

Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
Jessica L. Hart (Cal. State Bar No. 331411)
Shimoda Law Corp.
9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
Facsimile: (916) 760-3733

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

DEC 15 2021

L. Howell *am*

Attorneys for Plaintiff SARA FRANCO
individually and on behalf of similarly situated employees

**SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

SARA FRANCO, individually and on behalf
of all other similarly situated employees,

Plaintiff,

vs.

RANCHO FAMILY MEDICAL GROUP,
INC., a California Corporation; RANCHO
HEALTH MSO, INC., a Delaware
Corporation; and DOES 1 to 100, inclusive,

Defendants.

Case No. CVRI2102264

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

*Assigned to the Honorable Sunshine Sykes,
Department 6, for all purposes*

Date: December 15, 2021

Time: 9:00 a.m.

Dept.: 6

Judge: Hon. Sunshine Sykes

Filed: May 10, 2021

FAC Filed: July 7, 2021

Trial Date: None Set

1 TO ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD:

2 The Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion") in the
3 above referenced case came before this Court, on December 15, 2021, at 9:00 a.m., in Department 6
4 before the Honorable Sunshine Sykes, presiding. This hearing was continued from November 15,
5 2021, after the Court identified several deficiencies in the originally submitted motion in its tentative
6 ruling that were to be addressed and corrected and/or have supplemental briefing submitted thereon.
7 Named Plaintiff Sara Franco ("Plaintiff") filed this putative class action on May 10, 2021. The
8 operative Complaint alleges that Defendants Rancho Family Medical Group, Inc., and Rancho Health
9 MSO, Inc., ("Defendants") violated California law by 1) failing to pay overtime wages; 2) failing to
10 pay minimum wages; 3) failing to provide legally compliant meal periods or pay the appropriate meal
11 period premiums in lieu thereof; 4) failing to provide legally compliant rest periods or pay the
12 appropriate rest period premiums in lieu thereof; 5) failing to provide accurate, itemized wage
13 statements; 6) failing to pay final wages owed in a timely manner; 7) failing to pay reimbursement for
14 all expenses incurred by employees; 8) failing to pay premium wages at the correct regular rate of pay
15 for overtime, paid sick leave, and meal and rest period premiums (*i.e.* including within the regular rate
16 of pay calculation shift differentials, pay stipends, and bonuses); and 9) engaging in unfair competition
17 based on these alleged violations. Plaintiff has also alleged Defendants are liable for a civil penalties
18 under the Private Attorneys General Act ("PAGA") based on these violations. Plaintiff sought
19 attorneys' fees and costs as part of this Action. Defendants denied all of Plaintiff's claims and denied
20 that this case was appropriate for class treatment. No class has been certified.

21 The parties have agreed to settle the class and PAGA claims. Defendants will provide
22 monetary consideration in exchange for a release of claims consistent with the terms of the proposed
23 settlement as set forth in the Joint Stipulation Regarding Class Action and PAGA Settlement and
24 Release ("Agreement"). Any capitalized terms herein shall have the same meaning as set forth in the
25 Agreement. The Court, having received and considered Plaintiff's Motion for Preliminary Approval of
26 Class Action and PAGA Settlement, the declarations in support, the supplemental briefing and
27 accompanying documents, the Agreement, the revised proposed Notice of Settlement, Request for
28

1 Exclusion Form, and Objection Form, and other evidence, HEREBY ORDERS AND MAKES
2 DETERMINATIONS AS FOLLOWS:

3 **1. PRELIMINARILY CERTIFYING A SETTLEMENT CLASS; APPOINTMENT OF**
4 **CLASS REPRESENTATIVES; APPOINTMENT OF CLASS COUNSEL**

5 The Court finds that certification of the following class for settlement purposes only is
6 appropriate under the California Code of Civil Procedure and related case law:

7 All non-exempt employees who have or continue to work for Defendants
8 from May 10, 2017, to November 7, 2021 ("Class Members").

9 The Court recognizes that the foregoing definition is for Class Member identification purposes
10 only and is not intended to capture the claims at issue or limit or alter the released claims under the
11 Agreement. The Court finds that Class Members meet the ascertainability and numerosity requirements
12 since the Parties can identify with a matter of certainty, based on payroll records, individuals who fall
13 within the definition and the number of Class Members would make joinder impractical. The
14 commonality and predominance requirements are met for settlement purposes since there are questions
15 of law and fact common to Class Members. The common questions of law or fact in this case all stem
16 from Plaintiff's contentions that Defendants caused the violations outlined above by 1) failing to
17 correctly incorporate the value of the non-discretionary remuneration, such as, but not limited to, shift
18 differentials, pay stipends, and bonuses into Class Member's and Aggrieved Employees' regular rate of
19 pay when calculating overtime, double time, meal and rest period premiums, or sick pay; 2) failing to
20 provide meal and rest periods in compliance with California law due to understaffing and workflow
21 issues, or pay premiums in lieu thereof; 3) failing to pay employees for all hours worked due their
22 failure to pay for time employees spent waiting to clock into work; 4) failing to pay reimbursements for
23 business-related cell phone use; and 5) failing to accurately itemize the hours and wages earned on
24 paystubs issued to Class Members and Aggrieved Employees. The PAGA, waiting time penalty, wage
25 statement violation, and unfair competition claims also derive from these violations. Additionally,
26 Class Members seek the same remedies under state law. The typicality requirement for settlement
27 purposes is also satisfied since the claims of the Class Representative are based on the same facts and
28 legal theories as those applicable to the Class Members.

1 The Court also finds that preliminarily and conditionally certifying the settlement class is
2 required to avoid each Class Member from litigating similar claims individually. This settlement will
3 achieve economies of scale for Class Members with relatively small individual claims and conserve the
4 resources of the judicial system.

5 The Court finds that Plaintiff Sara Franco and Plaintiff's counsel, Galen T. Shimoda,
6 Justin P. Rodriguez, and Jessica L. Hart of the Shimoda Law Corp., to be adequate representatives of the
7 settlement class. The Court appoints them as Class Representative and Class Counsel, respectively.

8 **2. PRELIMINARILY APPROVING CLASS ACTION AND PAGA SETTLEMENT**

9 The Court has reviewed the revised Agreement, which was submitted with the supplemental
10 briefing to Plaintiff's Motion as Exhibit I. The Court finds on a preliminary basis that the Agreement
11 falls within the range of reasonableness of a settlement, which could ultimately be given final approval
12 by this Court. The Court also acknowledges that Class Members may object to the settlement at a
13 fairness hearing approved by this Court or opt-out of being bound by the preliminarily approved
14 Agreement as set forth in Section 3, below.

15 Because the Court finds that the Agreement was agreed upon only after an extensive
16 investigation and arms-length negotiations, and in an attempt to avoid further delays and costs, the Court
17 preliminarily approves the Agreement and all terms therein as if stated here in full, including the
18 \$650,000 Gross Settlement Amount.

19 The Court also preliminarily approves of the Fifteen Thousand Dollars (\$15,000) PAGA
20 Payment, which shall be paid from the Gross Settlement Amount, not in addition to the Gross Settlement
21 Amount, to resolve the alleged PAGA claims. Seventy-Five percent (75%) of the PAGA Payment will
22 be paid to the Labor and Workforce Development Agency ("LWDA") and Twenty-Five percent (25%)
23 will be paid to Aggrieved Employees on a pro rata basis as described in the Agreement. The Court finds
24 that the Agreement provides a recovery that creates an effective substantial deterrent to any potential
25 future non-compliance, furthering the purpose of the Labor Code and LWDA. Furthermore, a
26 substantial reduction of any available PAGA civil penalties awarded at trial would likely take place
27 given that the claims are entirely derivative of Plaintiff's class claims and a full award of civil penalties
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1 in addition to recovery on the non-PAGA claims may be deemed unjust, arbitrary and oppressive, or
2 confiscatory.

3 The Court approves of the identified *cy pres* beneficiaries and distribution plan wherein any
4 checks issued to Qualified Claimants and/or Aggrieved Employees that are not cashed by the deadline to
5 do so shall be paid out 50/50 to Capital Pro Bono, Inc. and the Center for Workers Rights. No portion of
6 the Gross Settlement Amount will revert to Defendants for any reason.

7 The releases and waivers for Class Members who do not opt out of being bound by the
8 Agreement (*i.e.* Qualified Claimant's Released Claims) and Plaintiff's release of the Released PAGA
9 Claims on behalf of herself and the LWDA are also approved by the Court as set forth in the Agreement.

10 **3. APPOINTMENT OF SETTLEMENT ADMINISTRATOR, APPROVAL OF THE**
11 **DISTRIBUTION METHOD OF NOTICE TO THE CLASS, INCLUDING THE NOTICE**
12 **OF SETTLEMENT, REQUEST FOR EXCLUSION FORM, AND OBJECTION FORM**

13 The Court approves the appointment of Simpluris, Inc. to act as the Settlement Administrator in
14 this case, who shall be responsible for noticing Class Members and Aggrieved Employees and carrying
15 out the duties as set forth in the Agreement. The Court finds that the revised proposed Notice of
16 Settlement, attached hereto as Exhibit A, fairly and adequately advises Class Members of the terms of
17 the Agreement, the rights being waived, their right to opt out, the ability to dispute the number of
18 workweeks worked during the Class Period, their pro rata share of the Net Settlement Amount, how to
19 participate in the settlement, how to file documentation in opposition to the proposed settlement, and
20 when to appear at the fairness hearing to be conducted on the date set forth below. The Notice of
21 Settlement shall be accompanied by the revised proposed Request for Exclusion Form, and revised
22 proposed Objection Form, attached hereto as Exhibit B and Exhibit C, respectively, that Class Members
23 may use to opt out of the Agreement or present their objections to the Agreement. Any Requests for
24 Exclusion Forms or Objection Forms shall be submitted to the Settlement Administrator as set forth in
25 the Agreement. The Settlement Administrator shall submit any timely Objection Forms to the Court by
26 declaration filed concurrently with Plaintiff's motion for final approval. The Settlement Administrator
27 shall be responsible for serving any received Objection Forms on the Parties. To the extent that any
28 Objection Forms are received and the final approval hearing is continued for any reason, Class Counsel

1 shall be responsible for notifying the objecting Class Member about the continuance and the new date
2 and time of the hearing.

3 The Court further finds that the revised Notice of Settlement, Request for Exclusion Form, and
4 Objection Form, and proposed distribution of such notice documents by first class mail to each
5 identified Class Member at his or her most recent address based on a National Change of Address
6 database search from the Class Members' last known address and a skip trace on any Class Members
7 who have the Notice of Settlement returned as "undeliverable" or "not at this address" comports with all
8 constitutional requirements, including those of due process as it is the best means practicable for
9 providing actual notice of this case and the Agreement.

10 The Court also finds that because there is a strong interest in providing Class Members the
11 opportunity to participate in the settlement, along with the Parties' efforts to minimize any intrusion to
12 privacy rights, the sharing of employment information, including social security numbers, is not a
13 serious intrusion on their privacy rights. Hence, the Court orders Defendants to provide first and last
14 name, last known mailing address, social security number, hire and termination dates, total number of
15 workweeks during which the Class Member performed any actual work to the Settlement Administrator
16 only, and not to Plaintiff or Class Counsel, in order to process this settlement as contemplated within the
17 Agreement and approved by this Order. The Settlement Administrator shall only use this information
18 for settlement purposes identified herein, and this information shall be kept confidential, not be shared
19 with any third-party, and used only to administer the settlement.

20 4. IMPLEMENTATION SCHEDULE

21 Accordingly, with good cause shown, the Court hereby approves and orders that the following
22 implementation schedule be adhered to:

23 Last day for Defendants to provide Settlement 24 Administrator with Class Member information	Within 14 calendar days after the Preliminary Approval Date
25 Last day for Settlement Administrator to 26 complete NCOA search, update Class Member 27 mailing information, and mail Notice of 28 Settlement, Request for Exclusion Form, and Objection Form	Within 14 calendar days after the Settlement Administrators' receipt of Class Members' information from Defendants

1 2 3 4	Last day for Class Members to Request for Exclusion Form, Objection Form, submit disputes, and submit data requests	45 calendar days after mailing of Notice of Settlement, Request for Exclusion Form, and Objection Form or within 10 days after Notice of Settlement, Request for Exclusion Form, and Objection Form is re-mailed, whichever is later
5 6 7	Last day for Settlement Administrator to provide Parties with signed declaration reporting on settlement administration statistics and Objection Forms received	Within 21 calendar days after end of the Notice Period
8 9 10 11	Last day for Settlement Administrator to calculate the final Net Settlement Amount, the final Claim Amounts for Qualified Claimants and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations Class Counsel and Defendants' Counsel	Within 7 calendar days after the Final Approval Date
12 13 14	Last day for Defendants to fund settlement	Within 21 calendar days after the Final Approval Date
15 16 17 18	Last day for Settlement Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payments, PAGA Payment, Settlement Administrator Costs, payment to Qualified Claimants, and payment to Aggrieved Employees	With 28 calendar days after the Effective Date
19 20 21	Last day for Qualified Members and Aggrieved Employees to cash settlement checks	120 calendar days after issuance of checks to Qualified Members and Aggrieved Employees
22 23 24	Last day for Settlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline
25 26 27 28	Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

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FINAL APPROVAL AND HEARING

The Court hereby grants Plaintiff's Motion and sets final approval hearing on the proposed date of April 28, 2022, at 8:30 a.m. in Department 6 or _____, at _____ a.m./p.m., in Department 6 with briefs and supporting documentation to be submitted according to the California Code of Civil Procedure, in this Department. Class Counsel shall also file a motion for attorneys' fees and costs, a Class Representative Enhancement Payment, and Settlement Administrator Costs concurrently with this motion that shall be heard on the same day and time as the motion for final approval. To the extent that the Court awards less than the amount allocated under the Agreement for attorneys' fees and costs, Class Representative Enhancement, and Settlement Administrator Costs, the portion of the requested amounts not awarded shall be added to the Net Settlement Amount to be distributed to Qualified Claimants on a pro rata basis as set forth in the Agreement.

If for any reason the Court does not grant final approval of the Agreement, all evidence and proceedings held in connection therewith shall be without prejudice to the status quo and rights of the parties to the litigation, including all challenges to class certification for any purpose other than approving a settlement class. The Parties will revert to their respective positions as if no Agreement had been reached at all.

IT IS SO ORDERED.

Date: 12/15/2021

By: _____

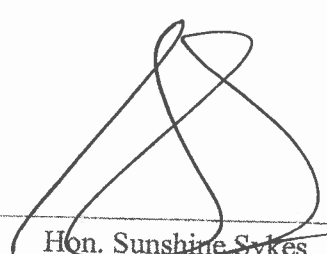

Hon. Sunshine Sykes

Exhibit A

CALIFORNIA SUPERIOR COURT
FOR THE COUNTY OF RIVERSIDE

SARA FRANCO, individually and on behalf of all other
similarly situated employees,

Plaintiff,

vs.

RANCHO FAMILY MEDICAL GROUP, INC., a
California Corporation; RANCHO HEALTH MSO, INC., a
Delaware Corporation; and DOES 1 to 100, inclusive,

Defendants.

Case No. CVRI2102264

CLASS ACTION

**NOTICE OF PROPOSED CLASS ACTION AND
PAGA SETTLEMENT, AND HEARING DATE FOR
FINAL COURT APPROVAL OF SETTLEMENT**

ATTENTION: All non-exempt employees who have or continue to work for Rancho Family Medical Group, Inc., and Rancho Health MSO, Inc., from May 10, 2017, to _____ ("Class Members"); All non-exempt employees who have or continue to work for Rancho Family Medical Group, Inc., and Rancho Health MSO, Inc., from April 29, 2020 to _____ ("Aggrieved Employees").

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION AND POTENTIAL DISBURSEMENT OF SETTLEMENT FUNDS TO YOU. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO PARTICIPATE OR TO OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

TO THE EXTENT YOU MAY HAVE ENTERED INTO A PRIOR SETTLEMENT AGREEMENT WITH DEFENDANTS BETWEEN APRIL 2021 TO JULY 2021, YOU MAY STILL PARTICIPATE IN THIS SETTLEMENT NOTWITHSTANDING THAT AGREEMENT.

Pursuant to an order, entered on _____, by the Riverside County Superior Court ("Court") granting preliminary approval of a Joint Stipulation Regarding Class Action and PAGA Settlement and Release ("Agreement" or "Settlement" or "Settlement Agreement"), you are receiving this Notice of Settlement. The Settlement is concerning pending class action and Private Attorneys General Act litigation in the Superior Court of California for the County of Riverside, Case No. CVRI2102264 ("Action"), which is more fully described below.

You are receiving this Notice of Settlement because Defendants Rancho Family Medical Group, Inc.'s and Rancho Health MSO, Inc.'s ("Defendants") records indicate you worked for Defendants as a non-exempt employee at some time between May 10, 2017 and [Preliminary Approval Date or November 7, 2021, whichever is earlier] ("Class Period"), and are, therefore, what is called a Class Member and are entitled to payment from the Settlement. Defendants' records indicate that you worked _____ workweeks during the Class Period, which means your share of the Settlement proceeds as a Class Member is estimated to be _____. [If Aggrieved Employee - Defendants records also indicate you worked for Defendants as an exempt employee at some time between April 29, 2020 and (Preliminary Approval Date or November 7, 2021, whichever is earlier) ("PAGA Claim Period"), and, therefore, are also what is called an Aggrieved Employee. Defendants' records indicate that you worked _____ workweeks during the PAGA Claim Period, which means your share of the Settlement Proceeds as an Aggrieved Employee is estimated to be _____.] The range of possible total recoveries under the Settlement is \$14.21 to \$3,333.24, depending on an individual's length of employment. Your actual share of the Settlement proceeds will vary depending on the total number of Class Members that choose to participate, and the resolution of any workweek disputes as described in this Notice.

The terms of the Agreement and a description of the Action are identified in this Notice of Settlement. Pursuant to the Court's order, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

I. BACKGROUND OF THE CASE

On May 10, 2021, Plaintiff Sara Franco ("Plaintiff" or "Class Representative"), a former employee of Defendants, filed a wage and hour class action Complaint against Defendants in the California Superior Court for the County of Riverside on behalf of herself and similarly situated employees. Plaintiff sought to represent all non-exempt employees who have or continue to work for Defendants ("Class Members") from May 10, 2017, to _____.

In the Action, Plaintiff sought to obtain unpaid wages, interest, statutory penalties, civil penalties, fees, and costs on behalf of herself and Class Members. Plaintiff alleged that Defendants violated California law by 1) violating Labor Code sections 510, 1194; Industrial Welfare Commission Wage Order 4, section 3 (Failure to Pay Overtime Wages); 2) violating Labor Code sections 1194, 1197.1; Industrial Welfare Commission Wage Order 4, section (Failure to Pay Minimum Wages); 3) violating Labor Code sections 226.7, 512 and Wage Order No. 4, sections 11(A) and 11(B) (Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof); 4) violating Labor Code section 226.7 and Wage Order No. 4, section 12(A) (Failure to Provide Rest Periods or Pay Premiums in Lieu Thereof); 5) violating Labor Code sections 226, 226.3 (Failure to Provide Accurate Wage Statements); 6) violating Labor Code sections 201-203, 256 (Failure to Pay Final Wages); 7) violating Labor Code section 2802 (Failure to Pay Reimbursements for Expenses); 8) violating Labor Code sections 558, 558.1 (Provisions Regulating Hours and Days of Work in Any Industrial Welfare Commission Order); 9) violating Labor Code sections 226.3, 1174 (Failure to Maintain Accurate Records); and 10) violations of Labor Code sections 246, 246.5, 248.5 (Failure to Provide Paid Sick Leave); and 11) engaging in unfair competition (Business & Professions Code section 17200). Plaintiff also claimed Defendants were liable for civil penalties under the Private Attorneys General Act ("PAGA") based on the alleged violations of the California Labor Code. Defendants have denied and continue to deny all Plaintiff's allegations.

Attorneys for the Parties have thoroughly investigated the allegations and exchanged extensive documentation and information. Furthermore, the Parties have participated in a full day mediation facilitated by a neutral third party. Based upon all known facts and circumstances, including the risks and uncertainties of continued litigation, the Parties reached an agreement resolving all claims. The terms of the Settlement are outlined in this Notice. The Settlement allows the Parties to avoid the risks associated with a lengthy litigation. Defendants entered into the Settlement to fully, finally, and forever resolve this Action and to avoid the burden and expense associated with ongoing litigation. However, Defendants have denied, and continue to deny, all allegations and claims.

The Parties have entered into the Agreement, which has been preliminarily approved by the Court. The Court has determined that there is sufficient evidence to suggest the proposed Settlement might be fair, adequate, and reasonable. However, any final determination of those issues will be made at a final approval hearing, which will take place as indicated in Section V below. The Agreement applies to any and all Class Members who worked during the Class Period. "Class Member" does not include persons who submit valid Request for Exclusion (as explained below). **This Notice of Settlement is to advise you of how you can either participate, comment on, or exclude yourself from the Settlement.**

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Agreement, Defendants will pay a total sum of Six-Hundred and Fifty Dollars (\$650,000) ("Gross Settlement Amount"). Deducted from this Gross Settlement Amount will be sums approved by the Court for attorneys' fees not to exceed 1/3 of the Gross Settlement Amount which equals \$216,666.67, attorneys' costs not to exceed \$15,000, Settlement Administrator Costs estimated not to exceed \$10,000, Class Representative's Enhancement Payment of \$7,500, and \$15,000 for alleged PAGA penalties (the "PAGA Payment"), which will result in a "Net Settlement Amount" for distribution to all Class Members. Any employer side taxes attributable to payments allocated as wages will be paid by Defendants in addition to the Gross Settlement Amount. As explained further below, the amount of each Class Member's share of the Net Settlement Amount will depend on the number of weeks worked by participating Class Members during the Class Period. Of the \$15,000 allocated to resolving the PAGA claims, 75% of the PAGA Payment will be paid to the State of California Labor and Workforce Development Agency and 25% of the PAGA Payment will be divided among Aggrieved Employees, which are defined as all non-exempt employees who have or continue to work for Defendants in California from April 29, 2020 up to _____.

The number of weeks you worked during the Class Period and your estimated share of the Net Settlement Amount and PAGA Payment ("Claim Amount") is stated on the first page of this Notice of Settlement. During the Action, Defendants paid individual settlements to an estimated 116 Class Members who agreed to sign a release in exchange for consideration based on the number of workweeks in which they worked during the Class Period. Any payment due to one of these individuals based on the allocation formula for the Net Settlement Amount set forth herein will be offset by the amount previously paid as part of an individual settlement to that individual ("Defendants' Offset"). The Claim Amount shown on the first page of this Notice of Settlement accounts for any offset applicable to your Claim Amount as a result of any prior settlement payments you may have received. The actual amount you will receive under the Settlement may be more or less than the amount stated on the first page of this Notice of Settlement depending on the actual number of weeks worked by participating Class Members, the resolution of any disputes regarding workweeks, and on the distributions finally approved and allocated by the Court. However, whether Class Members opt out will have no effect on Aggrieved Employees' allocations for the PAGA Payment.

B. Claim Amounts and Allocation Between Class Members and Aggrieved Employees

Defendants will pay Claim Amounts through the Settlement Administrator, as described below, to each Class Member who does not submit a Request for Exclusion Form and to all Aggrieved Employees. All Claim Amounts will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action, that all Claim Amounts payable to eligible Class Members will be allocated from the Net Settlement Amount and paid as 80% for disputed interest, statutory penalties, and other non-wage damages for which IRS Forms 1099-MISC will issue and 20% for disputed wages for which IRS Forms W-2 will issue. The PAGA Payment to Aggrieved Employees will be paid as 100% for civil penalties for which IRS Forms 1099-MISC will issue.

Class Members and Aggrieved Employees do not need to take any action to participate in the settlement. Payments will be automatically made to Class Members and Aggrieved Employees. Each Class Member's share ("Claim Amount") will be determined by dividing their total weeks worked within California ("Qualifying Workweeks") during the Class Period by the total Qualifying Workweeks by all Class Members within the Class Period. That number will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their Qualifying Workweeks worked within the PAGA Claim Period by the total Qualifying Workweeks for all Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share. To the extent the calculation of the Claim Amount (including the Defendants' Offset) results in an amount less than the equivalent of one Qualifying Workweek, that Class Member shall receive an allocation of one Qualifying Workweek.

Receipt of the Claim Amounts will not entitle any Class Member or Aggrieved Employee to additional compensation or benefits under any compensation, retirement or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Defendants' Records and Resolution of Workweek Disputes

For each Class Member and Aggrieved Employee, the amount payable will be calculated by the Settlement Administrator from Defendants' records. Defendants' records will be presumed correct unless evidence to the contrary is provided to the Settlement Administrator. Defendants' records and any additional evidence will be reviewed by the Settlement Administrator in the event of a dispute about the number of workweeks worked by an individual Class Member or Aggrieved Employee. If a Class Member or Aggrieved Employee disputes the accuracy of Defendants' records, all supporting documents evidencing additional workweeks must be submitted by the Class Member or Aggrieved Employee. The dispute must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than _____. The dispute will be resolved by the Settlement Administrator based on the records and evidence provided. The Settlement Administrator's decision on all disputes will be final and binding.

D. Release of Claims

For those Class Members who do not submit a Request for Exclusion Form ("Qualified Claimants") and all Aggrieved Employees, the Agreement contains the following releases:

Class Members who do not timely submit a Request for Exclusion Form will be deemed to have released any and all claims, debts, liabilities, demands, obligations, costs, expenses, attorneys' fees, damages, and/or causes of action (whether contingent or accrued) that are asserted in the Complaint and any additional wage and hour claims that could have been brought based on the facts alleged in the operative Complaint, through the Class Period, including, without limitation claims for (1) failure to pay overtime, (2) failure to pay minimum wages, (3) meal period violations, (4) rest period violations, (5) wage statement violations, (6) waiting time penalties, (7) unreimbursed business expenses, (8) failure to pay regular rate of pay for overtime, paid sick leave, and meal premiums (including the calculation of shift differentials, pay stipends, and bonuses into the regular rate of pay), and (9) unfair competition based thereon ("Qualified Claimants Released Claims"). This release excludes the release of claims not permitted by law. The Qualified Claimant's Released Claims exclude claims for workers' compensation or unemployment insurance benefits. This release will cover all Class Members who do timely submit a Request for Exclusion Form.

Plaintiff, on behalf of herself and the Labor and Workforce Development Agency, will be deemed to have waived any and all claims for statutory and/or civil penalties during the PAGA Claim Period that could have been sought by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA; Plaintiff is not releasing

any Aggrieved Employees' claims for wages or damages. Aggrieved Employees cannot opt out of this waiver of claims.

The individuals released ("Released Parties") include Defendants, as well as Defendants' officers, directors, employees, and agents.

Class Members and/or Aggrieved Employees can talk to one of the lawyers appointed as Class Counsel (listed below) for free or talk to their own lawyer if they have questions about the released claims and what they mean.

E. Attorneys' Fees and Costs

Defendants have agreed to pay Class Counsel's attorneys' fees and costs as approved by the Court, up to a maximum of one-third of the Gross Settlement Amount which equals \$216,666.67, and attorneys' costs not to exceed \$15,000. Class Counsel's attorneys' fees and costs will be paid and deducted from the Gross Settlement Amount.

F. Reasonableness of Settlement

All attorneys for the Parties to the Action believe the amounts payable to Class Members, Aggrieved Employees, and amounts for attorneys' fees and costs requested are fair and reasonable. The Class Representative and Class Counsel support this Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Participating in the Settlement

If you wish to participate in the Settlement and believe your workweek information is accurate, you do not need to take any further action. Payment will be automatically made to you consistent with the terms of the Agreement and Court Order, if the Settlement receives final approval. If you wish to dispute the workweek calculation, you may follow the procedures outlined in Section II.C above. California law protects Class Members from retaliation based on their decision to participate in the Settlement.

B. Excluding Yourself from the Settlement

If you do not wish to participate in the Settlement, you may submit a Request for Exclusion Form provided to you with this Notice of Settlement. The Request for Exclusion Form must be signed and mailed back to the Settlement Administrator no later than _____. The Settlement Administrator's mailing address for the Request for Exclusion Form is as follows:

[admin info]

If you submit a Request for Exclusion Form which is not postmarked by _____, your Request for Exclusion will be rejected, and you will be bound by the release and all other terms of the Agreement. If the Exclusion Form is sent from within the United States it must be sent through the United States Postal Service by First Class Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Request for Exclusion Form. Any Class Member who submits a complete and timely Request for Exclusion Form shall, upon receipt by the Settlement Administrator, no longer be a Class Member and will not receive any related portion of the Net Settlement Amount. However, even if a Class Member opts out of the Settlement, he or she will remain an Aggrieved Employee and will receive a share of the PAGA Payment.

C. Objection to Settlement

If you do not opt out of the Settlement, you can object to the terms of the Agreement by submitting the enclosed Objection Form to the Settlement Administrator at the address identified above. Any timely submitted Objection Forms will be presented to the Court for Consideration. However, if the Court rejects your stated objection, you will still be bound by the terms of the Agreement. You can ask the Court to deny final approval of the Settlement by submitting the Objection Form. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the Settlement. If the Court denies final approval, no settlement payments will be issued and the lawsuit will continue. The Objection Form must be completely filled out, be signed, and be post-marked no later than _____ for consideration by the Court.

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

After the Court grants final approval of the Settlement, each and every Class Member who did not submit a timely and complete Request for Exclusion Form and each and every Aggrieved Employee will release Defendants and the Released Parties from the Qualified Claimants' Released Claims described above. In other words, if you were employed as a Class Member by Defendants in California during the Class Period, and you do not exclude yourself from the settlement, you will be deemed to have entered into this release and to have released the above-described claims. In addition, you will be barred from suing Defendants and the Released Parties with respect to the claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 6 of the Riverside County Superior Court, Historic Court House, 4050 Main Street, Riverside, CA 92501 on _____ at _____ to determine whether the Agreement should be finally approved as fair, reasonable and adequate. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs, an Enhancement Payment to the Class Representative, and Settlement Administrator Costs. The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing, unless you wish to object to the settlement.

VI. ADDITIONAL INFORMATION

You may access the Complaint, Class Counsel's motion for preliminary approval, the Agreement, and any other documents required by the Court at the Settlement Administrator's website: [admin web address]. You may also view the case file online at the Court's website (epublic-access.riverside.courts.ca.gov/public-portal) by clicking "Case Number Search" and entering CVRI2102264. The full text of the Agreement can be found at Exhibit A to the document entitled "Exhibit List and Exhibits In Support of Plaintiff's Motion for Preliminary Approval Of Class Action and PAGA Settlement," filed on [date]. If you want additional information about this lawsuit and its proceedings, you can contact Class Counsel or Defendants' Counsel as follows:

Galen T. Shimoda
Justin P. Rodriguez
Jessica L. Hart
Shimoda Law Corp.
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
On behalf of Plaintiff

Yesenia Gallegos
Marjorie Soto
McDermott Will & Emery LLP
2049 Century Park E, Ste 3200
Los Angeles, CA
90067-3206
Phone: 310-788-4199
On behalf of Defendants

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT. IF YOU HAVE ANY QUESTIONS, CALL [number]

BY ORDER OF THE COURT

Exhibit B

Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT



Please provide current address (if different) here:

IF YOU DO NOT WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST COMPLETE THIS FORM AND RETURN IT TO THE SETTLEMENT ADMINISTRATOR AS OUTLINED IN THE NOTICE OF SETTLEMENT BY _____. YOU MAY MAIL THIS FORM TO [ADMIN NAME AND MAILING ADDRESS].

By signing and returning this form, I confirm that I have read the Notice of Settlement and that I want to opt out of, and be excluded from, the class action settlement in the case of *Franco v. Rancho Family Medical Center, Inc.*, Riverside County Superior Court, Case No. CVRI2102264. I understand that by opting out of the Settlement I will not receive any payment which I might otherwise be entitled to as a Class Member, and will not receive any related portion of the Net Settlement Amount or be bound by the terms effecting Class Members. I further understand that even if I opt out of participating in the Settlement as a Class Member, I will remain an Aggrieved Employee and will receive a share of the PAGA Payment.

By signing below, I declare, under penalty of perjury based on the laws of the state of California, that I am the individual identified on this notice and the information provided is true and correct.

Signature

Date

First Name, Middle Initial, Last Name

Exhibit C

Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

OBJECTION FORM

**IF YOU WISH TO OBJECT TO THE SETTLEMENT DESCRIBED IN THE
ACCOMPANYING NOTICE, PLEASE COMPLETE THIS FORM.**

CPT ID: «ID»
«EmployeeName»
«Address1» «Address2»
«City», «State» «Zip»

Please provide current address (if different) here:

INSTRUCTIONS

Please review the Notice of Settlement for information about the class action settlement in the case of *Franco v. Rancho Family Medical Group, Inc.*, Riverside County Superior Court, Case No. CVRI2102264. If you wish to object to the class action settlement, you must complete and return this form to [Admin Name] at [Admin Address] by _____. Please provide the following information to support your objection:

- 1) Name: _____
- 2) Dates of Employment: _____
- 3) Describe the nature and basis for your objection to the settlement. Please provide any documents and/or legal authority you feel may support your objection for consideration. You may continue on the back of this document or attach additional pages if necessary:

By signing below, I declare, under penalty of perjury based on the laws of the state of California, that I am the individual identified on this notice and the information provided is true and correct.

(Date)

(Signature)