement Administrator shall be used solely to administer the Notice Packet and Individual
15 Settlement Awards process described herein, shall remain confidential, and shall not be disclosed to
16 anyone, except pursuant to the express written authorization of Defendants or the individual in question,
17 by order of the Court, or to the extent necessary to fulfill the Settlement Administrator's reporting
18 obligations hereunder.

19 55. Notice by First-Class U.S. Mail. Within ten (10) business days after receiving the Class
20 List from Defendants, the Settlement Administrator will mail a Notice Packet to all Class Members via
21 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class
22 List.

23 56. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
24 Administrator will perform a search based on the National Change of Address Database for information
25 to update and correct for any known or identifiable address changes. Any Notice Packets returned to the
26 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly
27 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
28 Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is

provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have either (i) an additional fifteen (15) calendar days or (ii) until the Response Deadline, whichever is later, to submit a Request for Exclusion or a Notice of Objection to the Settlement.

57. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet will provide in English only: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's principal terms; (iii) the Settlement Class and PAGA Member definitions; (iv) the total number of Workweeks each respective Class Member and PAGA Member worked for Defendants during the Class Period and PAGA Period; (v) each Class Member's and PAGA Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (vi) the dates which comprise the Class Period and PAGA Period; (vii) instructions on how to submit Requests for Exclusion or Notices of Objection; (viii) the deadlines by which the Class Member must postmark, fax or email Request for Exclusions or Notice of Objection to the Settlement; and (ix) the claims to be released.

58. Disputed Information on Notice Packets. Class Members will have an opportunity to dispute the information provided in their Notice Packets. To the extent Class Members dispute their employment dates or the number of Workweeks on record, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Defendants' records will be presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline or fifteen (15) calendar days after the re-mailed Notice Packet, if applicable, and will be decided within ten (10) business days after the Response Deadline or after the deadline provided if the Notice Packet is re-mailed.

59. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3) business days of

1 receiving the defective submission to advise the Class Member that his or her submission is defective
2 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will
3 have until (i) the Response Deadline or (ii) fifteen (15) calendar days from the date of the cure letter,
4 whichever date is later, to postmark, fax or email a revised Request for Exclusion. If the revised Request
5 for Exclusion is not postmarked or received by fax or email within that period, it will be deemed
6 untimely.

7 60. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
8 Settlement Agreement must sign and mail, fax, or email a written Request for Exclusion to the
9 Settlement Administrator within the Response Deadline or fifteen (15) calendar days after the re-mailed
10 Notice Packet, if applicable. In the case of Requests for Exclusion that are mailed to the Settlement
11 Administrator, the postmark date will be the exclusive means to determine whether a Request for
12 Exclusion has been timely submitted.

13 61. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
14 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
15 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class
16 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the
17 Settlement.

18 62. Defendants' Right to Rescind: In the event more than ten percent (10%) of Class
19 Members opt out of the Settlement Class, Defendants may terminate the Settlement in their sole
20 discretion, in which event, this Settlement Agreement will be of no further force or effect, and the Parties
21 shall be restored to the status quo ante. If Defendants terminate the Settlement pursuant to this
22 paragraph, Defendants will be solely responsible for all Settlement Administration Costs incurred until
23 the date of termination.

24 63. Releases by Participating Class Members. Upon the Funding Date, and except as to such
25 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
26 together and individually, on their behalf and on behalf of their respective heirs, executors,
27 administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released
28 Parties, or any of them, from each of the Released Class Claims arising during the Class Period.

1 64. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or
2 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,
3 on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys,
4 shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the
5 Released PAGA Claims during the PAGA Period.

6 65. Objection Procedures. To object to the Settlement Agreement, a Class Member may
7 either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
8 Deadline or fifteen (15) calendar days after the re-mailed Notice Packet (if applicable), or appear in
9 person or remotely (through LA Court Connect, www.lacourt.org/lacc/) at the Final Approval Hearing.
10 Class Members who fail to object either by submitting a valid Notice of Objection or appearing in person
11 at the Final Approval Hearing will be deemed to have waived all objections to the Settlement and will be
12 foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement.
13 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
14 to submit written objections to the Settlement Agreement or appeal from the final approval order and
15 judgment. Class Counsel will not represent any Class Members with respect to any such objections to
16 this Settlement. If a Class Member timely submits both a Notice of Objection and a Request for
17 Exclusion, the Request for Exclusion will be given effect and considered valid, the Notice of Objection
18 shall be rejected, and the Class Member shall not participate in or be bound by the Settlement.

19 66. Certification Reports Regarding Individual Settlement Payment Calculations. The
20 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report that
21 certifies the number of Class Members who have submitted valid Requests for Exclusion or Notices of
22 Objection to the Settlement, and whether any Class Member has submitted a challenge to any
23 information contained in their Notice Packet. Additionally, the Settlement Administrator will provide to
24 counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as
25 needed or requested.

26 67. Distribution Timing of Individual Settlement Payments. Within ten (10) business days
27 of the Funding Date, the Settlement Administrator will issue payments to: (i) Participating Class
28 Members and PAGA Members; (ii) the Labor and Workforce Development Agency; (iii) Plaintiff; and

1 (iv) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved
2 services performed in connection with the Settlement. The Settlement Administrator shall print the void
3 date on the face of the Individual Settlement Payment check to the Participating Class Members and
4 PAGA Members.

5 68. Un-cashed Settlement Checks; Cy Pres. Any Individual Settlement Payment checks
6 returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more than
7 one hundred and eighty (180) calendar days after issuance shall be automatically cancelled, at which
8 time the Participating Class Member's and/or PAGA Member's claim shall be deemed null and void
9 and of no further force and effect, although the individual shall remain a Participating Class Member
10 and/or PAGA Member bound by the Judgment entered in the Action. After 180 calendar days, the
11 aggregate dollar amount of the uncashed checks, plus any interest that has accrued thereon and has not
12 otherwise been distributed, shall be tendered to the Justice Gap Fund of the State Bar of California
13 pursuant to Code of Civil Procedure section 384.

14 69. Discharge of Obligations. Defendants shall discharge its obligations to Plaintiff,
15 Participating Class Members, and PAGA Members through the remittance of the Gross Settlement
16 Amount to the Settlement Administrator as set forth in Paragraph 43, above, regardless of whether
17 checks representing Individual Settlement Payments are actually received and/or negotiated by Plaintiff
18 (or Class Counsel), Participating Class Members and/or PAGA Members. Once Defendants have
19 complied with their obligation set forth in Paragraph 43 above, they will be deemed to have satisfied all
20 terms and conditions under this Agreement, shall be entitled to all protections afforded to them under this
21 Agreement, and shall have no further obligations under the terms of the Agreement, except to cooperate
22 in good faith with Class Counsel and/or the Settlement Administrator to resolve any issue that may arise
23 with the administration of the Settlement. Without prejudice to any other remedies, after Defendants
24 have remitted the Gross Settlement Amount and employer payroll taxes to the Settlement Administrator
25 as provided in Paragraph 43, Defendants will be held harmless from and against all liabilities, claims,
26 causes of action, costs and expenses (including legal fees and expenses) arising out of any failure to
27 timely or properly compensate Plaintiff, Participating Class Members, PAGA Members, Class Counsel,
28 or the LWDA as provided for in this Agreement. Notwithstanding the forgoing, in the event a Class

1 Member is omitted from the Class List that Defendants provide to the Settlement Administrator pursuant
2 to Paragraph 54 and is not mailed a Notice Packet or issued an Individual Settlement Payment as a result
3 of the omission, the omitted Class Member shall not be bound by the terms of the Settlement Agreement,
4 including those pertaining to the Released Class Claims, or by any Judgment that may be entered by the
5 Court if it grants final approval to the Settlement.

6 70. Certification of Completion. Upon completion of administration of the Settlement, the
7 Settlement Administrator will provide a written declaration under oath to certify such completion to the
8 Court and counsel for all Parties.

9 71. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
10 be allocated as follows: (i) Twenty-Five Percent (25%) of each Individual Settlement Payment will be
11 allocated as wages for which IRS Forms W-2 will be issued; and (ii) Seventy-Five (75%) will be
12 allocated as non-wages (i.e., interest and penalties) for which IRS Forms 1099-MISC will be issued.

13 72. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
14 will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class
15 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
16 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
17 and penalties to the appropriate government authorities.

18 73. Tax Liability. Defendants make no representation as to the tax treatment or legal effect
19 of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on
20 any statement, representation, or calculation by Defendants or by the Settlement Administrator in this
21 regard.

22 74. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
23 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
24 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
25 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
26 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
27 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
28 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED

1 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
2 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
3 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
4 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
5 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
6 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
7 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
8 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
9 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
10 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
11 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
12 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER
13 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
14 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
15 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
16 AGREEMENT.

17 75. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
18 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
19 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
20 action or right herein released and discharged.

21 76. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally
22 approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other
23 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
24 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
25 likewise be treated as void from the beginning. The Parties shall return to their respective positions that
26 existed before the execution this Agreement, and no term of this Agreement or any draft thereof, or the
27 negotiation, documentation or other part or aspect of the Parties' settlement discussions, shall have any
28 effect or be admissible as evidence for any purpose in the Action, or in any other proceeding.

1 77. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request
2 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order
3 for: (i) conditional certification of the Settlement Class for settlement purposes only, (ii) preliminary
4 approval of the proposed Settlement Agreement, (iii) setting a date for a final fairness hearing. The
5 Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as
6 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this
7 Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed
8 Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting
9 all documents necessary to obtain preliminary approval and will give Counsel for Defendants a draft of
10 the moving papers to review at least three (3) court days before they are filed.

11 78. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
12 deadlines to submit Requests for Exclusion or Notices of Objection to the Settlement Agreement, and
13 with the Court's permission, a final fairness hearing will be conducted to determine the Final Approval
14 of the Settlement Agreement along with the amounts properly payable for: (i) Attorneys' Fees and Costs;
15 (ii) the Class Representative Enhancement Payment; (iii) Individual Settlement Payments; (iv) the Labor
16 and Workforce Development Agency Payment; (v) all Settlement Administration Costs. The final
17 fairness hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class
18 Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel
19 will also be responsible for drafting the attorneys' fees and costs application to be heard at the final
20 approval hearing. Class Counsel will give Counsel for Defendants a draft of the final approval papers to
21 review at least three (3) court days before they are filed.

22 79. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
23 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its
24 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
25 addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement
26 administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or
27 as set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement
28 Administrator's website.

1 80. General Release by Plaintiff. Upon the Funding Date, in addition to the claims being
2 released by all Participating Class Members, Plaintiff each of her successors, assigns, heirs, personal
3 representatives and all those who claim through her or who assert claims on her behalf, shall be deemed
4 to have, and by operation of the Judgment shall have, expressly released, waived and relinquished any
5 and all claims, demands, rights, liabilities and causes of action she has or has ever had against any of the
6 Released Parties, whether for economic damages, noneconomic damages, exemplary damages,
7 penalties, restitution, injunctive or declaratory relief, interest, attorneys' fees, costs or any other forms of
8 monetary or non-monetary relief in any way arising out of or relating to any facts, transactions, events,
9 policies, occurrences, acts, disclosures, statements, omissions or failures to act at any time up to and
10 including the Funding Date, including but not limited to any claims arising from or related to her
11 employment or the termination of that employment. This general release by Plaintiff shall become
12 effective upon the Funding Date and include all statutory claims, common law claims (including but not
13 limited to those sounding in contract, tort and equity), and claims for compensation to the fullest extent
14 permitted by law. Plaintiff further agrees not to sue or otherwise make a claim against any of the
15 Released Parties for any of the claims that are released pursuant to this Settlement Agreement.

16 81. Civil Code section 1542. Plaintiff acknowledges that the general release herein includes
17 potential claims and costs that may not be known or suspected by her to exist, and she each hereby
18 expressly and affirmatively waives and relinquishes any and all rights and benefits which they may
19 otherwise have relating to the claims released in this Settlement Agreement pursuant to Civil Code
20 section 1542, and any similar law of any state or territory of the United States. Civil Code section 1542
21 states as follows:

22 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
23 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
24 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE
25 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
26 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
27 PARTY.
28

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

4 83. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
5 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
6 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code
7 section 1625 and California Code of Civil Procedure section 1856(a), which provide that a written
8 agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic
9 evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify,
10 vary or contradict the terms of this Settlement Agreement.

11 84. Amendment or Modification. No amendment, change, or modification to this Settlement
12 Agreement will be valid unless in writing and signed, either by the Parties or their counsel.

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

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

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

26 88. Execution and Counterparts. This Settlement Agreement is subject only to the execution
27 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
28

1 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned
2 copies of the signature page, will be deemed to be one and the same instrument.

3 89. Adversarial and Arm's-Length Settlement Negotiations. The Parties have arrived at this
4 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account
5 all relevant factors, present and potential. The Parties further acknowledge that they are each represented
6 by competent counsel and that they have had an opportunity to consult with their counsel regarding this
7 Settlement.

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

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

19 92. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
20 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In
21 entering into this Settlement, Defendants do not admit, and specifically deny, that it violated any federal,
22 state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other
23 applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty;
24 engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to
25 their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the
26 negotiations connected with it, will be construed as an admission or concession by Defendants of any
27 such violations or failures to comply with any applicable law, nor a waiver of any defense. Except as
28 necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its

1 terms and provisions will not be offered or received as evidence in any action or proceeding to establish
2 any liability or admission on the part of Defendants or to establish the existence of any condition
3 constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

4 93. Agreement Constitutes a Complete Defense. Upon the Funding Date, and to the extent
5 permitted by law, this Agreement may be pleaded as a full and complete defense to any action, suit or
6 other proceeding that may be instituted, prosecuted or attempted based on any claim released by this
7 Settlement Agreement.

8 94. No Public Comment. The Parties and their counsel agree that they will not issue any
9 press releases, initiate any contact with the press, respond to any press inquiry, or have any
10 communication with the press about the fact, amount or terms of the Settlement.

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

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

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

23 98. Notices. The Parties, Class Counsel and Counsel for Defendants acknowledge and agree
24 that for the purposes of any claims, actions or proceedings arising out of this Agreement, notice provided
25 to Class Counsel shall be deemed notice to Plaintiff and to Class Members and PAGA Members. All
26 notices, requests, demands and other communications required to be given under this Agreement shall be
27 in writing and shall be delivered personally, emailed or mailed, postage prepaid, by first class United
28 States mail, addressed as follows:

1 To Class Members, PAGA Members, or to Plaintiff:

2 Robert Drexler (Robert.Drexler@CapstoneLawyers.com)
3 Capstone Law APC
4 1875 Century Park East, Suite 1000
5 Los Angeles, California 90067
6 Telephone: (310) 556-4811
7 Facsimile: (310) 943-0396

8 To Defendants:

9 Tritia M. Murata (TMurata@mofo.com)
10 MORRISON & FOERSTER LLP
11 707 Wilshire Boulevard, Suite 6000
12 Los Angeles, California 90017-3543
13 Telephone: (213) 892-5200
14 Facsimile: (213) 892-5454

15 99. All Terms Subject to Final Court Approval. All amounts and procedures described in
16 this Settlement Agreement herein will be subject to final Court approval.

17 100. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
18 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
19 Settlement Agreement.

20 101. Binding Agreement. The Parties warrant that they understand and have full authority to
21 enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
22 enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in
23 any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
24 otherwise might apply under federal or state law.

25
26
27
28
THIS SECTION LEFT BLANK

1 **READ CAREFULLY BEFORE SIGNING**

2 **PLAINTIFF**

3
4 Dated: 2/3/2022

DocuSigned by:

Jacqueline Gonzaga

5C8CFCD4E194A3
Jacqueline Gonzaga

6 **DEFENDANTS MOLINA HEALTHCARE,**
7 **INC. AND MOLINA HEALTHCARE OF**
8 **CALIFORNIA**

9 Dated: _____

Please Print Name of Authorized Signatory

10
11
12
13 **APPROVED AS TO FORM**

14 **CAPSTONE LAW APC**

15
16 Dated: February 3, 2022

By: _____

Raul Perez

Attorneys for Plaintiff Jacqueline Gonzaga

18
19 **MORRISON & FOERSTER LLP**

20
21 Dated: _____

By: _____

Tritia M. Murata

22 Attorneys for Defendants Molina Healthcare, Inc. and
23 Molina Healthcare of California
24
25
26
27
28

1 **READ CAREFULLY BEFORE SIGNING**

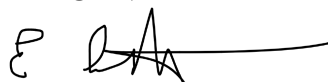
2 **PLAINTIFF**

3
4 Dated: _____

Jacqueline Gonzaga

6 **DEFENDANTS MOLINA HEALTHCARE,**
7 **INC. AND MOLINA HEALTHCARE OF**
8 **CALIFORNIA**

9 Dated: 2/17/2022



Please Print Name of Authorized Signatory

Eric Alderete

11
12
13 **APPROVED AS TO FORM**

14
15 **CAPSTONE LAW APC**

16 Dated: _____

17 By: _____
Raul Perez

18 Attorneys for Plaintiff Jacqueline Gonzaga

19 **MORRISON & FOERSTER LLP**

20 Dated: February 17, 2022

21 By: 

Tertia M. Murata

22 Attorneys for Defendants Molina Healthcare, Inc. and
23 Molina Healthcare of California

Exhibit A

Gonzaga v. Molina Healthcare, Inc., No. 21STCV03598
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All current and former hourly non-exempt employees employed by Defendants Molina Healthcare, Inc. and Molina Healthcare of California (“Defendants”) in California at any time from January 29, 2017 to [the date of Preliminary Approval of the settlement or December 31, 2021, whichever date is earlier] (“Class Members”).

All current and former hourly non-exempt employees employed by Defendants in California at any time from January 29, 2020 to [the date of Preliminary Approval of the settlement or December 31, 2021, whichever date is earlier] (“PAGA Members”).

On _____, the Honorable Amy D. Hogue of the Los Angeles County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendants’ records indicate that you are a member of a Class that has been conditionally certified for purposes of the Class and Representative Action Settlement and Release (the “Settlement”).**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Participating Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. All checks will be negotiable for 180 days—checks that are not cashed within 180 days will be paid to the Justice Gap Fund of the State Bar of California.

The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _:00 _.m. on _____, 2022 in Department 7 of the Los Angeles County Superior Court located at 312 North Spring Street, Los Angeles, California 90012.

You are not required to attend the hearing, but if you wish to attend, you may attend the hearing in person or telephonically (remotely). If you wish to attend the hearing in person, you must comply with the Los Angeles Superior Court’s COVID-19 Courthouse rules and protocols in effect on the date of the hearing, which are available on the Los Angeles Superior Court’s website (www.lacourt.org). If you wish to attend the hearing telephonically, this can be set up through LA Court Connect (www.lacourt.org/lacc/). A prescheduled appointment is currently necessary to review any documents in the clerk’s office.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes, or to access copies of the Settlement Agreement and related court filings.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

Summary of the Litigation

Plaintiff Jacqueline Gonzaga, on her behalf and on behalf of other current and former non-exempt employees, alleges that Defendants violated California state labor laws as a result of their alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) reimburse employees for necessary business expenses; and (5) provide employees with accurate, itemized wage statements.

Exhibit A

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On September 27, 2021, the parties participated in a mediation with Michael Loeb, an experienced and well-respected class action mediator. With Mr. Loeb's guidance, the parties were able to negotiate a complete settlement of Plaintiff's claims.

The proposed Settlement is not an admission of liability by Defendants. Throughout this case, Defendants have denied any liability or wrongdoing, or that any compensable injury arose out of any of the matters alleged in the lawsuit. Defendants contend that they have complied with all California and federal laws and regulations regarding those matters. Class Counsel believes that the proposed Settlement is in the best interests of the Class Members. Further proceedings would be very expensive and take a long time. Moreover, no one can predict the precise outcome of the disputed issues in this case. Therefore, Class Counsel believes that the proposed Settlement is fair, reasonable, and adequate for the Class Members.

The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, reasonable, and adequate. Any final determination of those issues will be made at the Final Approval Hearing.

Summary of The Proposed Settlement Terms

Plaintiff and Defendants have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$2,250,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Jacqueline Gonzaga for her services on behalf of the class, and for a release of all claims arising out of her employment with Defendants; (3) \$750,000 in attorneys' fees and up to \$20,000 in litigation costs and expenses; (4) a \$100,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$75,000 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$25,000 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses not to exceed \$[REDACTED]. After deducting the above payments, a total of approximately \$[REDACTED] will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all PAGA Members will receive a proportional share of the \$25,000 PAGA Fund, regardless of whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. The Settlement Administrator will calculate the total number of Workweeks worked by each Class Member from January 29, 2017 to [the date of Preliminary Approval of the settlement or December 31, 2021, whichever date is earlier] ("Class Period") and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendants' records, you worked during the Class Period in a non-exempt position for a total of [REDACTED] Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$[REDACTED].

Payments from PAGA Fund. The Settlement Administrator will calculate the total number of Workweeks worked by each PAGA Member from January 29, 2020 to [the date of Preliminary Approval of the settlement or December 31, 2021, whichever date is earlier].

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

31, 2021, whichever date is earlier] (“PAGA Period”) and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member’s estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the “PAGA Workweek Value.” Each PAGA Member’s share of the PAGA Fund will be calculated by multiplying each individual Participating PAGA Member’s total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he or she submits a valid Request for Exclusion.

According to Defendants’ records, you worked during the PAGA Period in a non-exempt position for a total of [redacted] Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$ [redacted].

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$ [redacted]. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked, faxed, or emailed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o _____
Fax No. _____
Email: _____

If you dispute the information stated above, Defendants’ records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 25% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 75% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims:

Released Class Claims: All claims, rights, demands, debts, liabilities, obligations, damages, and actions or causes of action of any kind that were alleged in the First Amended Complaint or the PAGA Notice, or that could reasonably have been alleged against any of the Released Parties, arising from, related to, or based on the same set of operative facts as those set forth in the operative First Amended Complaint or the PAGA Notice during the Class Period, or any facts discovered in the course of the litigation, including (without limitation): (i) all claims for

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unpaid wages, including unpaid minimum wages, straight-time wages, and overtime wages; (ii) all claims for meal and rest break violations and for failure to pay meal and rest break premiums; (iii) all claims for failure to pay and correctly calculate the regular rate of pay; (iv) all claims for failure to timely pay wages upon termination; (v) all claims for failure to timely pay wages during employment; (vi) all claims for failure to reimburse for necessary business expenses; (vii) all claims for wage statement violations and failure to maintain accurate records; and (viii) all claims asserted under California Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512(a), 516, 558, 1174(d), 1182.12, 1194, 1197, 1197.1, 1174.5, 1198, and 2802, and the Wage Orders promulgated thereunder based on the preceding claims listed in (i) through (viii), California Business & Professions Code §§ 17200, et seq., and California Code of Civil Procedure sections 382 and 1021.5. Expressly excluded from the Released Class Claims are (a) claims for wages in Workers' Compensation and Unemployment Insurance benefit cases and (b) claims for benefits under the Employee Retirement Income Security Act of 1974 (ERISA).

"Released Parties" means Defendants, their present, former or future parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors and assigns, and each of their respective present, past or future officers, directors, employees, partners (both general and limited), shareholders, agents, attorneys, insurers, and any other successors, assigns, or legal representatives.

Released PAGA Claims: All claims asserted pursuant to California Labor Code §§ 2698, et seq., that arise out of or are related to the Released Class Claims during the PAGA Period.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. The Request for Exclusion must be postmarked or faxed or emailed not later than _____, 2022, and must be sent to the Settlement Administrator. The Settlement Administrator information to mail, fax, or email the Request for Exclusion is as follows:

Settlement Administrator
c/o _____
Fax No. _____
Email: _____

If you submit a Request for Exclusion which is not postmarked or faxed or emailed by _____, 2022, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- You will, however, release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the

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Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The written objection must be mailed or faxed or emailed to the administrator at by not later than _____ 2022. The Settlement Administrator information to mail, fax, or email the written objection is as follows:

Settlement Administrator
c/o _____
Fax No. _____
Email: _____

By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Los Angeles and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims in addition to the Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: Number

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR DEFENDANTS' ATTORNEYS WITH INQUIRIES.

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