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SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

OLGA KARINNA CHAVEZ individually and
on behalf of other individuals similarly situated,

Plaintiff,

v.

HEALTH VENTURES, INC., a California
corporation; and DOES 1 through 100, inclusive

Defendants.

CASE NO. RG21093824

*Assigned for all purposes to the
Hon. Evelio Grillo, Dept. 21*

CLASS ACTION

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

Complaint Filed March 29, 2021

1 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement” or
2 “Settlement Agreement”) is made and entered into by and between Plaintiff Olga Karinna Chavez, on
3 her own behalf, on behalf of all similarly situated employees, and on behalf of all aggrieved employees
4 pursuant to the Private Attorneys General Act (“Plaintiff), on one hand, and Defendant Health
5 Ventures, Inc. (“Defendant”), on the other. Plaintiff and Defendant are sometimes referred to
6 individually as a “Party” and collectively referred to herein as the “Parties.” THE PARTIES
7 STIPULATE AND AGREE as follows:

8 DEFINITIONS

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

- 11 1. “Action” means the above-captioned action, *Olga Chavez, et al. vs. Health Ventures Inc.*,
12 Case No. RG21093824.
- 13 2. “Attorneys’ Fees and Costs” means attorneys’ fees and costs approved by the Court for
14 Class Counsel’s litigation and resolution of the Action.
- 15 3. “Class Action and PAGA Complaint” refers to the operative Second Amended Class Action
16 and PAGA Complaint filed in the Action on March 16, 2023.
- 17 4. “Class Claims” refers to all claims in the Class Action and PAGA Complaint.
- 18 5. “Class Counsel” means Bradley/Grombacher, LLP.
- 19 6. “Class List” means a complete list of all prospective Class Members that Defendant will
20 diligently and in good faith compile from their records and provide to the Settlement Administrator
21 within thirty (30) calendar days after Preliminary Approval of this Settlement. The Class List will be
22 formatted in Microsoft Office Excel and will include the following information from Defendant’s
23 records: each prospective Class Member’s (a) full name; (b) last-known mailing address; (c) social
24 security number; (d) dates of employment; (e) workweeks as a non-exempt employee of Defendant
25 in California; and (f) the PAGA Pay Periods, if applicable.
- 26 7. “Class Member(s)” or “Class” means all current and former non-exempt employees
27 employed by Defendant from March 29, 2017, through the date of preliminary approval of the
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1 Settlement. Defendant estimates that the Settlement Class included approximately 457 unique
2 employees as of January 1, 2023.

3 8. “Class Period” means the period from March 29, 2017, through the date the court enters its
4 order granting preliminary approval of the Settlement.

5 9. “Class Representative Enhancement Payment” means the amount approved by the Court to
6 be paid to Plaintiff in recognition of her contributions to the Action on behalf of Class Members and
7 PAGA Employees, to be paid from the Gross Settlement Amount.

8 10. “Court” means the Superior Court for the State of California County of Alameda.

9 11. “Defendant” means Health Ventures, Inc.

10 12. “Defendant’s Counsel” means GBG LLP.

11 13. “Effective Date” means: the date the Settlement has been finally approved by the Court
12 without material modification and either (i) the applicable date for seeking appellate review of the
13 Court’s final approval order has passed without a timely appeal or request for review having been
14 made; or (ii) a California Court of Appeal or the California Supreme Court has rendered a final
15 judgment affirming the Court’s final approval without material modification, and the time for any
16 further appeal has expired.

17 14. “Gross Settlement Amount” is the amount of \$1,750,000, which is the maximum amount
18 to be paid by Defendant pursuant to this Settlement Agreement. This amount includes all Class
19 Member payments, the Class Representative Enhancement Payment, the allocation to claims for
20 PAGA civil penalties, Class Counsel’s attorney’s fees up to a maximum of 33.33%, Class Counsel’s
21 costs, and the Settlement Administration Costs. Defendant’s share of employer payroll taxes on any
22 payments allocated as wages under this Settlement shall be paid by Defendant in addition to the Gross
23 Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendant.

24 15. “Individual PAGA Payment” means each PAGA Employee’s individual share of the portion
25 of the PAGA Allocation allocated to the PAGA Employees. PAGA Employees will automatically
26 receive their Individual PAGA Payments even if they opt out of the Settlement.

27 16. “Individual Settlement Payment” means the pro rata portion of the Net Settlement Amount
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1 payable to each participating Class Member (those who do not request to be excluded from the
2 Settlement) pursuant to the formula set forth herein.

3 17. “Net Settlement Amount” means the Gross Settlement Amount less the Class
4 Representative Enhancement Payment, Attorneys’ Fees and Costs, Settlement Administration Costs,
5 and the PAGA Allocation, as specified in this Settlement Agreement.

6 18. “Notice of Class Action and PAGA Settlement” means the notice of settlement, attached
7 hereto as **Exhibit A**, to be mailed to all prospective Class Members upon Preliminary Approval.

8 19. “Objection” means a timely written objection to this Settlement sent by a Class Member to
9 the Settlement Administrator as specified herein and in the Notice of Class Action and PAGA
10 Settlement. An Objection to the Settlement must be sent to the Settlement Administrator within the
11 time limitations set forth in this Settlement Agreement and as ordered by the Court. To be considered,
12 the Objection must state: (a) the case name and number; (b) the name of the Class Member; (c) the
13 address of the Class Member; (d) the last four digits of the Class Member’s social security number;
14 and (e) the basis for the Objection. Class Members and PAGA Employees cannot, however, object to
15 the PAGA portion of the Settlement.

16 20. “PAGA” means the Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code §§
17 2698 *et seq.*

18 21. “PAGA Letter” refers to Plaintiff’s PAGA letter sent to the California Labor and Workforce
19 Development Agency (“LWDA”) on March 26, 2021.

20 22. “PAGA Allocation” means the portion of the Gross Settlement Amount that the Parties have
21 agreed to allocate to resolution of the Released PAGA Claims, as defined below in Paragraph 93. The
22 Parties have agreed that the PAGA Allocation will be twenty-five thousand dollars and no cents
23 (\$25,000.00). Pursuant to PAGA, seventy-five percent (75%), or eighteen thousand seven hundred
24 and fifty dollars (\$18,750.00), of the PAGA Allocation will be paid to the LWDA, and twenty-five
25 percent (25%), or six thousand two hundred and fifty dollars and no cents (\$6,250.00), will be paid
26 to the PAGA Employees.

27 23. “PAGA Employees” means each and all current and former non-exempt employees of
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1 Defendant who worked for Defendant as non-exempt employees during the PAGA Period. For
2 purposes of this Settlement only, all PAGA Employees shall be deemed to be “aggrieved employees”
3 as defined pursuant to PAGA.

4 24. “PAGA Pay Periods” means the number of pay periods that a PAGA Employee worked for
5 Defendant as a non-exempt employee in California during the PAGA Period.

6 25. “PAGA Period” means the period from March 26, 2020, through the date of Preliminary
7 Approval.

8 26. “PAGA Representative” means Plaintiff.

9 27. “Pay Period Value for PAGA Employees” means the value of each compensable PAGA
10 Pay Period, as determined by the formula that is set forth herein.

11 28. “Preliminary Approval” means the Court order granting preliminary approval of the
12 Settlement Agreement.

13 29. “Request for Exclusion” means a timely written request by a prospective Class Member to
14 be excluded from (i.e., opt out of) the Settlement. The Request for Exclusion must: (a) set forth the
15 name, address, telephone number and last four digits of the social security number of the prospective
16 Class Member requesting exclusion; (b) be signed by the prospective Class Member; (c) be returned
17 to the Settlement Administrator; (d) clearly state that the prospective Class Member does not wish to
18 be included in the Settlement; and (e) be postmarked on or before the Response Deadline. Prospective
19 Class Members and PAGA Employees cannot use the Request for Exclusion process to exclude
20 themselves from the PAGA portion of the Settlement.

21 30. “Response Deadline” means the deadline by which prospective Class Members must mail
22 (postmark) their Requests for Exclusion to the Settlement Administrator. The Response Deadline will
23 be forty-five (45) calendar days from the initial mailing of the Notice of Class Action and PAGA
24 Settlement by the Settlement Administrator, unless the forty-fifth (45th) day falls on a Sunday or
25 Federal holiday, in which case the Response Deadline will be extended to the next day on which the
26 U.S. Postal Service is open.

1 31. "Settlement Administrator" means ILYM Group, Inc., or any other third-party class action
2 settlement administrator approved by the Parties and the Court for the purposes of administering
3 this Settlement. The Parties each represent that they do not have a financial interest in the
4 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
5 could create a conflict of interest.

6 32. "Settlement Administration Costs" includes all costs payable to the Settlement
7 Administrator for administering the Settlement, including, but not limited to: (a) printing, distributing,
8 and tracking notice and other documents for this Settlement; (b) setting up and maintaining a
9 settlement website; (c) tax reporting; (d) setting up the interest-bearing Qualified Settlement Fund
10 ("QSF"); (e) distributing all payments to be made from the QSF pursuant to this Settlement; and (f)
11 providing necessary reports and declarations as requested by the Parties. The Settlement
12 Administration Costs are currently estimated to be \$10,850.00.

13 33. "Workweeks" means the number of calendar weeks that the Class Member was employed
14 by Defendant as a non-exempt employee in California during the Class Period.

15 34. "Workweek Value for Class Members" means the value of each compensable Workweek,
16 as determined by the formula that is set forth herein.

17 **STIPULATED BACKGROUND**

18 35. On March 26, 2021, Plaintiff provided written notice to the LWDA and by certified mail to
19 Defendant alleging violations of the California Labor Code and the Industrial Welfare Commission
20 Wage Order.

21 36. On March 29, 2021, Plaintiff filed a class action in the Superior Court of California, County
22 of Alameda. Defendant answered the complaint on July 22, 2021.

23 37. Pursuant to stipulation, Plaintiff filed her First Amended Complaint to add a cause of action
24 pursuant to PAGA on March 18, 2022.

25 38. Defendant filed its Answer to the FAC on April 5, 2022.

26 39. On September 28, 2022, the parties filed a joint stipulation to stay the Court action pending
27 a meditation, which the Court granted.
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1 40. On February 2, 2023, Plaintiff voluntarily terminated her employment with Defendant.

2 41. On March 2, 2023, the Parties attended a mediation before Michael Dickstein, an
3 experienced and highly-respected mediator in the area of wage and hour class actions. In advance of
4 mediation, the Parties conducted extensive formal written discovery including the production to Class
5 Counsel of class contact information. Defendant also produced data and information informally
6 requested by Plaintiff to evaluate potential alleged damages and engage in meaningful settlement
7 discussions. Although not alleged in the FAC, Plaintiff came prepared to negotiate a settlement of the
8 Plaintiff's claims based on Defendants' meal premium calculations following the decision by the
9 California Supreme Court in *Ferra v. Loews Hollywood Hotel* (revealed during discovery) and for
10 Defendant's alleged failure to pay all wages due at termination of employment in violation of
11 California Labor Code §§ 201-203, in light of the recent voluntary termination of Plaintiff's
12 employment.

13 42. At the mediation, Plaintiff and Defendant agreed on the principal terms of a settlement and
14 executed a Memorandum of Understanding ("MOU") to memorialize their agreement. The MOU
15 shall be superseded in all respects by this Agreement upon the Parties' execution of this Agreement.

16 43. On March 10, 2023, the Parties filed a stipulation for the filing of a Second Amended
17 Complaint to add Plaintiff's *Ferra* allegations and a claim pursuant to California Labor Code §§ 201-
18 203, which the Court granted. The operative SAC was filed on March 16, 2023.

19 44. Plaintiff and Class Counsel have concluded, after taking into account the sharply disputed
20 factual and legal issues involved in the Action, the risks attending further prosecution, and the
21 substantial benefits to be received pursuant to settlement as set forth in this Agreement, that settlement
22 on the terms set forth herein is in the best interest of Plaintiff and the Class and is fair and reasonable.

23 45. Similarly, Defendant has concluded, after taking into account the sharply disputed factual
24 and legal issues involved in the Civil Action, the risks and expense attending further litigation, and
25 its desire to put the controversy to rest, that settlement on the terms set forth herein is in its best
26 interest and is fair and reasonable.

27 46. This Settlement contemplates (i) entry of an order preliminarily approving the Settlement,
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1 (ii) distribution of the Notice of Class Action and PAGA Settlement to Class Members, and (iii) entry
2 of a Final Order and Judgment of the Settlement. The Court shall retain jurisdiction over the Civil
3 Action and Parties for purposes of enforcing the Settlement and resolving any disputes relating to the
4 Settlement.

5 47. Solely for purposes of settling the Action, the Parties and their respective counsel stipulate
6 and agree that the requisites for establishing class certification with respect to the Class Members
7 have been met and are met. Should, for whatever reason, the Settlement not become effective, the
8 fact that the Parties were willing to stipulate to class certification as part of the Settlement shall have
9 no bearing on, and shall not be admissible in connection with, the issue of whether the Class Members
10 and/or the Class Claims should be certified in a non-Settlement context in this Action or in any other
11 lawsuit. Defendant expressly reserves its right to oppose class certification in the Action or any other
12 action should this Settlement not become effective.

13 48. Should, for whatever reason, the Settlement not become effective, the fact that the Parties
14 were willing to stipulate to class certification as part of the Settlement shall have no bearing on, and
15 shall not be admissible in connection with, the issue of whether the Class Members and/or the Class
16 Claims should be certified in a non-Settlement context in this Action or in any other lawsuit.
17 Defendant expressly reserves its right to oppose class certification in the Action or any other action
18 should this Settlement not become effective.

19 49. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the
20 claims alleged in the Class Action and PAGA Complaint, and Defendant further denies that, for any
21 purpose other than settling the Action, the Action is appropriate for class or representative treatment.
22 Nothing in this Agreement, including its existence, shall be construed or deemed as an admission of
23 liability, culpability, negligence, or wrongdoing on the part of Defendant.

24 50. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge
25 all disputes and claims arising from or related to the Class Action and PAGA Complaint and the
26 Action.

27 51. It is agreed by and among Plaintiff (on behalf of herself and the Class) and Defendant, that
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1 the Action, and any claims, damages, or causes of action arising out of the disputes that are the subject
2 of the Action, be settled and compromised as between Plaintiff, the Class and the PAGA Employees,
3 on one hand, and Defendant, on the other, subject to the terms and conditions set forth in this
4 Settlement and approval of the Court, as of the Effective Date.

5 52. The Parties agree to cooperate and take all steps necessary and appropriate to obtain
6 preliminary and final approval of this Settlement.

7 53. The Parties agree to stay all proceedings in the Action, except such proceedings necessary
8 to implement and complete the Settlement, pending the final approval hearing to be conducted by
9 the Court.

10 SETTLEMENT FUNDING AND DISTRIBUTION

11 54. Funding of the Gross Settlement Amount. Defendant will make a single payment of
12 \$1,750,000 into the QSF, which the Settlement Administrator will manage and establish, within thirty
13 (30) days of the Effective Date. The Settlement Administrator will notify Defendant's Counsel of the
14 account information to which Defendant will wire the payment into the QSF to fund the Gross
15 Settlement Amount, from which payments required by the Settlement shall be made. The Gross
16 Settlement Amount will be used to pay: (a) all Individual Settlement Payments to the Class Members;
17 (b) the Class Representative Enhancement Payment to Plaintiff; (c) all Attorneys' Fees and Costs to
18 Class Counsel; (d) the PAGA Allocation to the LWDA and the PAGA Employees; and (e) all
19 Settlement Administration Costs to the Settlement Administrator.

20 55. Attorneys' Fees and Costs. Class Counsel will seek an award of Attorneys' Fees and Costs
21 of not more than \$583,333.33 in attorney's fees (33.33% of the Maximum Settlement Amount) and
22 not more than \$20,000 in Attorneys' Costs. Defendant agrees not to oppose such application. All
23 Attorneys' Fees and Costs will be paid from the Gross Settlement Amount. Plaintiff and Class
24 Counsel will not have the right to revoke this Settlement in the event the Court does not approve the
25 sum of Attorneys' Fees and Costs sought by Class Counsel. Any portion of the Attorneys' Fees and
26 Costs not awarded to Class Counsel from the Gross Settlement Amount will be added to the Net
27 Settlement Amount for distribution to the Class Members. The amount of Attorneys' Fees and Costs
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1 approved by the Court will cover all work performed and all fees and costs incurred to date, and all
2 work to be performed and all fees and costs to be incurred in connection with the approval by the
3 Court of this Settlement and administration of the Settlement. The Parties agree that there is no
4 prevailing party, and the Class, the PAGA Employees, and Class Counsel shall not be entitled to any
5 fees or costs other than those awarded out of and deducted from the Gross Settlement Amount.

6 56. Class Representative Enhancement Payment. Plaintiff will apply to the Court for a Class
7 Representative Enhancement Payment of not more than \$15,000 for her effort and work in
8 prosecuting the Action on behalf of the Class and the PAGA Employees. Defendant agrees not to
9 oppose such application. The Class Representative Enhancement Payment, which will be paid from
10 the Gross Settlement Amount, will be in addition to Plaintiff's right to an individual Settlement
11 payment and Individual PAGA Payment pursuant to this Settlement. Plaintiff will be solely and
12 legally responsible to pay any and all applicable taxes on the Class Representative Enhancement
13 Payment and will defend, indemnify and hold Defendant harmless from any claim or liability for
14 taxes, penalties, or interest arising as a result of the payments. Plaintiff will not have the right to
15 revoke this Settlement if the Court does not approve the amount sought by Plaintiff as the Class
16 Representative Enhancement Payment. Any portion of the Class Representative Enhancement
17 Payment not awarded to the Class Representative from the Gross Settlement Amount will be added
18 to the Net Settlement Amount for distribution to the Class Members. Plaintiff agrees not to opt out of
19 the Class or object to the Settlement based upon the Class Representative Enhancement Payment
20 approved by the Court.

21 57. Settlement Administration Costs. The Settlement Administrator will be paid for the
22 reasonable costs of administration of the Settlement and distribution of payments from the QSF.
23 These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*: (a) the
24 required tax reporting on the Individual Settlement Payments and Individual PAGA Payments; (b)
25 the issuing of 1099 IRS Forms; (c) preparing, translating, and distributing the Notice of Class Action
26 and PAGA Settlement; (d) setting up the QSF; (e) calculating and distributing all payments to be
27 made pursuant to the Settlement; and (f) providing necessary reports and declarations. The Settlement
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Administration Costs are currently estimated to be \$10,850.00 and will not exceed \$10,850.00. All the Settlement Administration Costs shall be paid from the Gross Settlement Amount upon completion of all duties required to be performed by the Settlement Administrator under the terms of this Settlement, or as otherwise required by the Court. Any portion of the Settlement Administration Costs not awarded to the Settlement Administrator from the Maximum Settlement Amount will be added to the Net Settlement Amount. The costs of the Settlement Administrator for work done shall be paid regardless of the outcome of the Settlement. If the Settlement does not become final and effective, the costs of the Settlement Administrator will be shared equally by Plaintiff and Defendant.

58. PAGA Allocation. Twenty Five Thousand Dollars (\$25,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Allocation (\$18,750.00) to the LWDA, and twenty-five percent (25%) of the PAGA Allocation (\$6,250.00) to the PAGA Employees, on a pro rata basis, as described below. Each PAGA Employee's pro rata share of the \$6,250.00 will be his or her Individual PAGA Payment. PAGA Employees will receive their Individual PAGA Payments even if they submit valid and timely Requests for Exclusion from the Class.

59. Individual Settlement Payment Calculations. Individual Settlement Payments to Class Members will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member worked for Defendant during the Class Period. Calculations of Individual Settlement Payments will be made as follows:

- (a) The Settlement Administrator will first calculate the total number of Workweeks worked by each prospective Class Member as a non-exempt employee in California during the Class Period and the aggregate total number of Workweeks worked by all prospective Class Members as non-exempt employees in California during the Class Period. For purposes of this Settlement, Workweeks will be calculated by counting the number of calendar days between each Class Member's first and last days of work as a non-exempt employee during the Class Period and dividing that sum by seven, without

1 regard to any vacations, periods of illness, or leaves of absence taken during the Class
2 Period.

3 (b) To determine each prospective Class Member's estimated Individual Settlement
4 Payment, the Settlement Administrator will use the following formula: the Net
5 Settlement Amount will be divided by the aggregate total number of Workweeks worked
6 by all prospective Class Members during the Class Period, resulting in the Workweek
7 Value for Class Members. Each prospective Class Member's estimated Individual
8 Settlement Payment will then be calculated by multiplying each prospective Class
9 Member's total number of Workweeks by the Workweek Value for Class Members.

10 (c) The entire Net Settlement Amount will be disbursed as Individual Settlement Payments
11 to the Class. If there are any valid and timely Requests for Exclusion received from
12 prospective Class Members, the Settlement Administrator shall proportionately increase
13 the Individual Settlement Payment for each Class Member according to the number of
14 Workweeks worked, so that the amount distributed to the Class equals one hundred
15 percent (100%) of the Net Settlement Amount.

16 60. Individual PAGA Payment Calculations. Individual PAGA Payments to PAGA Employees
17 will be calculated and apportioned from the percentage of the PAGA Allocation allocated to the
18 PAGA Employees (i.e., 25% of the PAGA Allocation, or \$6,250.00) based on the number of Pay
19 Periods the PAGA Employee worked for Defendant during the PAGA Period as a non-exempt
20 employee in California. Calculations of Individual PAGA Payments will be made as follows:

21 (a) The Settlement Administrator will first calculate the total number of Pay Periods worked
22 for Defendant by each PAGA Employee as a non-exempt employee in California during
23 the PAGA Period and the aggregate total number of Pay Periods worked for Defendant
24 by all PAGA Employees as non-exempt employees in California during the PAGA
25 Period. A PAGA Employee who worked any portion of a PAGA Pay Period will be
26 credited with the entire Pay Period.

27 (b) To determine each PAGA Employee's estimated Individual PAGA Payment, the
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1 Settlement Administrator will use the following formula: twenty-five percent (25%) of
2 the PAGA Allocation (i.e., \$6,250) will be divided by the aggregate total number of Pay
3 Periods worked by all PAGA Employees during the PAGA Period, resulting in the Pay
4 Period Value for PAGA Employees. Each PAGA Employee's Individual PAGA Payment
5 will then be calculated by multiplying each individual PAGA Employee's total number
6 of Pay Periods by the Pay Period Value for PAGA Employees.

7 61. No Credit Toward Benefit Plans. All Settlement payments to Class Members and PAGA
8 Employees shall be deemed to be paid to such Class Members and PAGA Employees solely in the
9 year in which such payments actually are received by the Class Member or PAGA Employee. It is
10 expressly understood and agreed that the Individual Settlement Payments made to Class Members
11 and Individual PAGA Payments made to PAGA Employees under this Settlement, as well as any
12 other payments made pursuant to this Settlement, will not be used to calculate any additional benefits
13 under any benefit plans to which any Class Members or PAGA Employees may be eligible, including,
14 but not limited to: (a) profit-sharing plans; (b) bonus plans; (c) 401(k) plans; (d) stock purchase plans;
15 (e) vacation plans; (f) sick leave plans; (g) PTO plans; and (h) any other benefit plan. It is the Parties'
16 intention that this Settlement will not affect any rights, contributions, or amounts to which any Class
17 Members or PAGA Employees may be entitled under any benefit plans.

18 **PRELIMINARY APPROVAL HEARING**

19 62. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request
20 Preliminary Approval of the Settlement Agreement and entry of an Order for: (a) conditional
21 certification of the Class for settlement purposes only; (b) preliminary approval of the proposed
22 Settlement and Notice of Class Action and PAGA Settlement; and (c) setting a date for a hearing on
23 final approval of the Settlement ("Final Approval/Settlement Fairness Hearing"). The Preliminary
24 Approval Order will provide for the Notice of Class Action and PAGA Settlement to be sent to all
25 prospective Class Members as specified herein. In conjunction with the Preliminary Approval
26 hearing, Plaintiff will file with the Court this Settlement Agreement, which sets forth the terms of the
27 Settlement, along with the proposed Notice of Class Action and PAGA Settlement. Plaintiff will also
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1 serve notice of the PAGA Settlement on the LWDA at or before the time Plaintiff files the motion for
2 Preliminary Approval.

3 **ADMINISTRATION OF SETTLEMENT AND NOTICE**

4 63. Settlement Administration Process. The Parties agree to cooperate in the administration of
5 the Settlement and to make all reasonable efforts to control and minimize the costs and expenses
6 incurred in administration of the Settlement. Defendant agrees to fund the QSF by making the above-
7 described payment through the Settlement Administrator. The Parties intend in this Settlement for the
8 QSF to be fully funded at the point in time following the Effective Date when distribution of payments
9 to Class Member and PAGA Employees has been ordered by the Court to be made.

10 64. Delivery of the Class List. Within thirty (30) calendar days of entry of the Court's Order
11 Granting Preliminary Approval, to the extent practicable, Defendant will provide the Class List to the
12 Settlement Administrator. Absent mutual written agreement of counsel for all Parties or Court order,
13 the Settlement Administrator will keep the Class List confidential and secure and use it only for the
14 purposes described herein.

15 65. Confirmation of Contact Information in the Class List and Undeliverable Notices. Prior to
16 mailing the Notice of Class Action and PAGA Settlement, the Settlement Administrator will perform
17 a search based on the National Change of Address Database for information to update and correct for
18 any known or identifiable address changes. Any such Notices returned to the Settlement
19 Administrator as non-deliverable on or before the Response Deadline will be sent promptly via
20 regular First-Class U.S. Mail to the forwarding address affixed thereto, and the Settlement
21 Administrator will indicate the date of such re-mailing on the Notice. If no forwarding address is
22 provided, the Settlement Administrator will promptly attempt to determine the correct address using
23 an Accurint search/skip-trace and will perform a single remailing.

24 66. Notice by First-Class U.S. Mail. Within fifteen (15) days after the Settlement Administrator
25 receives the Class List from Defendant, the Settlement Administrator will mail the approved Notice
26 of Class Action and PAGA Settlement to all prospective Class Members via regular First-Class U.S.
27 Mail, using the most current, known mailing addresses identified in the Class List or through the
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1 confirmation process described above.

2 67. Notice Contents. The Notice of Class Action and PAGA Settlement will set forth the
3 material terms of the proposed Settlement, along with instructions about how to object or request
4 exclusion from the proposed Class Action Settlement. For each Class Member and PAGA Employee,
5 there will be pre-printed information on the Notice of Class Action and PAGA Settlement, based on
6 Defendant's records, stating the person's Workweeks during the Class Period, PAGA Pay Periods
7 during the PAGA Period, and the estimated total settlement payment, including the prospective Class
8 Member's Individual Settlement Payment and Individual PAGA Payment. The Notice of Class
9 Action and PAGA Settlement will also provide (1) contact information for class counsel to answer
10 questions; (2) a URL to a web site, maintained by the Settlement Administrator or Class Counsel, that
11 has links to the notice and the most important documents in the case; and (3) for persons who wish to
12 review the court's docket in the case, the URL for the court's electronic filing and calendaring system
13 known as DomainWeb. The Notice of Class Action and PAGA Settlement is attached hereto as
14 **Exhibit A.**

15 68. Disputed Information in the Notice. Class Members and PAGA Employees will have an
16 opportunity to dispute the information provided in their Notice of Class Action and PAGA Settlement.
17 To the extent Class Members dispute their employment dates or the number of Workweeks, and/or
18 PAGA Employees dispute their employment dates or the number of PAGA Pay Periods, they must
19 submit their dispute regarding such information to the Settlement Administrator in writing and
20 postmarked on or before the Response Deadline, along with evidence showing that such information
21 provided in the Notice is inaccurate. Unless a disputing Class Member or PAGA Employee submits
22 documentary evidence in support of his or her dispute, the records of Defendant will be determinative.
23 The Settlement Administrator will advise the Parties of such dispute, allow Defendant five (5)
24 business days to respond with any additional information or records, and then decide the dispute.
25 Defendant's records will be presumed correct, but the Settlement Administrator will evaluate the
26 evidence submitted by the Class Member, PAGA Employee, and Defendant, and the Settlement
27 Administrator will make the final decision as to the merits of the dispute, subject to the ultimate
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oversight and approval of the Court if necessary.

OBJECTIONS TO THE SETTLEMENT

69. Objection Procedures. The Notice of Class Action and PAGA Settlement shall state that Class Members who wish to object to the Settlement may do so by submitting a written Objection to the Settlement Administrator, postmarked on or before the Response Deadline (no less than 45 calendar days from the initial mailing of the Notice by the Settlement Administrator). The postmark date of the Objection will be deemed the exclusive means for determining that the Objection is timely. Class Members are not required to appear at the hearing for final approval to have their Objections considered. The Objection must be signed by the Class Member or the Class Member's lawful representative. If any Objections are received by the Settlement Administrator, the Settlement Administrator will promptly provide the Objection(s) to the Parties' counsel upon receipt. Class Counsel will include all Objections received, and Plaintiff's response(s) thereto, with Plaintiff's motion for final approval of the Settlement. Class Members may also have their Objections heard at the Final Approval/Settlement Fairness Hearing even if they did not file a written objection within the Response Deadline. Class Counsel will not represent any Class Members with respect to any such Objections. Any prospective Class Members who request exclusion from the Settlement (as provided below) will not have standing to object to the Settlement. If a Class Member objects to the Settlement, the Class Member will remain a member of the Class. If the Court approves the Settlement, the objecting Class Member will be deemed a member of the Class and will be bound by the terms of the Settlement upon final approval in the same way and to the same extent as a Class Member who did not object.

70. PAGA Portion of the Settlement. Class Members and PAGA Employees cannot object to the PAGA portion of the Settlement.

REQUESTS FOR EXCLUSION

71. Requests for Exclusion. Any prospective Class Member wishing to opt out of the Settlement (other than the PAGA portion of the Settlement) must sign and send a valid and written Request for Exclusion to the Settlement Administrator, postmarked on or before the Response Deadline (no less

1 than 45 calendar days from the initial mailing of the Notice of Class action and PAGA Settlement by
2 the Settlement Administrator). The postmark date will be the exclusive means to determine whether
3 a Request for Exclusion has been timely submitted. The Parties and their counsel will not solicit or
4 encourage any prospective Class Member, directly or indirectly, to opt out of the Settlement. The
5 Request for Exclusion must include the prospective Class Member's name, address, telephone
6 number, and signature, and must clearly state that the Class Member wishes to be excluded from the
7 Settlement. A prospective Class Member who properly submits a valid and timely request to be
8 excluded from the Action will not receive an Individual Settlement Payment, will not be bound by
9 the class action release of the Settlement, and will not have standing to object to the Settlement. A
10 Request for Exclusion must be mailed to the Settlement Administrator at the address to be provided
11 in the Notice Packet. The Settlement Administrator will promptly transmit all Requests for Exclusion
12 to the Parties' counsel. Class Counsel will include all Requests for Exclusion received with Plaintiff's
13 motion for final approval of the Settlement. Prospective Class Members submitting a Request for
14 Exclusion will nevertheless receive their Individual PAGA Payments and will be bound by the release
15 given by all PAGA Employees. If the Court grants final approval of this Settlement, all PAGA
16 Employees are bound by the Court's resolution of the PAGA claim, regardless of whether they
17 submitted timely and valid Requests for Exclusion as Class Members. A prospective Class Member
18 who submits a valid and timely Request for Exclusion will still receive his or her Individual PAGA
19 Payment if he or she is also a PAGA Employee.

20 72. Determining Validity of Requests for Exclusion. The Settlement Administrator may not
21 reject a Request for Exclusion as invalid because it fails to contain all the information specified in the
22 Notice of Class Action and PAGA Settlement. The Administrator shall accept any Request for
23 Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class
24 Member and the Class Member's desire to be excluded. If the Administrator has reason to question
25 the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the
26 Class Member's identity.

27 73. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any prospective Class
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1 Member who does not affirmatively opt out of the Settlement by submitting a timely and valid
2 Request for Exclusion will become a Class Member for all purposes and will be bound by all terms
3 of the Settlement, including those pertaining to the released claims, as well as any Judgment that may
4 be entered by the Court if it grants final approval.

5 74. Settlement Administrator Reports. The Settlement Administrator will provide the Parties'
6 counsel a weekly report of the number of prospective Class Members who have submitted valid
7 Requests for Exclusion, the number of Class Members who have submitted Objections (if any), and
8 any disputes regarding Workweek or PAGA Pay Period calculations. The Settlement Administrator
9 will also provide to Parties' counsel updated reports regarding the administration of the Settlement
10 Agreement as needed or requested.

11 **OPTIONS TO REVOKE SETTLEMENT**

12 75. Defendant's Option to Revoke Settlement. If, after the Response Deadline, the number of
13 prospective Class Members who submit timely and valid written Requests for Exclusion is ten percent
14 (10%) or more of the total number of prospective Class Members, Defendant shall have, in its sole
15 discretion, the option to terminate this Settlement within fourteen (14) days after the Settlement
16 Administrator notifies the Parties of the number of valid requests to opt out. The Settlement
17 Administrator must notify the Parties of the number of valid requests to opt out within fourteen (14)
18 days of the Response Deadline. All signatories and their counsel must not encourage opt-outs.
19 Counsel for the Parties specifically agree not to solicit opt-outs, directly or indirectly, through any
20 means. If Defendant exercises the option to terminate this Settlement, Defendant shall (a) provide
21 written notice to Class Counsel within fourteen (14) days after the Settlement Administrator notifies
22 the Parties of the number of valid requests to opt out; and (b) pay all Settlement Administration Costs
23 incurred up to the date or because of the termination. The Parties shall proceed in all respects as if
24 this Settlement Agreement had not been executed.

25 76. Plaintiff's Option to Revoke Settlement. The Parties negotiated the Settlement based on
26 data provided by Defendant showing that approximately 78,365 workweeks had been worked by
27 approximately 457 total class members from March 29, 2017 to February 9, 2023. Defendant
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represents that it diligently searched and compiled its time and payroll records to produce this data. The Parties agree that if the actual number of Class Members or workweeks as of February 9, 2023 should be determined prior to the Final Approval/Settlement Fairness Hearing to be ten percent (10%) or more above these numbers – that is, if the Class size exceeded Defendant’s estimate by more than 503 employees as of February 9, 2023, and if the number of workweeks exceeded 86,202, then the Parties shall meet and confer regarding next steps and, absent any agreement to the contrary, Plaintiff will have the right, in her sole and absolute discretion, to revoke the Settlement.

FINAL APPROVAL AND ENTRY OF JUDGMENT

77. Final Approval/Settlement Fairness Hearing. Upon expiration of the deadlines to postmark Requests for Exclusion or Objections, and with the Court’s permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the final approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) Individual PAGA Payments; (c) the Class Representative Enhancement Payment; (d) the Attorneys’ Fees and Costs; and (e) the Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the Attorneys’ Fees and Costs application to be heard at the Final Approval/Settlement Fairness Hearing.

78. Nullification of Settlement Agreement. If (a) the Court does not finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

79. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court and after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval. The Settlement Administrator will post the final Judgment approving the Settlement on a website maintained by the Settlement Administrator for a period of not less than ninety (90) days after the Judgment is entered by the Court. The address of the website will be included in the Notice of Class Action and PAGA Settlement. After entry of the Judgment, the Court

will have continuing jurisdiction solely for purposes of addressing: (a) interpretation and enforcement of the terms of the Settlement; (b) Settlement administration matters; and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

DISPOSITION OF SETTLEMENT PAYMENTS; UNCASHED CHECKS

80. Distribution and Timing of Payments: Within thirty (30) days of the Effective Date, Defendant will wire the Gross Settlement Amount to the Settlement Administrator to fund the QSF. Within fifteen (15) days thereafter, the Settlement Administrator will issue the following payments: (a) the Individual Settlement Payments to all Class Members (i.e., prospective Class Members who have not submitted a valid and timely Request for Exclusion), including any Class Members whose notice was returned as undeliverable; (b) the Individual PAGA Payments to all PAGA Employees; (c) the Class Representative Enhancement Payment to Plaintiff; (d) the Attorneys' Fees and Costs payments to Class Counsel; and (e) seventy-five percent (75%) of the PAGA Allocation, *i.e.*, \$18,750 to the LWDA. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement. The Settlement Administrator will pay Individual Settlement Payments from the Net Settlement Amount to all Class Members who have not timely requested exclusion. The Settlement Administrator will also pay Individual PAGA Payments from the twenty-five percent (25%) portion of the PAGA Allocation (\$6,250) to the PAGA Employees. The Settlement Administrator will make these payments by sending a check in the appropriate amount to the Class Member and/or PAGA Employee at the address indicated in the Class List provided by Defendant, or as subsequently determined by the Settlement Administrator to be correct.

81. Mailing of Settlement Checks. The Settlement Administrator shall cause the settlement checks to be mailed to the Class Members and PAGA Employees as provided herein within forty-five (45) days of the Effective Date. Individual Settlement Payments and Individual PAGA Payments may be combined in one check.

82. Uncashed Settlement Checks. All checks issued to Class Members and PAGA Employees for their Individual Settlement Payments and Individual PAGA Payments will remain negotiable for

one hundred eighty (180) calendar days. Any check not cashed within one hundred eighty (180) calendar days will be void. The Settlement Administrator will pay the total amount of any uncashed settlement checks to the Legal Aid at Work, a non-profit organization that supports projects which will benefit Class Members, pursuant to California Code of Civil Procedure section 384, subject to the approval of the Court. The Parties and their Counsel certify that they have no connection to or relationship with this *cy pres* recipient.

83. Certification of Completion. Upon completion of its calculation of the Individual Settlement Payments and Individual PAGA Payments, the Settlement Administrator will provide the Parties' counsel with a report listing the amounts of all payments made to Class Members and PAGA Employees (to be identified anonymously by employee number or other identifier), for their approval of the calculations, giving counsel at least five business days to review and approve the calculations before the payments are mailed out. After the settlement checks have been mailed, the Settlement Administrator will provide a declaration to the Parties' counsel, attesting to completion of all payment obligations, to be filed with the Court by Class Counsel.

TAX TREATMENT OF SETTLEMENT PAYMENTS

84. Tax Allocation of Individual Settlement Payments. All Individual Settlement Payments will be allocated as follows for tax purposes: (a) twenty percent (20%) as wages; and (b) eighty percent (80%) as penalties and interest. The Settlement Administrator will be responsible for issuing to Class Members a form W-2 for amounts deemed wages and an IRS Form 1099 for the portions allocated to penalties.

85. Tax Allocation of Individual PAGA Payments. All Individual PAGA Payments will be allocated as one hundred percent (100%) penalties. The Settlement Administrator will be responsible for issuing to PAGA Employees an IRS Form 1099 for all Individual PAGA Payments.

86. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will make the appropriate tax and payroll withholdings from the wage payments made to Class Members. No withholdings will be made from the payments allocated to penalties and interest, including the PAGA Payments. The Settlement Administrator will be responsible for issuing to

1 Plaintiff, Class Members, PAGA Employees, and Class Counsel, all tax forms as may be required by
2 law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be
3 responsible for forwarding all withheld taxes and penalties to the appropriate government authorities
4 as may be required by law.

5 87. Tax Liability. Defendant and Defendant's Counsel make no representation as to the tax
6 treatment or legal effect of the payments called for hereunder, and Plaintiff, Class Members, and the
7 PAGA Employees are not and cannot rely on any statement, representation, or calculation by
8 Defendant, Defendant's Counsel, or by the Settlement Administrator in this regard. Plaintiff, Class
9 Members, and the PAGA Employees will be solely responsible for the payment of any taxes and
10 penalties assessed on the payments described herein and will defend, indemnify, and hold Defendant
11 free and harmless from and against any claims resulting from treatment of such payments as non-
12 taxable damages.

13 88. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF
14 THIS PARAGRAPH, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS
15 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
16 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
17 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
18 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
19 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
20 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
21 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
22 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
23 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
24 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
25 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
26 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
27 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
28

1 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
2 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
3 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
4 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
5 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
6 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
7 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
8 AGREEMENT.

9 **RELEASE BY PLAINTIFF, CLASS MEMBERS AND PAGA EMPLOYEES**

10 89. Release by Plaintiff, Class Members, and the State of California (including the LWDA and
11 all individuals who seek to serve as agent and proxy of the State of California in bringing PAGA
12 claims). Upon final approval by the Court of this Settlement and Defendant's payment of all sums
13 due pursuant to this Settlement, and except as to such rights or claims as may be created by this
14 Settlement, Plaintiff, Plaintiff as agent and proxy of the State of California (including the LWDA),
15 the Class, each Class Member, and the State of California, will release claims as follows:

16 90. Identity of Released Parties. The "Released Parties" are Defendant and any of its former
17 and present parents, subsidiaries, divisions, corporate members, and affiliated companies, and their
18 respective officers, directors, employees, partners, shareholders, agents, successors, assigns, and legal
19 representatives.

20 91. Date Releases Becomes Active. Class Members, the State of California (including the
21 LWDA and all individuals who seek to serve as agent and proxy of the State of California in bringing
22 PAGA claims) and Plaintiff will not release the Released Class Claims, Released PAGA Claims, or
23 Plaintiff's Released Claims until the Effective Date has occurred, and Defendant has paid all amounts
24 owing under the Settlement ("Release Date").

25 92. Released Class Claims. As of the Release Date defined in Paragraph 91, each and every
26 Class Member, on behalf of such Class Member and such Class Member's heirs and assigns, hereby
27 releases the Released Parties from any and all claims, rights, demands, liabilities, and causes of action,
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1 arising from March 29, 2017 through the date of Preliminary Approval of the Settlement, including
2 statutory, contractual, or common law claims for wages, damages, penalties, liquidated damages,
3 interest, attorneys' fees, litigation costs, restitution, or equitable relief – whether asserted under the
4 California Labor Code, Business and Professions Code §§ 17200 *et seq.*, the applicable wage orders
5 at California Code of Regulations, Title 8, Section 11000 *et seq.*, or otherwise – that arise out of the
6 factual allegations that were alleged or could have been alleged in Plaintiff's Complaint herein or any
7 subsequent amended complaint (including Plaintiff's Second Amended Complaint), including but not
8 limited to: (i) any and all claims for failure to provide meal periods and/or pay meal premiums in lieu
9 thereof at the correct regular rate of pay; (ii) any and all claims for failure to authorize and permit rest
10 breaks and/or pay rest break premiums in lieu thereof at the correct regular rate of pay; (iii) any and
11 all direct and derivative claims for failure to furnish accurate itemized wage statements in accordance
12 with Labor Code section 226, and including any associated claims for penalties under Labor Code
13 section 226(e); (iv) any and all claims for wages owed at separation of employment under Labor Code
14 § 203; and (v) any and all claims for Attorneys' Fees and Costs ("the Released Class Claims").

15 93. Released PAGA Claims. As of the Release Date defined in Paragraph 91, Plaintiff, as agent
16 and proxy of the State of California (including the LWDA), and the State of California (including the
17 LWDA and all individuals who seek to serve as agent and proxy of the State of California in bringing
18 PAGA claims) shall be deemed to have released the Released Parties from any and all claims, rights,
19 demands, liabilities, and causes of action arising from March 26, 2020 through the date of Preliminary
20 Approval of the Settlement, arising out of the California Private Attorneys General Act of 2004, Labor
21 Code §§2698 *et seq.*, based on any of the underlying claims and factual allegations described or
22 referenced in the immediately-preceding paragraph ("the Released PAGA Claims"). Because future
23 PAGA claims are subject to claims preclusion as of the release date defined in Paragraph 91, from
24 that day forward, the State of California cannot bring any Released PAGA Claims, nor can any
25 individual bring any of the Released PAGA claims in the future as agent and proxy of the State of
26 California.

27 94. Release by Plaintiff and Class Representative. As of the Release Date defined in Paragraph
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1 91, Plaintiff, on behalf of herself and her heirs and assigns, shall fully and finally release and discharge
2 the Released Parties from any and all of the Released Class Claims (as defined above) and any and
3 all Released PAGA Claims (as defined above) and from any and all claims, obligations, demands,
4 actions, rights, causes of action, and liabilities against any of the Released Parties of whatever kind
5 and nature, character, and description, whether in law or equity, whether sounding in tort, contract,
6 federal, state and/or local law, statute, ordinance, regulation, constitution, common law, or other
7 source of law or contract, whether known or unknown, and whether anticipated or unanticipated,
8 including all claims arising from or relating to any and all acts, events and omissions occurring prior
9 to the date of final approval of this Agreement including, but not limited to, all claims which relate in
10 any way to Plaintiff's employment with Defendant, the termination of her employment with
11 Defendant, and her other dealings of any kind with the Released Parties from the beginning of time
12 through the Effective Date of this Agreement. Plaintiff further releases all unknown claims she may
13 have against any of the Released Parties, and waives the protections of California Civil Code Section
14 1542, which states: "**A general release does not extend to claims that the creditor or releasing**
15 **party does not know or suspect to exist in his or her favor at the time of executing the release**
16 **and that, if known by him or her, would have materially affected his or her settlement with the**
17 **debtor or released party.**" Notwithstanding the provisions of California Civil Code section 1542,
18 and for the purpose of implementing a full and complete release and discharge of all of her Released
19 Claims, Plaintiff expressly acknowledges that this Settlement is intended to include in its effect,
20 without limitation, all Released Claims which Plaintiff does not know or suspect to exist in her favor
21 at the time of execution hereof, and that the Settlement contemplates the extinguishment of all such
22 Released Claims.

23 **DUTIES OF THE PLAINTIFF PRIOR TO COURT APPROVAL**

24 95. Plaintiff shall submit this Joint Stipulation of Class Action and PAGA Settlement to the
25 Court in support of Plaintiff's unopposed Motion for Preliminary Approval for determination by the
26 Court as to its fairness, adequacy, and reasonableness. Upon execution of this Joint Stipulation of
27 Class Action and PAGA Settlement, Plaintiff shall, as soon as practicable, apply to the Court for the
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entry of an order:

- (a) Scheduling a Final Approval/Settlement Fairness Hearing on the question of whether the proposed Settlement, including payment of the Attorney's Fees and Costs, and the Class Representative Enhancement Payment, should be finally approved as fair, reasonable, and adequate as to the Class Members;
- (b) Conditionally certifying a Class for settlement purposes only;
- (c) Approving as to form and content the proposed Notice of Class Action and PAGA Settlement;
- (d) Directing the mailing of the Notice of Class Action and PAGA Settlement by the Settlement Administrator;
- (e) Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court;
- (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the proposed Class Members; and,
- (g) Appointing ILYM Group, Inc. as the Settlement Administrator.

96. Notice to LWDA. Class Counsel shall submit any required notices of this Agreement to the LWDA as may be required by Labor Code sections 2699(1)(2) and (3) or other provisions of PAGA.

(a)

DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

97. In conjunction with the hearing of a motion for final approval by the Court as provided for in this Agreement, Class Counsel will provide to Defendant's Counsel for review and approval, and then submit to the Court, a proposed final order and judgment containing provisions sufficient to accomplish the following:

- (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- (b) Approving Class Counsel's application for Attorneys' Fees and Costs;

- 1 (c) Approving the Class Representative Enhancement Payment to the Class Representative;
2 (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting
3 duties under the Settlement.
4 (e) Adjudging Plaintiff and Class Counsel have adequately represented the Class for the
5 purpose of entering into and implementing the Settlement;
6 (f) Entering a final judgment in the action;
7 (g) Adjudging that any prospective Class Member's valid and timely request for exclusion
8 as a Class Member does not affect the applicability of the Released PAGA Claims
9 provision; and
10 (h) Directing the posting of the final judgment on a website maintained by the Settlement
11 Administrator for a period of not less than ninety (90) days after entry of final judgment.

12 98. Any revised final judgment will also be provided to Defendant's Counsel for review and
13 approval before submission to the Court.

14 **CONFIDENTIALITY AND PUBLICITY**

15 99. The Parties and their counsel agree that they will not issue any press releases or initiate any
16 contact with the media about this case and/or the fact, amount, or terms of the Settlement. If counsel
17 for either party receives an inquiry about the Settlement from the media, counsel may respond only
18 after the motion for preliminary approval has been filed and only by stating "no comment" or words
19 to that effect. Class Counsel shall be permitted to discuss the terms of the Settlement with any
20 Settlement Class Members who inquire about the terms.

21 **GENERAL PROVISIONS**

22 100. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set forth
23 in the attached Exhibit A, which are incorporated by reference as though fully set forth herein. The
24 Exhibit to this Settlement is an integral part of the Settlement.

25 101. Entire Agreement. This Agreement and attached Exhibit constitute the entirety of the
26 Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be
27 deemed binding on the Parties. This provision has no application or impact on any arbitration
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1 agreements, confidentiality agreements, employee handbooks or policies executed by any prospective
2 Class Member, Class Member or PAGA Employee, during his or her employment with Defendant,
3 which remain in full force and effect.

4 102. No Prior Assignments. The Parties represent, covenant, and warrant that they have not
5 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber
6 to any person or entity any portion of any liability, claim, demand, action, cause of action or right
7 herein released and discharged.

8 103. Amendment or Modification. This Settlement Agreement may be amended or modified
9 only by a written instrument signed by the Parties' counsel or their successors-in-interest.

10 104. Authorization to Enter Into the Settlement Agreement. The Parties' counsel warrant and
11 represent that they are expressly authorized by the Parties whom they represent to negotiate this
12 Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant
13 to this Settlement to effectuate its terms and to execute any other documents required to effectuate
14 the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their
15 best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement
16 on the form or content of any document needed to implement the Settlement, or on any supplemental
17 provisions that may become necessary to effectuate the terms of this Settlement, the Parties shall refer
18 the matter to mediator Michael Dickstein for resolution.

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

21 106. California Law Governs. All terms of this Settlement Agreement and its Exhibit hereto will
22 be governed by and interpreted according to the laws of the State of California.

23 107. Execution and Counterparts. This Settlement Agreement is subject only to the execution of
24 all Parties. However, the Settlement may be executed in one or more counterparts. All executed
25 counterparts and each of them, including facsimile and scanned copies of the signature page, will be
26 deemed to be one and the same instrument if the Parties' counsel will exchange among themselves
27 original signed counterparts.
28

1 108. Acknowledgement that the Settlement Agreement is Fair and Reasonable. The Parties
2 believe this Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived
3 at this Settlement after arm's-length negotiations and in the context of adversarial litigation,
4 considering all relevant factors, present and potential. The Parties further acknowledge that they are
5 each represented by competent counsel and that they have had an opportunity to consult with their
6 counsel regarding the fairness and reasonableness of this Settlement.

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

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

24 111. Waiver. No waiver of any condition or covenant contained in this Settlement or failure to
25 exercise a right or remedy by any of the Parties will be considered to imply or constitute a further
26 waiver by such Party of the same or any other condition, covenant, right or remedy.

27 112. Notices. Unless otherwise specifically provided herein, all notices, demands, or other
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communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

Class Counsel

BRADLEY/GROMBACHER, LLP

Marcus J. Bradley
Kiley L. Grombacher
31365 Oak Crest Drive, Suite 240
Westlake Village, California 91361

Defendant's Counsel

GBG LLP

Thomas E. Geidt
Teresa W. Ghali
Amanda Osowski
601 Montgomery Street, Suite 840,
San Francisco, CA 94111

113. Enforcement Action. If one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any such enforcement actions.

114. Class Counsel Signatures. It is agreed that because the Class Members are so numerous, it is impossible or impractical to have each Class Member execute this Settlement. The Notice of Class Action and PAGA Settlement will advise all Class Members of the binding nature of the Released Class Claims and Released PAGA Claims, and the release shall have the same force and effect as if this Settlement were executed by each Class Member.

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

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

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

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

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

SO AGREED AND STIPULATED.

Dated: 6/2/2023

PLAINTIFF

DocuSigned by:



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Olga Karinna Chavez

DEFENDANT

Health Ventures Inc.

Dated: 5/31/2023



Florence L. Di Benedetto

Senior Vice President and General Counsel
Sutter Health

APPROVED AS TO FORM:

Dated: 6/2/2023

BRADLEY/GROMBACHER LLP

By: 

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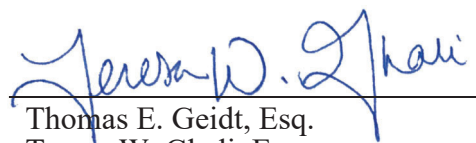
Attorneys for Plaintiff

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Dated: May 31, 2023

GBG LLP

By:



Thomas E. Geidt, Esq.
Teresa W. Ghali, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Olga Karinna Chavez on behalf of herself and others similarly situated v. Health Ventures, Inc.

Superior Court of the State of California for the County of Alameda, Case No. RG21093824

If you were employed by Health Ventures, Inc. as a non-exempt employee in California at any time from March 29, 2017, through [insert preliminary approval date], you may be eligible to obtain money from a settlement reached in a class action lawsuit.

This is a court authorized this Notice. This is not a solicitation from a lawyer. You are not being sued.

- A proposed class action settlement (the “Settlement”) has been reached in the above-captioned action (the “Action”) pending in the Superior Court of the State of California for the County of Alameda (the “Court”) between Plaintiff Olga Chavez (“Plaintiff”) and Defendant Health Ventures, Inc. (“Defendant”).
- The purpose of this Notice of Class Action and PAGA Settlement (“Notice”) is to briefly describe the Action and inform you of your rights and options in connection with it and the proposed Settlement. The proposed Settlement will resolve all claims in the Action. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

Your legal rights are affected whether you act or don’t act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING AND AUTOMATICALLY RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT	To receive a payment from the Settlement, you do NOT have to do anything. You will receive compensation but lose rights to sue separately. If you do nothing, you will be considered a Settlement Class Member and will receive a proportionate share of the Settlement. You will be bound by the terms of the Settlement and also give up any rights to pursue a separate legal action against Defendant and/or any of the Released Parties, as defined below, for the same or similar legal claims as those alleged in this lawsuit, as detailed in the Released Class Claims and Released PAGA Claims in Section 11 below.
ASK TO BE EXCLUDED	To exclude yourself from the Class and Settlement, you must send a written request to be excluded (“Opt Out”) to the Settlement Administrator, as described below. If you ask to be excluded from the Class and Settlement, you will not be a member of the Settlement Class, you will not receive a Settlement Class payment (“Individual Settlement Payment”), and you will not be able to make an objection to the Settlement, whether in writing, orally, by appeal or otherwise. However, you will retain the right to file a separate legal action. Please be aware that there are time limits for you to file a separate legal action. As discussed in Section 7, below, please also be aware that one of the claims in the Action is a claim for civil penalties under the Private Attorneys General Act (“PAGA”). If the Court approves this Settlement and you are a member of the “PAGA Group,” as defined below, you may not opt out of the PAGA portion of the Settlement. If you are in the PAGA Group, you will still receive your PAGA payment, and you will not be permitted to assert PAGA claims as agent and proxy of the State of California against Defendant and the Released Parties based on the facts alleged in this Action, even if you ask to be excluded from the Settlement.
OBJECT TO THE SETTLEMENT	Tell the Court why you don’t like the Settlement. If you believe the Settlement is unfair or you do not agree with the Settlement in any respect, you may object to the Settlement by submitting a written objection to the Settlement Administrator as explained below. You must remain a member of the Settlement Class to

	object to the Settlement. This means you cannot object to the Settlement if you also are asking to Opt Out of the Settlement.
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- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to grant final approval of the Settlement. The payments described in this Notice will be made to you only if the Court approves the Settlement and after all appeals, if any, are resolved. The Court has not ruled on the merits of the Plaintiff's claims or Defendant's defenses.

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BASIC INFORMATION

1. Why Did I Get This Notice?

You received this Notice because Defendant's records indicate that you worked for Health Ventures, Inc. as a non-exempt (overtime-eligible) employee at some time between March 29, 2017, and [insert date of preliminary approval].

This Notice was sent to you because you have a right to know about a proposed settlement of the class action lawsuit and about your options before the Court decides whether to approve the Settlement. If the Court approves the Settlement, you will receive the monetary payments described in this Notice unless you decide to exclude yourself from this class Settlement (although you will still receive a PAGA payment Share if you are in the PAGA Group). Payments will not be made until after objections or appeals, if any, are resolved.

This Notice explains the lawsuit, the Settlement, your legal rights, available benefits, who is eligible for them, and how to get them.

The Court in charge of the case is the Superior Court of the State of California for the County of Alameda and the case is known as *Olga Karinna Chavez v. Health Ventures, Inc.*, Case No. RG21093824. The person who brought the case is called the Plaintiff, and the company sued in this Action, Health Ventures, Inc., is called the Defendant.

2. What Is This Lawsuit About?

This case was filed in Alameda County Superior Court on March 29, 2021. The case alleges that Defendant has (1) failed to provide meal breaks; (2) failed to provide rest breaks; (3) improperly paid premium wages for missed meal and rest breaks; (4) failed to furnish accurate itemized wage statements; (5) failed to pay all wages owed at termination; and (6) engaged in unfair Competition (Bus & Prof Code § 17200 *et seq.*). The case also asserts a claim for civil penalties pursuant to PAGA (Labor Code §§2698, *et seq.*). Plaintiff seeks damages, restitution, civil penalties, statutory penalties, pre-and post-judgment interest, costs, and attorneys' fees.

Defendant expressly denies each of the allegations of the Complaint and expressly denies any wrongdoing or liability to Plaintiff, the putative class she purports to represent, or any allegedly aggrieved employees. Defendant contends that its conduct has been lawful at all times relevant to the case and further contends that Plaintiff's claims do not have merit and do not meet the requirements for class certification. Defendant therefore denies that Plaintiff, the putative class she purports to represent, or any allegedly aggrieved employees are entitled to any relief as sought.

3. Why Is This A Class Action?

In a class action lawsuit, one or more persons, called Class Representatives, sue on behalf of other people who may have similar claims. All of these people together are the "Class" or "Class Members." One court resolves the issues for all Class Members.

4. Why Is There A Settlement?

The Court has not decided the case in favor of Plaintiff or Defendant. Instead, the Parties reached a settlement.

This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiff and Defendant (the "Parties"), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable.

The Court granted preliminary approval of the Settlement on [insert preliminary approval date]. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firm of Bradley Grombacher LLP to serve as Class Counsel.

WHO IS IN THE SETTLEMENT

5. How Do I Know If I Am Part Of The Settlement?

The people who may be eligible for payments under the Settlement are called “Class Members.” The Court has certified, for settlement purposes only, the following class (the “Class”) that includes all current and former non-exempt employees of Defendant, who were employed by Defendant in California at any time from March 29, 2017 through [insert date of preliminary approval] (the “Class Period”).

The PAGA Group includes all current and former non-exempt employees employed by Defendant in California at any time from March 26, 2020 through [insert date of preliminary approval] (the “PAGA Period”).

You are receiving this Notice because Defendant’s records indicate that you meet the class definition. If you have a question or doubt as to whether you meet the class definition, please call [Administrator number].

THE SETTLEMENT BENEFITS

6. What Does The Settlement Provide?

Subject to the Court’s final approval, the terms of the Settlement are as follows:

Gross Settlement Amount

Defendant will pay a total Gross Settlement Amount of One Million, Seven Hundred and Fifty Thousand Dollars (\$1,750,000) to resolve this case. This total Settlement amount will provide for and be inclusive of the following: (1) Individual Settlement Payments to be paid directly to Settlement Class Members (i.e., Class Members who do not request to Opt Out and exclude themselves from the Class and the Settlement); (2) the costs and fees of administration of this Settlement to be paid to the Settlement Administrator, currently estimated to be approximately \$10,850; (3) a PAGA payment totaling \$25,000, of which \$18,750 will be paid to the California Labor and Workforce Development Agency (“LWDA”) and \$6,250 will be paid to the PAGA Group for civil penalties under PAGA; (4) an enhancement payment to the Class Representative of up to \$15,000, subject to approval by the Court; (5) Class Counsel’s attorneys’ fees of up to One Third of the Gross Settlement Amount (\$583,333.33), plus reimbursement of Class Counsel’s costs up to \$20,000, subject to approval by the Court; and (6) the employee portions of all required withholdings/taxes. In no event will Defendant be required to pay more than the Gross Settlement Amount for the claims under the terms of the Settlement and in no event shall any portion revert to Defendant.

Net Settlement Amount

The amount of the total Settlement that will be set aside to make the Individual Settlement Payments to the Class Members is called the “Net Settlement Amount.” The Net Settlement Amount will be distributed on a pro rata basis to each Class Member who does not Opt Out of the Settlement, based on the number of workweeks during which the Settlement Class Members was employed by Defendant in California in a non-exempt position at any time between March 29, 2017 and [insert date of preliminary approval]. You do **NOT** have to file a claim form to receive your proportionate payment under the Settlement.

7. How Will The Settlement Money Be Split Up?

a. Automatic, Individual Settlement Payments

The Net Settlement Amount shall be divided among all Settlement Class Members proportionally based on your proportionate share of workweeks. Individual Settlement Payments to each Settlement Class Member shall be determined based on the number of his or her workweeks during the Class Period. The Net Settlement Amount will be divided by the aggregate total number of workweeks worked by all prospective Class Members during the Class Period, resulting in the

Workweek Value for Class Members. Each prospective Class Member's estimated Individual Settlement Payment will then be calculated by multiplying his or her total number of workweeks by the Workweek Value for Class Members.

b. PAGA Payment Share

Under the Settlement, \$6,250.00 will be divided among the PAGA Group members proportionally to make up his or her "PAGA Payment Share." Specifically, this amount will be divided by the aggregate total number of pay periods worked by all PAGA Group members during the PAGA Period, resulting in the Pay Period Value for the PAGA Group members. Each PAGA Group member's Individual PAGA Payment will then be calculated by multiplying each individual PAGA Group member's total number of pay periods by the Pay Period Value for PAGA Employees.

*****You do NOT have to do anything to receive a payment. If the Settlement is approved by the Court, Settlement Class Members will be mailed checks for their Individual Settlement Payments and PAGA payment shares (if applicable), which shall remain negotiable for 180-days from the date of mailing. If your check is lost or misplaced before the expiration of the 180-day period after distribution, you should contact the Settlement Administrator immediately to request a replacement check and cash the check before the check-cashing deadline.**

8. How Much of The Settlement Will I Receive?

As explained in **Section 7** above, Settlement Class Members will receive a proportionate share of the Settlement based on the number of qualifying workweeks worked from March 29, 2017 through **[insert date of preliminary approval]**.

According to Defendant's records, you are an eligible member of the Class ("Class Member") **<< [and in the PAGA Group]>>**.

Defendant's records reflect that you have **<< _____ >>** qualifying workweeks as a Class Member during the Class Period (March 27, 2017 through **[insert date of preliminary approval]**).

Based on this information, your estimated Individual Settlement Payment is **<< _____ >>**. Please note that because tax withholdings and payments must be made with respect to a portion of this gross amount, your net payment will be less than your gross share.

Defendant's records reflect that you were employed for **<< _____ >>** pay periods during the PAGA Period (March 26, 2020 through **[insert date of preliminary approval]**).

Based on this information, your estimated PAGA Payment Share is **<< _____ >>**.

Please be aware that this amount is only an estimate. The actual payments could be more or less than these amounts. You will need to speak with an accountant or other tax professional about any tax implications of your Settlement checks.

9. What If The Information About My Workweeks Printed On This Notice Is Incorrect?

If you disagree with the number of eligible workweeks printed in **Section 8** above, you may dispute it. If you dispute the number of workweeks shown in Defendant's records, you must inform the Settlement Administrator in writing of the basis for contesting the number of workweeks or PAGA pay periods attributed to you and timely submit any supporting documentation that you may have no later than **[insert date 45 days from mailing]**. Supporting documentation may include paystubs, time records, or other such records. To be accepted, the evidence must: (1) be sufficient to allow identification of your full name, address, and the last four digits of your Social Security Number (for identification purposes only); (2) state, in writing, the reasons why you believe an additional amount is owed; (3) be signed by you or your legal representative; and (4) be postmarked on or before the Response Deadline and returned to the Settlement Administrator. Please mail your supporting documentation to:

[address]
[address]

Defendant's records and determination will be presumed correct. Nonetheless, the Settlement Administrator will review any documentation submitted, investigate the dispute, consult with the Parties' Counsel as necessary and make a final determination of whether any additional amount is owed.

10. How Are Settlement Payments Reported For Tax Purposes?

For Settlement Class Members, the Individual Settlement Payments will be allocated for tax purposes as follows: Twenty Percent (20%) of the amount of each Individual Settlement Payment will be allocated to your alleged unpaid wage claims and will be paid after deduction of all applicable employment taxes, including any federal, state, and/or local tax withholding requirements and the employee share of FICA taxes. Eighty Percent (80%) of the amount of each Individual Settlement Payment will be allocated to penalties and interest and will not be subject to withholding. PAGA Payment Shares will be allocated entirely as penalties. PAGA Payment Shares and the 80% non-wage portion of the Individual Payment Amounts will be reported by the Settlement Administrator on an IRS Form 1099. Defendant will pay the employer share of the payments that are being treated as wages separately, outside the Gross Settlement Amount.

The employee portion of all applicable income and payroll taxes will be the responsibility of the Settlement Class Members. Neither Class Counsel nor Defendant's Counsel intend anything contained in this Notice to constitute advice regarding taxes or taxability. The tax issues for each Settlement Class Member may be unique to him or her, and each Settlement Class Member may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

You will need to speak with an accountant or other tax professional about any tax implications of your Settlement check.

11. What Am I Giving Up To Stay In The Class And Get Compensation?

You do not need to submit anything to receive compensation under the Settlement. Unless you submit a signed and timely Opt Out, you will be bound by this Settlement and will release all Released Class Claims and, if applicable, all Released PAGA Claims (as defined below). This means that, if you do not submit a valid Opt Out from the Class, you can't sue, continue to sue, or be part of any other lawsuit or adjudicatory proceeding making any of the same allegations made in *this* Action against Defendant and any other Released Party (defined below) for the Released Class Claims that accrued between March 29, 2017 and [insert date of preliminary approval] or the Released PAGA Claims that accrued between March 26, 2020 and [insert date of preliminary approval].

If you are in the PAGA Group, you will still receive your PAGA Payment Share and will not be permitted to assert PAGA claims as agent and proxy of the State of California against Defendant and the Released Parties based on the facts alleged in this Action, even if you ask to be excluded from the Settlement. Accordingly, subject to Court approval of the Settlement, the Settlement will bind Plaintiff and the State of California to its terms relating to PAGA. This includes all potentially "aggrieved employees," even those not a party to the proceeding, with respect to civil penalties alleged in the action. This means that the PAGA Group will be prevented from filing future PAGA claims based on the same alleged violations for the same time period.

Released Class Claims. Provided there is final approval of this Settlement, each Settlement Class Member shall fully and finally release and discharge each and all of the Released Parties, as of the date Defendant has paid all amounts owed under the Settlement, from any and all claims, rights, demands, liabilities, and causes of action, arising from March 29, 2017 through [insert date of preliminary approval], including statutory, contractual, or common law claims for wages, damages, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief – whether asserted under the California Labor Code, Business and Professions Code §§ 17200 *et seq.*, the applicable wage orders at California Code of Regulations, Title 8, Section 11000 *et seq.*, or otherwise – that arise out of the factual allegations that were alleged or could have been alleged in Plaintiff's Complaint herein or any subsequent amended complaint, including but not limited to: (i) any and all claims for failure to provide meal periods and/or pay meal premiums in lieu thereof at the correct regular

rate of pay; (ii) any and all claims for failure to authorize and permit rest breaks and/or pay rest break premiums in lieu thereof at the correct regular rate of pay; (iii) any and all direct and derivative claims for failure to furnish accurate itemized wage statements in accordance with Labor Code section 226, and including any associated claims for penalties under Labor Code section 226(e); (iv) any and all claims for wages owed at separation of employment under Labor Code section 203; and (v) any and all claims for attorneys' fees and costs.

Released PAGA Claims. Provided there is final approval of this Settlement, then as of the date Defendant has paid all amounts owed under the Settlement, Plaintiff, on behalf of herself and as agent and proxy of the State of California (including the LWDA), and the State of California shall fully and finally release and discharge the Released Parties, and each of them, from any and all claims, rights, demands, liabilities, and causes of action arising from March 26, 2020 through [insert date of preliminary approval], arising out of the California Private Attorneys General Act of 2004, Labor Code §§2698 *et seq.*, based on any of the underlying claims and factual allegations described above in the preceding paragraph of this Notice. This means all PAGA Group Members and all potentially aggrieved employees cannot assert future PAGA claims against Defendant and the Released Parties based on the same alleged violations for the same time period.

“Released Parties” means Defendant Health Ventures, Inc. and any of its former and present parents, subsidiaries, divisions, corporate members, and affiliated companies, and their respective officers, directors, employees, partners, shareholders, agents, successors, assigns, and legal representatives.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. How Do I Exclude Myself From This Settlement?

If you want to be excluded from the Class and Settlement, you must send a written Opt Out by U.S. mail (or express mail carrier) to the Settlement Administrator clearly saying want to be excluded from the Settlement Class in *Olga Karinna Chavez v. Health Ventures, Inc.* Your Opt Out must be postmarked on or before [insert date 45 days from mailing], to:

Olga Karinna Chavez v. Health Ventures Inc.
c/o Settlement Administrator
[address]
[address]

You cannot exclude yourself on the phone or by e-mail. For an Opt Out to be valid, it must (1) contain the name, address, and the last four digits of your Social Security Number (for identification purposes only); (2) clearly state your request to exclude yourself from the Settlement; (3) be signed by you or your lawful representative; and (4) be postmarked on or before [insert date 45 days from mailing] and submitted to the Settlement Administrator at the address specified above. The postmark date will be the exclusive means to determine whether an Opt Out has been timely submitted.

Any Class Member who submits a completed, signed and timely written Opt Out shall not be a member of the Settlement Class, shall be barred from participating in this Settlement, shall be barred from objecting to this Settlement, and shall receive no benefit from this Settlement, except that Class Members who are in the PAGA Group will still receive their PAGA Payment Shares and will release the Released PAGA Claims. **However, if you request to Opt Out, be aware that there will be a time limit to bring your claims in a separate action, which may expire if the action is not filed within that time limit.** Any untimely or materially incomplete Opt Out may be considered null and void.

13. If I Don't Exclude Myself, Can I Sue Later?

No. Unless you exclude yourself, you give up the right to sue Defendant or the other Released Parties for the claims that this Settlement resolves as described in Section 11 above. You can still sue for other claims, just not for those claims that this Settlement resolves.

14. If I Exclude Myself, Can I Get The Benefits Of This Settlement?

No. If you exclude yourself from the Settlement Class, you won't get payments or benefits from this Settlement, except that if you are in the PAGA Group, you will still receive a PAGA Payment Share and will release the Released PAGA Claims.

THE LAWYERS REPRESENTING YOU

15. Do I Have A Lawyer In This Case?

The Court has decided that the law firm of Bradley Grombacher LLP is qualified to represent you and all Settlement Class Members. The law firm is called “Class Counsel.” If you want to be represented by your own lawyer, you may hire one at your own expense.

16. Should I Get My Own Lawyer?

If you remain in the Class, you will be represented by Class Counsel. You do not need to hire your own lawyer, because Class Counsel is working on your behalf. But, if you want your own lawyer, you may hire one at your own expense.

17. How Will The Lawyers Be Paid?

Class Counsel will ask the Court for attorneys’ fees of One Third (33 1/3%) of the Gross Settlement Amount, or \$583,333.33. Class Counsel will also seek reimbursement of the actual costs they incurred in pursuing the lawsuit, such as filing fees and mediation fees, up to \$20,000.00.

18. Will There Be A Separate Award To The Named Plaintiff?

The Settlement also provides that Plaintiff may seek what’s known as an “enhancement payment” (or service award) of up to \$15,000.00 subject to Court approval. The enhancement payment is intended to compensate the Plaintiff, who greatly helped the case by starting the lawsuit, investing time to assist with Counsel’s investigation and presentation of the case, and helping to negotiate the Settlement.

OBJECTING TO THE SETTLEMENT

19. How Do I Tell The Court That I Don’t Like The Settlement?

If you are a Settlement Class Member, you can tell the Court that you object to the Settlement or any aspect of it that you think is not fair, reasonable or adequate in any way, and think the Court should not approve it. The Court will consider your views.

You can’t ask the Court to order a different settlement; the Court can only approve or reject this Settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue.

You may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense, provided you notify the Court of your intent to do so. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must (a) clearly identify the case name and number (*Olga Karinna Chavez v. Health Ventures, Inc.*, Case No. RG21093824) (b) be submitted to the Court either by mailing the to: Clerk of Court, Superior Court of California, County of Alameda, Rene C. Davidson Alameda County Courthouse, 1225 Fallon Street, Oakland, California 94612, or by filing in person at any location of the Superior Court, County of Alameda that includes a facility for civil filings, (c) be postmarked on or before **[insert date 45 days from mailing]**, and (d) a copy must be provided to the Settlement Administrator at:

Olga Karinna Chavez v. Health Ventures, Inc..
c/o Settlement Administrator

[address]
[address]

If you intend to appear at the Court hearing on final approval of the Settlement through counsel, please state the identity of any attorneys representing you who will appear at the hearing.

If you do not submit an objection to the proposed Settlement, or to the application of Class Counsel for attorneys’ fees, costs, or the enhancement payment to the Plaintiff, in accordance with the procedure set forth above, you will waive your right to object to the Settlement and to appeal from any order or judgment of the Court concerning this matter.

If the Court approves the Settlement despite your Objection, you will be bound by all of the terms of the Settlement in the

same way as Settlement Class Members who do not object, including without limitation, the release and discharge of the Released Class Claims, and you will still be mailed a check for your Individual Settlement Payment.

20. What Is The Difference Between Objecting And Excluding Myself?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of this Settlement. If you exclude yourself, you have no basis to object because this case will no longer affect you.

THE COURT'S FINAL APPROVAL/SETTLEMENT FAIRNESS HEARING

21. When And Where Will The Court Decide To Approve The Settlement?

The Court will hold a Final Approval/Settlement Fairness Hearing on [insert date] at [insert time], in Department 21 of Alameda County Superior Court, 1221 Oak Street, Oakland, CA 94612. The Final Fairness and Approval Hearing may be continued without further notice to Class Members. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Judge may listen to people who have previously asked in writing to speak at the hearing. The Judge may also decide how much to pay Class Counsel or whether to approve the requested enhancement payment for the named Plaintiff. After the hearing, the Court will decide whether to grant its final approval of the Settlement. We do not know how long it will take for the Court to make its decision.

If you do not object in the manner provided above, you will be deemed to have approved the Settlement and to have waived any objections, and you will be forever foreclosed from objecting to the fairness or adequacy of the proposed Settlement, including the plan of distribution, the payment of attorneys' fees and costs, the enhancement payment to the Class Representative, the PAGA Payment, or any other aspect of the Settlement.

22. Do I Have To Come To The Final Fairness and Approval Hearing?

No. You are not required to attend the Final Approval/Settlement Fairness Hearing to receive an Individual Settlement Payment and/or PAGA Payment (if applicable). Class Counsel will answer questions that the Judge may have. But you are welcome to come at your own expense. If you file an objection, you do not have to come to Court to talk about it. As long as you postmark your written objection on time, the Court will consider it. Even if you do not submit a written objection to the Settlement within the response deadline, you still can show up at the hearing and ask the judge for the opportunity to present an objection to the Settlement. You also may pay your own lawyer to attend the hearing, but it is not necessary.

IF YOU DO NOTHING

23. What Happens If I Do Nothing At All?

If you do nothing, you will receive the Settlement payments described above if the Court approves the Settlement.

GETTING MORE INFORMATION

24. Are There More Details About The Settlement?

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at [website] or contact Class Counsel at (805) 270-7100.

25. How Do I Get More Information?

You can receive more information about this litigation and Settlement by calling [Administrator number] or visiting the website [website].

The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online on the Alameda County Superior Court's website, known as 'DomainWeb,' at

<https://publicrecords.alameda.courts.ca.gov/PRS/>

After arriving at the website, click the 'Search By Case Number ' link, then enter RG21093824 as the case number and click 'SEARCH.' Images of every document filed in the case may be viewed through the 'Register of Actions' at a minimal charge.

You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

You must inform the Settlement Administrator of any change of address to ensure receipt of your Individual Settlement Payment and PAGA Payment Share if applicable.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.