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6 individually and on behalf of similarly situated employees

7
8 **SUPERIOR COURT OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE**
10

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

13 Plaintiff,

14 vs.

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

18 Defendants.
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Case No. CVRI2102264

CLASS ACTION

**SUPPLEMENTAL MEMORANDUM OF
POINTS & AUTHORITIES IN SUPPORT OF
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 Plaintiff Sara Franco ("Plaintiff") hereby submits this supplemental briefing in support of her
2 Motion seeking preliminary approval of a proposed wage and hour class action and Private Attorneys
3 General Act ("PAGA") settlement. At the time Plaintiff submitted the Motion for approval on October
4 19, 2021, Plaintiff had not yet received the Court's Case Management Order #1 ("CMO#1"), which was
5 filed on October 26, 2021. Having now received CMO#1, the parties have entered into a revised Joint
6 Stipulation Regarding Class Action and PAGA Settlement And Release ("Agreement") to address the
7 issues raised in CMO#1 and by the Court. *See* Exhibit I (Agreement); Exhibit J (Redline of Agreement);
8 Supplemental Declaration of Justin P. Rodriguez ("Supp. Decl. Rodriguez"), ¶ 2. The revised
9 Agreement has been submitted to the Labor and Workforce Development Agency pursuant to California
10 Labor Code section 2699(l)(2). *See* Supp. Decl. Rodriguez, ¶ 3. Plaintiff will address the issues raised
11 by the Court in its November 15, 2021, ruling in the order in which they appear in the ruling.

12
13 **A. ESTIMATED NUMBER OF AGGRIEVED EMPLOYEES AND ESTIMATED
INDIVIDUAL AGGRIEVED EMPLOYEE RECOVERY**

14 There are approximately 235 Aggrieved Employees who worked during the PAGA Claim
15 Period. *See* Supp. Decl. Rodriguez, ¶ 8; Exhibit I, ¶¶ 1.2, 1.27. After deducting the LWDA's 75% share
16 of the PAGA penalty allocation pursuant to California Labor Code § 2699(i), Aggrieved Employees
17 would receive an average of \$15.96 each from their share of the PAGA Payment. Plaintiff submits that
18 the \$15,000.00 PAGA Payment allocation represents a meaningful settlement aimed at deterring non-
19 compliance given the facts of this case, including the derivative nature of the penalties, the efforts by
20 Defendants to maintain compliant policies and take corrective action, the lack of any widespread
21 complaints lodged by Class Members during their employment, the presence of what may likely be
22 deemed good faith disputes, the Court's discretion to reduce any penalty award and what has been
23 deemed sufficient in other, similar wage and hour representative litigation. *See* Supp. Decl. Rodriguez,
24 ¶ 9; Decl. Rodriguez, ¶ 9.i.; *see Davis v. Cox Comme'ns California, LLC*, 2017 U.S. Dist. LEXIS 63514,
25 *1 (S.D. Cal. 2017) (preliminarily approving \$4,000 PAGA allocation in \$275,000 settlement); *Jack v.*
26 *Hartford Fire Ins. Co.*, 2011 U.S. Dist. LEXIS 118764, *6 (S.D. Cal. 2011) (approving \$3,000 PAGA
27 allocation in \$1,200,000 settlement); *Singer v. Becton Dickinson & Co.*, 2010 U.S. Dist. LEXIS 53416,
28 *2 (S.D. Cal. 2010) (approving \$3,000 PAGA allocation in \$1,000,000 settlement); *Hopson v.*

1 *Hanesbrands Inc.*, 2009 U.S. Dist. LEXIS 33900, *9 (N.D. Cal. 2009) (approving \$1,500 PAGA
2 allocation in \$1,026,000 settlement); *Garcia v. Gordon Trucking, Inc.*, 2012 U.S. Dist. LEXIS 160052,
3 at *7 (E.D. Cal. 2012) (approving \$10,000 PAGA allocation in a \$3,700,000 settlement). Relief under
4 the PAGA is to protect the public, not benefit private parties. *See Arias v. Superior Ct.*, 46 Cal.4th 969,
5 986 (2009). As a result, it is permissible for a Court to view the adequacy of a PAGA settlement
6 allocation in light of the overall class and PAGA settlement in that the purpose of the PAGA may also
7 be furthered where there are substantial payments made to Class Members for the same Labor Code
8 violations. *See O'Connor v. Uber Techs., Inc.*, 201 F.Supp.3d 1110, 1134 (N.D. Cal. 2016); *see also In*
9 *re Nordstrom Commission Cases*, 186 Cal.App.4th 576, 579 (2010) (finding no abuse of discretion
10 where the trial court approved a settlement allocating zero dollars to highly contested PAGA claims).

11
12 **B. BASIS FOR CY PRES RECIPIENT AND RELATIONSHIP OF THE PARTIES AND
COUNSEL WITH THE PROPOSED CY PRES RECIPIENTS**

13 Part of Plaintiff's evaluation of the settlement and negotiating settlement terms included
14 considering whether a *cy pres* beneficiary would be appropriate. *See* Supp. Decl. Rodriguez, ¶ 10.
15 Plaintiff considered several factors affecting how likely it was that a settlement check would reach Class
16 Members and Aggrieved Employees and how likely they were to cash the checks based on other similar
17 cases Plaintiff's counsel has litigated. *See id.* A high number of current employees, low turnover rate,
18 well-kept personnel records, substantial average settlement payments to Class Members, and a robust
19 notice procedure all contributed to Plaintiff's view that there is a very high likelihood that there will not
20 be any substantial amount of residual funds left after any check cashing deadline. *See id.* at ¶¶ 11-12. A
21 redistribution to Class Members who cashed settlement checks will increase the cost of administration
22 by \$2,650. *See id.* at ¶ 12. However, the range of residual funds in similar cases Plaintiff's counsel has
23 litigated is only \$1,276.64 to \$3,832.10, which means requiring a redistribution could result in a net loss
24 of available funds for Class Members. *See id.* Additionally, there is still a possibility there will be
25 residual funds after the redistribution, which will require a *cy pres* beneficiary be designated, or
26 continuing rounds of redistribution until all funds are claimed, which will further increase the cost of the
27 Settlement Administrator. *See id.* Given the facts of this case and the Class Member and Aggrieved
28 Employee demographics, Plaintiff submits it is more appropriate to utilize a *cy pres* beneficiary in this

1 case, which is an authorized and approved method of handling residual funds. *See* Cal. Civ. Proc. Code
2 section 384(b).

3 Plaintiff's counsel and Defendants' counsel have also provided updated declarations regarding
4 their relationship, or lack thereof, with the proposed *cy pres* beneficiaries. *See* Supp. Decl. Rodriguez,
5 ¶¶ 13-15; Supplemental Declaration of Yesenia Gallegos, ¶ 6.

6 **C. THE SCOPE OF RELEASED PARTIES UNDER THE AGREEMENT**

7 The scope of the individuals released under the Agreement has been modified to conform to the
8 exact language from CMO#1. *See* Exhibit I, ¶ 1.36; CMO#1, ¶3.e.i.

9 **D. THE SCOPE OF THE PAGA RELEASE**

10 The scope of the release has been modified to conform to CMO#1. *See* Exhibit I, ¶¶ 1.32, 1.35,
11 1.36, 6.2; CMO#1, ¶9.d.i-iv. The reference to PAGA claims has been stricken from the "Qualified
12 Claimant's Release Claims" definition, the scope of individuals released only identifies those
13 individuals/entities listed in CMO#1, and the Agreement states the release is binding between Plaintiff
14 and the Labor and Workforce Development Agency ("LWDA"), *i.e.* the State of California. *See id.*
15 Because PAGA claims are for civil penalties, "civil penalties" was added to the example PAGA release
16 language stated in CMO#1 to avoid any potential ambiguity that might arise from only stating
17 "statutory" penalties. *See* Exhibit I, ¶ 1.35; *ZB, N.A. v. Superior Ct.*, 8 Cal.5th 175, 185 (2019) (noting
18 PAGA claims are for civil penalties).

19 **E. CLASS MEMBERS' ABILITY TO READ AND COMPREHEND ENGLISH**

20 Defendants have warranted under the Agreement that Class Members and Aggrieved Employees
21 are able to read and comprehend English such that no translation of the proposed Notice of Settlement
22 and accompanying documents is necessary. *See* Exhibit I, ¶ 7.2. Additionally, Plaintiff is submitting
23 the declaration of Julianne Sousa, an authorized Human Resources Representative for Defendants,
24 attesting that Class Members and Aggrieved Employees are able to read and comprehend English. *See*
25 Declaration of Julianne Sousa, ¶¶ 4-5.

26 **F. COMPLIANCE CHART**

27 Although the Court's November 15, 2021, ruling referred to a compliance chart in CMO#1,
28 Plaintiff has not been able to identify any compliance chart or requirements surrounding a compliance

chart within CMO#1. However, in an effort to comply with the Court's November 15, 2021, ruling, the following is a chart of the timelines involved in any settlement administration as currently laid out the Agreement,¹ which also appears in the proposed order:

Last day for Defendants to provide Settlement Administrator with Class Member information	Within 14 calendar days after the Preliminary Approval Date
Last day for Settlement Administrator to complete NCOA search, update Class Member mailing information, and mail Notice of Settlement, Request for Exclusion Form, and Objection Form	Within 14 calendar days after the Settlement Administrators' receipt of Class Members' information from Defendants
Last day for Class Members to submit Request for Exclusion Forms, Objection Forms, Disputes, and/or data requests	45 calendar days after mailing of Notice of Settlement, Request for Exclusion Form, and Objection Form or within 10 calendar days after they re-mailed, whichever is later
Last day for Settlement Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 21 calendar days after end of the Notice Period
Proposed Date and Time for Final Approval Hearing	April 28, 2022, at 8:30 a.m. in Department 6
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
Last day for Defendants to fund settlement	Within 21 calendar days after Final Approval Date

¹ See Exhibit I, ¶ 8.1

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
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
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
Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

G. FURTHER MODIFICATIONS TO THE AGREEMENT, NOTICE OF SETTLEMENT, REQUEST FOR EXCLUSION FORM, OBJECTION FORM, AND PROPOSED ORDER

The Agreement, Notice of Settlement, Request for Exclusion Form, Objection Form, and Proposed Order have been revised as stated in the Court's November 15, 2021, ruling, including the following:

- Updating the description and scope of the release in the Notice of Settlement, proposed order, and any other document to conform with the modifications identified above;
- Replacing every use of "Claims Administrator" with "Settlement Administrator"; and
- Adding a description of Aggrieved Employees and their estimated share of penalties on page 1 of the Notice of Settlement.²

See Exhibit K (Revised Proposed Notice of Settlement); Exhibit L (Redline of Revised Proposed Notice of Settlement); Exhibit M (Revised Proposed Request for Exclusion Form); Exhibit N (Redline of Revised Proposed Request for Exclusion Form); Exhibit O (Revised Proposed Objection Form); Exhibit

² Although the Court's November 15, 2021, ruling stated there was no advisement to Aggrieved Employees that payment of their share of civil penalties will be reported on a Form 1099, this information does appear at the end of the first paragraph on page 3, Section II.B ("The PAGA Payment to Aggrieved Employees will be paid as 100% for civil penalties for which IRS Forms 1099-Misc will issue").

1 P (Redline of Proposed Objection Form); Exhibit Q (Redline of Proposed Order Granting Preliminary
2 Approval of Class Action And PAGA Settlement). Additional changes were made to the Notice of
3 Settlement, Request for Exclusion Form, and Objection Form to conform to CMO#1's prohibition on
4 Latin terms or unfamiliar symbols or abbreviations. See Exhibit L; Exhibit N; Exhibit P.
5

6 Respectfully submitted,
7

8 Dated: December 8, 2021

Shimoda Law Corp.

9
10 By: 

Galen T. Shimoda

Justin P. Rodriguez

Jessica L Hart

Attorneys for Plaintiff
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6 individually and on behalf of similarly situated employees

7
8 **SUPERIOR COURT OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE**
10

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

13 Plaintiff,

14 vs.

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

17 Defendants.
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Case No. CVRI2102264

CLASS ACTION

**SUPPLEMENTAL EXHIBIT LIST AND
SUPPLEMENTAL EXHIBITS IN SUPPORT
OF 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

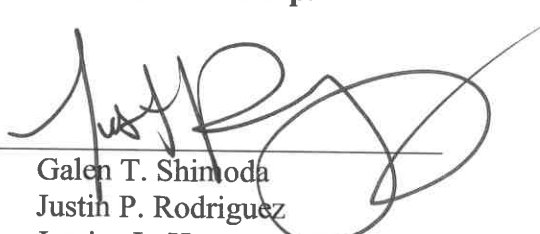
FAC Filed: July 7, 2021

Trial Date: None Set

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
I	Revised Joint Stipulation Regarding Class Action and PAGA Settlement and Release
J	Redline of Revised Joint Stipulation Regarding Class Action and PAGA Settlement and Release
K	Revised Proposed Notice of Settlement
L	Redline of Revised Proposed Notice of Settlement
M	Revised Proposed Request for Exclusion Form
N	Redline of Revised Proposed Request for Exclusion Form
O	Revised Proposed Objection Form
P	Redline of Proposed Objection Form
Q	Redline of Proposed Order Granting Preliminary Approval of Class Action And PAGA Settlement
R	Proof of Submission of Revised Proposed Settlement Agreement to LWDA

Dated: December 9, 2021

Shimoda Law Corp.

By: 

Galen T. Shimoda
Justin P. Rodriguez
Jessica L. Hart
Attorneys for Plaintiff

Exhibit I

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and RANCHO HEALTH MSO, INC.

**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

**JOINT STIPULATION REGARDING CLASS
ACTION AND PAGA SETTLEMENT AND
RELEASE**

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

Filed: May 10, 2021

FAC Filed: July 7, 2021

Trial Date: None Set

This Joint Stipulation Regarding Class Action and PAGA Settlement and Release is made and entered into between the Plaintiff Sara Franco, on behalf of herself, the Labor and Workforce Development Agency through Sara Franco as an authorized representative under the Private Attorneys General Act, Aggrieved Employees, and Defendants Rancho Family Medical Group, Inc., and Rancho Health MSO, Inc. This Agreement is subject to the terms and conditions set forth below and the approval of the Court.

1. DEFINITIONS

The following terms, when used in this Agreement, have the following meanings:

1.1 “Action” means the above stated lawsuit, *Franco v. Rancho Family Medical Group, Inc., et al.*, Riverside County Superior Court, Case No. CVRI2102264, filed May 10, 2021.

1.2 “Aggrieved Employee(s)” means all non-exempt employees who have or continue to work for Defendants in California during the PAGA Claim Period.

1.3 “Agreement” or “Settlement” or “Settlement Agreement” means this Joint Stipulation Regarding Class Action and PAGA Settlement and Release.

1.4 “Claim Amount” means an individual Qualified Claimant’s and Aggrieved Employee’s allocation of the Net Settlement Amount and PAGA Payment respectively, as defined in Sections 1.21, 1.26, 5.5, and 5.8.

1.5 “Settlement Administrator” means and refers to Simpluris, Inc., the third-party entity that will administer the Agreement as outlined in Sections 4 and 7, or any other third-party class action settlement Settlement Administrator agreed to by the Parties and approved by the Court for the purposes of administering this Agreement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

1.6 “Settlement Administrator Costs” means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Agreement, and shall include all costs of administering the Agreement, including, but not limited to, all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices and other correspondence to Class

Members and/or Aggrieved Employees; all costs and fees associated with communicating with Class Members and/or Aggrieved Employees, Class Counsel, and Defendants' Counsel; all costs and fees associated with computing, processing, reviewing, and paying the Claim Amounts, and resolving disputes; all costs and fees associated with calculating tax withholdings and payroll taxes, if any, making related payment to federal and state tax authorities, if any, and issuing tax forms relating to payments made under the Agreement; all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared in the course of administering Claim Amounts; and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement.

1.7 "Class Counsel" means Galen T. Shimoda, Justin P. Rodriguez, and Jessica L. Hart, of the Shimoda Law Corp.

1.8 "Class Member(s)" means all non-exempt employees who have or continue to work for Defendants. The estimated number of Class Members is 355.

1.9 "Class Period" means from May 10, 2017, up to either (1) the Preliminary Approval Date, or (2) November 7, 2021, whichever is earlier.

1.10 "Class Representative" means Plaintiff Sara Franco.

1.11 "Complaint" means the operative Complaint on file in the Action with the Court.

1.12 "Court" means the Riverside County Superior Court.

1.13 "Defendants" means Rancho Family Medical Group, Inc., and Rancho Health MSO, Inc.

1.14 "Defendants' Counsel" means Yesenia Gallegos and Marjorie Soto of McDermott Will & Emery LLP.

1.15 "Defendants' Offset" means a \$104,000 reduction to the Gross Settlement Amount, derived from prior payments to approximately 116 putative class members.

1.16 "Effective Date" means the day the Court files a signed order granting final approval of this Agreement unless there is a timely objection lodged that has not later been withdrawn, in which case the effective date will be either (a) the 60th calendar day after a signed order granting final approval of this Agreement has been filed provided no motion to vacate the judgment, appeal, writ or other appellate

proceeding having been filed; or (b) the seventh (7th) calendar day after any motion to vacate the judgment, appeal, writ, or other appellate proceeding opposing the Agreement has been finally dismissed with no material change to the terms of this Agreement and there is no right to pursue further remedies or relief, whichever is later.

1.17 “Enhancement Payment” means the amount approved by the Court to be paid to the Class Representative in recognition of the time and effort expended on behalf of Class Members for the benefit of Class Members, which is in addition to any Claim Amount paid to the Class Representative as a Qualified Claimant.

1.18 “Final Approval Date” means the date a signed order granting final approval of this Agreement is filed with the Court.

1.19 “Gross Settlement Amount” is the sum of Six-Hundred and Fifty Thousand Dollars (\$650,000), subject to Defendants’ Offset as set forth in Sections 1.15 and 5.8 when allocating amounts due to individual Qualified Claimants. This Gross Settlement Amount excludes Defendant’s tax obligations (e.g. employer FICA, FUTA and SDI contributions on wage payments) on any monies distributed to Qualified Claimants that are allocated as wages under the Agreement, which will be paid in addition to the Gross Settlement Amount.

1.20 “LWDA” means the California Labor and Workforce Development Agency.

1.21 “Net Settlement Amount” is the portion of the Gross Settlement Amount available for distribution to Qualified Claimants, as described in this Agreement, after deduction of Plaintiff’s attorneys’ fees and litigation costs, Settlement Administrator Costs, the PAGA Payment, and Enhancement Payment to the Class Representative.

1.22 “Notice of Settlement” means the document substantially in the form attached hereto as Exhibit 1.

1.23 “Notice Period” means forty-five (45) calendar days from the initial mailing of the Notice of Settlement, Request for Exclusion Form, and Objection Form to Class Members and Aggrieved Employees.

1.24 “Objection Form” means the document substantially in the form attached hereto as Exhibit 2.

1 1.25 "PAGA" means Private Attorneys General Act of 2004, California Labor Code §§ 2698,
2 *et seq.*

3 1.26 "PAGA Payment" means the amount allocated from the Gross Settlement Amount towards
4 resolving claims under the PAGA.

5 1.27 "PAGA Claim Period" means from April 29, 2020 up to either (1) to the Preliminary
6 Approval Date or (2) November 7, 2021, whichever is earlier.

7 1.28 "Parties" mean Defendants and Plaintiff.

8 1.29 "Plaintiff" means Sara Franco.

9 1.30 "Preliminary Approval Date" means the date a signed order granting preliminary approval
10 of this Agreement is filed with the Court.

11 1.31 "QSF" means a Qualified Settlement Fund set up by the Settlement Administrator for the
12 benefit of the Qualified Claimants and/or Aggrieved Employees and from which the payments under this
13 Agreement shall be made. Any amounts Defendants have agreed to pay under this Agreement shall remain
14 the property of Defendants until the payments required under the Agreement are made.

15 1.32 "Qualified Claimant" means Plaintiff and any and all Class Members who have not made
16 any timely request to opt-out of the Agreement.

17 1.33 "Qualified Claimant's Released Claims" means any and all claims, debts, liabilities,
18 demands, obligations, costs, expenses, attorneys' fees, damages, and/or causes of action (whether
19 contingent or accrued) that are asserted in the Complaint and any additional wage and hour claims that
20 could have been brought based on the facts alleged in the operative Complaint, through the Class Period,
21 including, without limitation claims for (1) failure to pay overtime, (2) failure to pay minimum wages, (3)
22 meal period violations, (4) rest period violations, (5) wage statement violations, (6) waiting time penalties,
23 (7) unreimbursed business expenses, (8) failure to pay regular rate of pay for overtime, paid sick leave,
24 and meal premiums (including the calculation of shift differentials, pay stipends, and bonuses into the
25 regular rate of pay), and (9) unfair competition based thereon. This release excludes the release of claims
26 not permitted by law. The Qualified Claimant's Released Claims exclude claims for workers'
27 compensation or unemployment insurance benefits. This release will cover all Class Members who do
28 timely submit the Request for Exclusion Form opting out of the Settlement.

1.34 “Qualifying Workweeks” are weeks worked by Class Members and/or Aggrieved Employees during the Class Period and/or PAGA Claim Period, respectively, in California. For Class Members, workweeks shall be defined as the total length of service (in days) in California during the Class Period divided by seven. For Aggrieved Employees workweeks shall be defined as the total length of service (in days) in California during the PAGA Claim Period divided by seven. The calculation of a Class Member’s and/or Aggrieved Employee’s workweeks and a determination as to whether a Class Member and/or Aggrieved Employee was actively employed in California in a particular workweek shall be construed from Defendants’ records.

1.35 “Released PAGA Claims” means 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 does not release any Aggrieved Employees’ claims for wages or damages. Aggrieved Employees cannot opt out of this waiver of claims.

1.36 “Released Parties” means Defendants, as well as Defendants’ officers, directors, employees, and agents.

1.37 “Request for Exclusion Form” means the document substantially in the form attached hereto as Exhibit 3.

2. DESCRIPTION OF THE LITIGATION

2.1 On or about April 29, 2021, Plaintiff sent notice to the LWDA to exhaust administrative remedies under the PAGA for 1) violations of Labor Code §§ 510, 1194; IWC Wage Order 4, § 3 (Failure to Pay Overtime Wages); 2) violations of Labor Code §§ 1194, 1197.1; IWC Wage Order 4, § 4 (Failure to Pay Minimum Wages); 3) violations of Labor Code §§ 226.7, 512 and Wage Order No. 4, §§ 11(A) and 11(B) (Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof); 4) violations of Labor Code § 226.7 and Wage Order No. 4, § 12(A) (Failure to Provide Rest Periods or Pay Premiums in Lieu Thereof); 5) violations of Labor Code §§ 226, 226.3 (Failure to Provide Accurate Wage Statements); 6) violations of Labor Code §§ 201-203, 256 (Failure to Pay Final Wages); 7) violations of Labor Code § 2802 (Failure to Pay Reimbursements for Expenses); 8) violations of Labor Code §§ 558, 558.1 (Provisions Regulating Hours and Days of Work in Any Industrial Welfare Commission Order);

9) violations of Labor Code §§ 226.3, 1174 (Failure to Maintain Accurate Records); and 10) violations of Labor Code §§ 246, 246.5, 248.5 (Failure to Provide Paid Sick Leave).

2.2 The LWDA did not respond to the notice within the statutorily required time frame and, as such, Plaintiff became authorized to act as a Private Attorneys General on all alleged PAGA claims.

2.3 On or about May 10, 2021, Plaintiff filed a class action Complaint in Riverside County Superior Court on behalf of herself and Class Members alleging claims for 1) Failure to Pay Overtime Wages; 2) Failure to Pay Minimum Wages; 3) Meal Period Violations; 4) Rest Period Violations; 5) Wage Statement Violations; 6) Waiting Time Penalties; 7) Failure to Reimburse Expenses; and 8) Unfair Competition. Plaintiff filed a First Amended Complaint on approximately July 7, 2021 to add a PAGA cause of action based on the violations alleged in the April 29, 2021 notice to the LWDA on behalf of herself and Aggrieved Employees.

2.4 Through informal discovery, Defendants and Defendants' Counsel provided Class Counsel with copies of all applicable versions of its policies and procedures, employee handbooks, payroll information for Aggrieved Employees and Class Members including, but not limited to, the number of workweeks and pay periods at issue within the Class Period and PAGA Claim Period, dates of employment, total number of Class Members and Aggrieved Employees, average rates of pay, and timecard data and payroll reports for a randomly selected sample of Class Members and Aggrieved Employees.

2.5 After Class Counsel received and analyzed the data, they participated in a lengthy mediation with private mediator Lisa Klerman on September 8, 2021. At the conclusion of the mediation, the Parties were able to come to a resolution on essential terms, which was further memorialized and detailed through this Agreement. At all times, the Parties' settlement negotiations have been non-collusive, adversarial, and at arm's length.

2.6 Discussions between Plaintiff and Class Counsel, between counsel for the Parties, document productions, extensive legal analysis, the provision of information by Defendants to Class Counsel and the detailed analysis of the records, including expert analysis, have permitted each side to assess the relative merits of the claims and the defenses to those claims.

1 2.7 In the Action, Plaintiff contends that Defendants violated California law by 1) failing to
2 correctly incorporate the value of the non-discretionary remuneration, such as, but not limited to, shift
3 differentials, pay stipends, and bonuses into Class Member's and Aggrieved Employees' regular rate of
4 pay when calculating overtime, double time, meal and rest period premiums, or sick pay; 2) failing to
5 provide meal and rest periods in compliance with California law due to understaffing and workflow
6 issues, or pay premiums in lieu thereof; 3) failing to pay employees for all hours worked due their failure
7 to pay for time employees spent waiting to clock into work; 4) failing to pay reimbursements for business-
8 related cell phone use; and 5) failing to accurately itemize the hours and wages earned on paystubs issued
9 to Class Members and Aggrieved Employees. The waiting time penalties, unfair competition, and PAGA
10 claims are derivative of these violations. Defendants have denied each of Plaintiff's claims and
11 Defendants have denied that this Action is appropriate for class certification for anything other than
12 settlement purposes. The agreed upon Gross Settlement Amount was reached after evaluating the Parties'
13 theories of potential exposure for the underlying claims and the class data supporting these claims. The
14 Parties, with the assistance of the mediator, also assessed appropriate discounts to the potential liability
15 based on Defendants' factual and legal contentions and defenses.

16 2.8 Plaintiff and Class Counsel recognize the expense and length of continued protracted
17 litigation necessary to litigate Plaintiff's disputes in the Action through trial and through any possible
18 appeals. Plaintiff also has taken into account the uncertainty and risks of the outcome of further litigation,
19 and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of
20 the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally
21 and in response to Defendants' defenses thereto, and the difficulties in establishing damages, penalties,
22 restitution and other relief sought in the Action. Plaintiff and Class Counsel also have taken into account
23 Defendants' agreement to enter into a settlement that confers substantial benefits upon the Class Members.
24 Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement set forth in this
25 Agreement is fair, adequate, and reasonable, and is in the best interests of all Class Members.

26 2.9 Defendants have concluded that any further defense of this litigation would be protracted
27 and expensive for all Parties. Substantial amounts of Defendants' time, energy, and resources have been,
28 and unless this Settlement is completed, will continue to be devoted to the defense of the Plaintiff's claims.

Defendants have also taken into account the risks of further litigation in reaching its decision to enter into this Settlement. Even though Defendants continue to contend that it is not liable for any of the claims set forth by Plaintiff in this Action, Defendants have agreed, nonetheless, to settle in the manner and upon the terms set forth in this Agreement to put to rest the claims in this Action. Defendants have claimed and continue to claim that the Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement, no documents referred to herein, and no action taken to carry out this Agreement, may be construed or used as an admission by or against Defendants as to the merits or lack thereof of the claims asserted in the Action. Defendants contend that they have complied with all applicable state, federal, and local laws.

2.10 The Parties agree that the above-described investigation and evaluation, as well as discovery and the information exchanged to date, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff, Class Counsel, Defendants, and Defendants' Counsel have concluded that it is desirable that the Action be settled in a manner and upon such terms and conditions set forth herein in order to avoid further expense, inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the Parties potentially face in the Action. Therefore, the Parties desire to resolve the claims in the Action. Plaintiff, Class Counsel, Defendants, and Defendants' Counsel are of the opinion that the Agreement is a fair, reasonable, and adequate compromise of the disputed claims in light of all known facts and circumstances and warrants approval by the Court.

3. THE CONDITIONAL NATURE OF THIS AGREEMENT

3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose of settling the Action. This Agreement and the settlement it evidences are made in compromise of disputed claims. Because the Action was pled as a class action, this Agreement must receive preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a conditional basis. If the Court does not enter an order granting final approval of the Agreement, or if the Court's approval of the settlement is reversed or materially modified on appellate review, this Agreement shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and the negotiation, terms and entry of the Agreement shall remain

1 subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence
2 408, and any other analogous rules of evidence that may be applicable.

3 3.2 Defendants have denied all claims as to liability, damages, liquidated damages, penalties,
4 interest, fees, restitution, injunctive relief and all other forms of relief asserted in the Action. Defendants
5 have agreed to resolve the Action via this Agreement, but to the extent this Agreement is deemed void or
6 the Effective Date does not occur, Defendants do not waive, but rather expressly reserve, all rights to
7 challenge all such claims and allegations in the Action upon all procedural and factual grounds, including,
8 without limitation, the ability to challenge class or collective treatment on any grounds, as well as to assert
9 any and all other potential defenses or privileges.

10 **4. SCOPE OF THE CLASS**

11 4.1 The scope of the class of individuals encompassed under the Agreement, who are entitled
12 to all benefits as authorized under the Agreement and subject to all obligations and duties required under
13 the Agreement, shall include all Class Members as defined in Section 1.8 and all Aggrieved Employees
14 as defined in Section 1.2. However, it shall not include any Class Members who submit valid and timely
15 Request for Exclusion Forms, as set forth in Section 7.5.1.

16 4.2 Individuals entitled to recover under this Agreement will include only those individuals
17 who are identified as being within the scope of this Agreement under Section 4.1.

18 4.3 Any person who believes that he or she is a Class Member or Aggrieved Employee and
19 wishes to participate in the Agreement, but did not receive a Notice of Settlement because his or her name
20 did not appear on the class list provided to the Settlement Administrator prior to mailing, may submit a
21 data request to the Settlement Administrator. The data request must contain all of the following
22 information: (a) the individual's full name and the last four digits of their Social Security Number; (b) the
23 name used by such employee at the time his or her employment with Defendants ended, if different from
24 the name provided under (a); (c) the dates during which the individual was employed by Defendants; and
25 (d) a return address to which a response may be sent. Every data request must be postmarked on or before
26 the conclusion of the Notice Period or otherwise submitted to the Settlement Administrator such that it is
27 received before the conclusion of the Notice Period. Upon receipt of any data requests, the Settlement
28

1 Administrator shall promptly (in no event more than two business days) transmit the data requests to
2 Defendants' Counsel and request that Defendants review their records.

3 4.4 If Defendants do agree that the person listed in a data request is a Class Member and/or
4 Aggrieved Employee, the Settlement Administrator shall promptly mail a Notice of Settlement, Request
5 for Exclusion Form, and an Objection Form to the person who submitted the data request, at the address
6 designated for that purpose in the data request. All provisions of this Agreement relating to the Notice of
7 Settlement, Request for Exclusion Form, and Objection Form shall apply to Notice of Settlement, Request
8 for Exclusion Form, and Objection Form sent in response to data requests, and any person who submits a
9 data request and is sent a Notice of Settlement, Request for Exclusion Form, and Objection Form in
10 response shall be treated by the Settlement Administrator as a Class Member and/or Aggrieved Employee
11 for all other purposes.

12 4.5 If Defendants disagree that the person listed in a data request is a Class Member and/or
13 Aggrieved Employee, Defendants' Counsel and Class Counsel shall attempt to resolve any such dispute
14 in good faith within seven (7) calendar days of Class Counsel being advised in writing of the data request
15 dispute. Defendants' records shall control unless the individual submitting the data request provides
16 persuasive evidence to doubt the accuracy of those records. Each data request dispute that Defendants'
17 Counsel and Class Counsel cannot timely resolve shall be resolved by the Settlement Administrator. The
18 Settlement Administrator must accept and weigh all the evidence provided in a good faith attempt to
19 resolve the dispute. The Settlement Administrator must resolve any dispute submitted to it within seven
20 (7) calendar days after Defendants' Counsel and Class Counsel submit the dispute to the Settlement
21 Administrator. The decision by the Settlement Administrator shall be final and there shall be no right of
22 appeal.

23 5. TERMS OF THE SETTLEMENT

24 The Parties agree as follows:

25 5.1 Gross Settlement Amount: In consideration and exchange for the releases described in
26 Section 6, Defendants shall pay the Gross Settlement Amount (\$650,000), subject to any and all reductions
27 as set forth in this Agreement, including Defendants' Offset as set forth in Sections 1.15 and 5.8. Funding
28 of the Gross Settlement Amount shall occur within twenty-one (21) days after the Final Approval Date to

1 be held in trust in a QSF by the Settlement Administrator. The Gross Settlement Amount includes
2 payments to Qualified Claimants, Aggrieved Employees, all attorneys' fees, costs and litigation expenses
3 related to the Action incurred to date, as well as all such fees and costs incurred in documenting the
4 Agreement, administering the Agreement (including Settlement Administrator Costs), and obtaining final
5 approval of the Agreement, the Enhancement Payment to the Class Representative and the PAGA
6 Payment. Any monies necessary to satisfy Defendants' tax obligations (*e.g.* employer FICA, FUTA and
7 SDI contributions on wage payments) on any monies distributed to Qualified Claimants will be paid in
8 addition to the Gross Settlement Amount.

9 5.2 Attorneys' Fees and Costs: Class Counsel will apply to the Court for attorney's fees of
10 one-third (1/3) of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount.
11 Defendants have agreed to not oppose Class Counsel's application for attorneys' fees so long as it does
12 not exceed the one-third (1/3) threshold. Class Counsel will also be entitled to reimbursement for
13 advanced litigation expenses not to exceed \$15,000, which shall be paid from the Gross Settlement
14 Amount. Defendants have agreed to not oppose Class Counsel's request for reimbursement for advanced
15 litigation expenses so long as they do not exceed the \$15,000 threshold. The Settlement Administrator
16 will issue Class Counsel an IRS Form 1099 for the attorneys' fees and costs paid under this Agreement.
17 In the event that the Court awards less than the requested attorney's fees and/or costs, the portion of the
18 requested amounts not awarded to Class Counsel shall be added to the Net Settlement Amount to be
19 distributed to Qualified Claimants on a pro rata basis.

20 5.3 Settlement Administrator Costs: The Settlement Administrator Costs shall be paid from
21 the Gross Settlement Amount and shall not exceed \$10,000. The difference between any actual costs and
22 the allocated \$10,000 shall be added to the Net Settlement Amount.

23 5.4 Enhancement Payment: Class Counsel, on behalf of Plaintiff, shall apply to the Court for
24 an Enhancement Payment to the Class Representative in an amount not to exceed Seven Thousand and
25 Five Hundred Dollars (\$7,500) to compensate for the risks, time, and expense of her involvement in the
26 Action and securing the benefits of this Agreement for Class Members. The Enhancement Payment is in
27 addition to the Claim Amount Plaintiff would otherwise be due under the Agreement as a Qualified
28 Claimant. Defendants have agreed to not oppose Class Counsel's request for an Enhancement Payment

to the Class Representative so long as it does not exceed the amount stated herein. The Enhancement Payment will be designated as a non-wage payment and reported on an IRS Form 1099. In the event that the Court awards less than the Enhancement Payment amount requested, then any portion of the requested amount not awarded to the Class Representative shall be added to the Net Settlement Amount to be distributed to Qualified Claimants on a pro rata basis.

5.5 PAGA Payment: Fifteen Thousand Dollars (\$15,000) of the Gross Settlement Amount shall be allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment will be paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees on a *pro rata* basis as described below in Section 5.8. Any amount not approved by the Court for the allocated PAGA Payment shall be added to the Net Settlement Amount to be distributed to Qualified Claimants on a pro rata basis.

5.6 Treatment of Residue and *Cy Pres*: For any portion of the Net Settlement Amount or PAGA Payment allocated to Qualified Claimants and/or Aggrieved Employees that were not claimed by cashing their respective settlement checks before the deadline to do so, that remaining amount shall be donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc. and the Center for Workers Rights. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

5.7 No Additional Benefits Contributions: All Claim Amounts paid to Qualified Claimants and Aggrieved Employees shall be deemed to be income solely in the year in which such amounts were actually received. It is expressly understood and agreed that the receipt of such Claim Amounts will not entitle any Qualified Claimant or Aggrieved Employee to any new or additional compensation or benefits under any company bonus or other compensation or benefit plan or agreement in place during the period covered by the Agreement, nor will it entitle any Qualified Claimant Aggrieved Employee to any increased retirement, 401(k) and/or 403(b) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Claim Amounts provided for in this Agreement are the sole payments to be made by Defendants to the Qualified Claimants and Aggrieved Employees in connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Agreement).

1 5.8 Pro Rata Distribution Formula: Payment to Qualified Claimants and Aggrieved
2 Employees of their Claim Amount will not require the submission of a claim form. A Net Settlement
3 Amount will be determined by subtracting from the Gross Settlement Amount any amounts for approved
4 attorneys' fees and costs, any Enhancement Payment to the Class Representative, the Settlement
5 Administrator Costs, and the PAGA Payment. To the extent a Class Member's or Aggrieved Employee's
6 short duration of employment resulted in Qualifying Workweeks is some fraction less than one (1) total
7 Qualifying Workweek, their Qualifying Workweek number shall be rounded up to equal one (1)
8 Qualifying Workweek. Each Class Member's share will be determined by dividing their total Qualifying
9 Workweeks within the Class Period by the total Qualifying Workweeks of all Class Members within the
10 Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class
11 Member's individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the 25%
12 portion of the PAGA Payment will be determined by dividing their total weeks worked within the PAGA
13 Claim Period by the total weeks worked by all Aggrieved Employees within the PAGA Claim Period.
14 That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved
15 Employee's individual share. During the Action, Defendants paid Defendants' Offset to an estimated
16 116 Class Members who agreed to sign a release in exchange for consideration based on the number of
17 workweeks in which they worked during the Class Period. Any payment due to one of these individuals
18 based on the allocation formula for the Net Settlement Amount set forth above will be offset by the amount
19 previously paid under Defendants' Offset to that individual. To the extent the amount owed to a Qualified
20 Claimant would be less than the amount actually paid through Defendants' Offset, Defendants will not be
21 able to recover that amount paid to the Qualified Claimant or offset that amount against payment to other
22 Qualified Claimants. Nonetheless, to the extent the calculation of the Claim Amount (including the
23 Defendants' Offset) results in an amount less than the equivalent of one workweek, that Qualified
24 Claimant shall receive an allocation of one (1) Qualifying Workweek.

25 5.9 Tax Allocation: The Parties recognize that the Claim Amounts to be paid to Qualified
26 Claimants and/or Aggrieved Employees reflect a settlement of a dispute over claimed penalties and wages.
27 The Settlement Administrator shall calculate the employer's share of payroll taxes on the amounts paid to
28 Qualified Claimants as wages as well as calculating all required withholdings and deductions from said

1 wage payments. The characterization of Claim Amounts to Qualified Claimants and Aggrieved
2 Employees are as follows:

3 5.9.1 Twenty Percent (20%) of each Qualified Claimants' Claim Amount shall be
4 allocated for payment of disputed wages and shall be subject to required employer taxes. Qualified
5 Claimants shall receive an IRS Form W-2 for reporting of this portion of their Claim Amount.

6 5.9.2 Eighty Percent (80%) of each Qualified Claimants' Claim Amount shall be
7 allocated for disputed statutory penalties and interest, and no amount shall be deducted for any taxes. This
8 portion of the Claim Amount consists of other income, not wages, for which the Qualified Claimants shall
9 receive an IRS Form 1099-MISC.

10 5.9.3 The entirety (100%) of each Aggrieved Employee's share of the 25% portion of the
11 PAGA Payment shall be allocated for payment of disputed civil penalties, and no amount shall be deducted
12 for any taxes. This portion of the Claim Amount consists of other income, not wages, for which the
13 Aggrieved Employees shall receive an IRS Form 1099-MISC.

14 5.10 Qualified Claimants and Aggrieved Employees shall be solely responsible for the reporting
15 and payment of their share of any federal, state and/or municipal income or other taxes on payments made
16 pursuant to this Agreement, and shall hold the Parties, Class Counsel, and Defendants' Counsel free and
17 harmless from any claims resulting from treatment of such payments as non-taxable, including the
18 treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.
19 No party has made any representation to any of the other Parties as to the taxability of any payments
20 pursuant to this Agreement, including the payments to Qualified Claimants, the payments to Aggrieved
21 Employees, the payments to Class Counsel, the payments to the Class Representative, the payroll tax
22 liability of Defendants, or the allocation of the Net Settlement Amount or PAGA Payment to wage and
23 non-wage income as provided in this Section, or otherwise as to tax implications of any provision of this
24 Agreement.

25 5.11 No Additional Contribution by Defendants: Defendants' monetary obligation under this
26 Agreement is limited to the Gross Settlement Amount and any employer side payroll taxes owed on
27 amounts characterized as wages under this Agreement. All other costs and expenses arising out of or in
28 connection with the performance of this Agreement shall be paid from the Gross Settlement Amount,

1 unless expressly provided otherwise herein. However, in the event this agreement is deemed null and
2 void as described in Section 3 because the Court, in its independent determination, finds that the
3 Agreement does not meet the standards for settlement approval, then Defendants and Plaintiff shall be
4 equally responsible for the costs of the Settlement Administrator incurred between the date the Agreement
5 was executed and the date of such event.

6 5.12 Certification For Settlement Purposes: The Parties agree that, for purposes of settlement
7 only, certification of the class as defined in Section 1.8 and 4.1 is appropriate and the requisites for
8 establishing class certification have been met and are met.

9 5.13 Adequacy of Class Counsel and Class Representatives: The Parties agree that, for purposes
10 of settlement only, Class Counsel and Plaintiff are adequate representatives for Class Members and
11 Aggrieved Employees.

12 6. RELEASE

13 6.1 Release of Claims by Qualified Claimants: Upon the Effective Date, all Qualified
14 Claimants will be deemed to fully, finally and forever release Qualified Claimant's Released Claims as to
15 all Released Parties. In addition, on the Effective Date, all Qualified Claimants and their successors in
16 interest will be permanently enjoined and forever barred from prosecuting any of Qualified Claimant's
17 Released Claims against any of the Released Parties.

18 6.2 Release of PAGA Claims By Plaintiff: Upon the Effective Date, Plaintiff will be deemed
19 to fully, finally and forever release the Released PAGA Claims as to all Released Parties on behalf of
20 herself and the LWDA, who shall also be bound by this release.

21 6.3 Upon the Effective Date, in addition to Plaintiff's waiving of the Qualified Claimant's
22 Released Claims, Plaintiff will also expressly waive all rights and benefits under the terms of section 1542
23 of the California Civil Code with respect to those claims. Section 1542 reads:

24 "A general release does not extend to claims that the creditor or releasing party does not know or
25 suspect to exist in his or her favor at the time of executing the release and that, if known by him
26 or her, would have materially affected his or her settlement with the debtor or released party."

27 Notwithstanding the provisions of section 1542, and for the purpose of implementing a full and
28 complete release and discharge, Plaintiff expressly acknowledges that this Settlement is intended to

1 include in its effect, without limitation, all Qualified Claimant's Released Claims which Plaintiff does
2 not know or suspect to exist in her favor at the time of execution hereof, and that the Settlement
3 contemplates the extinguishment of all such claims with respect to her.

4 **7. SETTLEMENT ADMINISTRATION**

5 7.1 Duties of Settlement Administrator: The Settlement Administrator shall be responsible
6 for: 1) receiving Class Member and Aggrieved Employee contact information and confirming addresses
7 are valid; 2) calculating estimated Claim Amounts and any and all taxes associated with the Claim
8 Amounts, including Employer taxes; 3) taking appropriate steps to trace and locate any individual Class
9 Members and Aggrieved Employee whose address or contact information as provided to the Settlement
10 Administrator is inaccurate or outdated and mailing the Notice of Settlement, Request for Exclusion Form,
11 and Objection Form to Class Members; 4) maintaining a web address where Class Members and
12 Aggrieved Employees may access the Complaint, Class Counsel's motion for preliminary approval, the
13 Agreement, and any other documents required by the Court; 5) providing notification to the appropriate
14 state and federal officials of this Agreement where required under the law; 6) receiving, independently
15 reviewing, and resolving any challenges (in consultation with Class Counsel and Defendants' Counsel)
16 from Class Members or Aggrieved Employees, including any associated documentation, regarding their
17 Qualified Workweek calculations; 7) receiving and serving on Class Counsel, Defendants' Counsel, and
18 the Court, copies of any Request for Exclusion Form or Objection Forms submitted by Class Members;
19 8) establishing a toll free telephone line and responding to inquiries and requests for information or
20 assistance from Class Members and/or Aggrieved Employees; 9) maintaining a QSF; 10) determining and
21 paying the final amounts due to be paid under the Agreement after resolution of all challenges, disputes,
22 opt-outs, awarded attorneys' fees and costs, Settlement Administrator Costs, PAGA Payment, taxes, any
23 Enhancement Payments, and for funds that cannot be distributed due to the inability to locate Class
24 Members or Aggrieved Employees; 11) determining the validity of any disputes or late Request For
25 Exclusion Forms by previously unidentified Class Members or Aggrieved Employees; 12) paying any
26 residual funds from uncashed checks; 13) reporting to Class Counsel and Defendants' Counsel regarding
27 the statistics of the administration, including (a) the number of initial Notice of Settlement, Request for
28 Exclusion Forms, and Objection Forms mailed; (b) the number of forwarded mailings; (c) the number of

re-mailed Notice of Settlement, Request for Exclusion Forms, and Objection Forms; (d) the number of total undeliverable mailings; (e) the number of address traces performed for undeliverable mailings; (f) the number of mailings undeliverable from traced addresses; (g) the number of total Objection Forms received; (h) the number of Request for Exclusion Forms received; (i) the number of disputes received; (j) the number of disputes resolved; 14) providing a declaration to the Court regarding the final statistics of the administration and compliance with all payment obligations under the Agreement; 15) completing all necessary tax reporting on the QSF and payment of the Claim Amounts to Qualified Members and Aggrieved Employees; and 16) carrying out other related tasks as necessary to effectuate the terms of this Agreement and any Order of the Court. All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until all payments and obligations contemplated by the Agreement have been fully executed.

7.2 Notice to Class Members and Aggrieved Employees: Defendants warrant that Class Members and Aggrieved Employees are all over the age of eighteen (18) and are able to read, write, and understand English such that no translation of the Notice of Settlement, Request for Exclusion Form, or Objection Form is required. The nature of Class Members' and Aggrieved Employees' employment required a well educated workforce with a strong ability to communicate in, and understand, English. The Notice of Settlement will provide Class Members and Aggrieved Employees with a summary of the terms and conditions of the Agreement, how to participate in the settlement, how to object to the Agreement, how to dispute the individual's Qualifying Workweeks, and how to opt-out from the Agreement. Class Members and Aggrieved Employees will be provided with a Request for Exclusion Form and an Objection Form along with the Notice of Settlement for these purposes. The Notice of Settlement will also inform Class Members and Aggrieved Employees of the Gross Settlement Amount, Net Settlement Amount, proposed attorneys' fees and costs allocations, any proposed Enhancement Payments, proposed Settlement Administrator Cost allocations, proposed PAGA Payment allocations, Defendants' Offset, the scope of the class, the nature and extent of the released claims, dates set for a fairness hearing and hearing on Class Counsels' motion for attorneys' fees and costs. The Notice of Settlement shall include information regarding Class Member's and Aggrieved Employee's estimated Claim Amount.

1 7.3 Class Member Data and Mailing: No later than fourteen (14) calendar days after the
2 Preliminary Approval Date, Defendants shall provide the Settlement Administrator with the name, last
3 known mailing address, last known telephone number, Social Security Number, start and end date of
4 employment (if any) of each Class Member, and any other information the Settlement Administrator needs
5 to effectuate notice to Class Members and Aggrieved Employees as outlined herein. The Settlement
6 Administrator shall review the data to determine the number of Qualifying Workweeks for each Class
7 Member and Aggrieved Employee. No later than fourteen (14) calendar days after receipt of such address
8 information, the Settlement Administrator will perform a national change of address (“NCOA”) search,
9 update the addresses per the results of the NCOA search, and then mail the Notice of Settlement, Request
10 for Exclusion Form, and Objection Form, to each Class Member and Aggrieved Employee by first-class
11 mail, postage prepaid. Class Counsel shall also provide the Settlement Administrator with the Complaint,
12 Class Counsel’s motion for preliminary approval, the Agreement, and any other documents required by
13 the Court that are to be posted at the web address as stated in Section 7.1(4). The Settlement Administrator
14 shall maintain all information received from Defendants confidential to itself, and Defendants’ Counsel.
15 However, Class Counsel shall be able to review the breakdown of Qualified Workweeks and estimated
16 Claim Amounts for Class Members and Aggrieved Employees prior to mailing for quality assurance
17 provided the personal identifying information is redacted and/or omitted.

18 7.4 Returned and/or Re-mailed Notice of Settlements: In the event that a Notice of Settlement,
19 Request for Exclusion Form, and/or Objection Form, are returned to the Settlement Administrator as non-
20 delivered on or before the conclusion of the Notice Period, the documents shall be sent to the forwarding
21 address affixed thereto within five (5) calendar days. If no forwarding address is provided, then the
22 Settlement Administrator shall promptly attempt to determine a correct address using a single skip-trace
23 search using the name, address and/or Social Security number of the individual involved, and shall then
24 perform a single re-mailing within five (5) calendar days. Following each search that does not result in a
25 corrected address, for those Class Members who appear to be current employees of Defendants at the time
26 of the Preliminary Approval Date, the Settlement Administrator shall contact Defendants’ Counsel for
27 assistance and Defendants shall cooperate in good faith with the Settlement Administrator’s reasonable
28 efforts to obtain valid mailing addresses for Class Members to the extent they are active employees of

Defendants. In the event the Notice of Settlement, Request for Exclusion Form, and/or Objection Form, are forwarded to a new address and/or re-mailed to a Class Member, the deadline for the Class Member to submit any Request for Exclusion Form, Objection Form, or dispute their Qualifying Workweek allocation shall be the end of the Notice Period or 10 calendar days from the date of the re-mailing, whichever is later. In the event the procedures in this Section are followed and the Class Member does not timely and properly submit a Request for Exclusion, the Class Member shall be bound by all terms of the Agreement, including the releases contained in Section 6.

7.5 Responses to Notice of Settlement:

7.5.1 *Request for Exclusion:* The Notice of Settlement shall provide that Class Members who wish to exclude themselves from the Agreement must submit a complete and timely Request for Exclusion Form. The Request for Exclusion Form must be post-marked no later than the conclusion of the Notice Period or the re-mailing timeline stated in Section 7.4. The Class Member must personally sign the Request for Exclusion Form. No Request for Exclusion Form may be made on behalf of a group of Class Members. The date of the postmark on the return-mailing envelope shall be the exclusive means used to determine whether a Request for Exclusion Form has been timely submitted. Any Class Member who submits a timely and complete Request for Exclusion Form will not be entitled to any benefit of the Agreement as a Class Member, will not be bound by the Agreement, nor will they have any right to object, appeal or comment thereon. Class Members who fail to submit a complete and timely Request For Exclusion Form shall be bound by all terms of the Agreement and any order or final judgment thereon, regardless of whether they otherwise have requested to opt-out of the Agreement. Aggrieved Employees cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA Claims regardless of whether they opt out of being a Class Member.

7.5.2 *Objection Procedures:* Any Class Member who does not opt-out but who wishes to object to this Agreement or otherwise to be heard concerning this Agreement a complete and timely Objection Form to the Settlement Administrator, who will serve copies of the Objection Form on Class Counsel and Defendants' Counsel. The Notice of Settlement shall make clear that the Court can only approve or deny the Agreement, not change the terms of the Agreement. The Objection Form must be

signed and post-marked no later than the conclusion of the Notice Period or the re-mailing timeline stated in Section 7.4.

7.5.3 Dispute Procedures: Any Class Member who disputes the number of Qualifying Workweeks on the Notice of Settlement shall contact the Settlement Administrator. 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 conclusion of the Notice Period or the re-mailing timeline stated in Section 7.4. The Settlement Administrator shall promptly (in no event more than two business days) forward all such disputes to Defendants' Counsel and request that Defendants review the dispute. Defendants' records shall presumptively control unless the Class Member can produce documentation evidencing other periods of employment worked. If Defendants agree with submitted information, the Class Member shall be credited or subtracted Qualifying Workweeks in accordance with their submitted dispute and that final number of Qualified Workweeks shall govern the calculation of that Class Member's Claim Amount. If Defendants do not agree with the submitted information, Defendants' Counsel will promptly advise Class Counsel of the dispute, which includes turning over any documentation submitted by the Class Member as part of the dispute. Defendants' Counsel and Class Counsel shall attempt in good faith to resolve any such dispute within five (5) calendar days of Class Counsel being advised of the dispute. Each dispute that Defendants' Counsel and Class Counsel cannot timely resolve shall be resolved by the Settlement Administrator or Court.

7.5.4 Deficient Request for Exclusion Forms, Objection Forms, and/or Disputes: In the event that a deficient Request for Exclusion Form, Objection Form, or dispute is received on or before the conclusion of the Notice Period, the Settlement Administrator shall mail a letter to the Class Member within five (5) calendar days informing them of the deficiency. If a deficiency letter is mailed to a Class Member, the deadline for the Class Member to cure the deficiency shall be the end of the Notice Period or 10 calendar days from the date of the deficiency letter, whichever is later.

7.6 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.1 to 7.5.4 shall constitute due and sufficient notice to Class Members of the Action and the Agreement and shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Class

Counsel or Defendants' Counsel to provide notice of the proposed Agreement, unless otherwise ordered by the Court.

7.7 Settlement Administrator Declaration Regarding Notice Period: Within twenty-one (21) calendar days after the conclusion of the Notice Period, the Settlement Administrator shall provide Class Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete and detailed report regarding the statistics and responses of settlement administration to date and all the Settlement Administrators' obligations under Sections 5.8 to 5.10.3, 7.1 to 7.5.4, and 7.9.

7.8 Settlement Administrator Payments to Qualified Claimants, Class Counsel and Plaintiff: Within seven (7) calendar days after the Final Approval Date and the Court's determination of the amount of attorneys' fees and costs payable to Class Counsel, the Enhancement Payment payable to Plaintiff, the PAGA Payment, and Settlement Administrator Costs, the Settlement Administrator shall 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. Defendants shall wire the Gross Settlement Amount and applicable taxes necessary to fund the Settlement as described in Section 5.1 and 5.8 to the Settlement Administrator within twenty-one (21) calendar days after the Final Approval Date to be held in trust in a QSF. Within twenty-eight (28) calendar days after the Effective Date, the Settlement Administrator shall deliver payment of Class Counsels' attorney's fees and costs, the Enhancement Payment payable to Plaintiff, the 75% portion of the PAGA Payment payable to the LWDA, Settlement Administrator Costs, and payment to Qualified Claimants and/or Aggrieved Employees as required under this Agreement and approved by Court.

7.8.1 The Settlement Administrator shall send, via UPS or other similar overnight carrier that allows for tracking of delivery, a check for the Court-approved attorneys' fees and costs to Class Counsel unless other method is requested by Class Counsel. Class Counsel shall provide the Settlement Administrator with the pertinent taxpayer identification number and payment instructions after the Final Approval Date.

7.8.2 The Settlement Administrator shall send a check by mail for the Court-approved Enhancement Payment to the Class Representative, care of Class Counsel unless other method is requested by Class Counsel.

7.8.3 Only Qualified Claimants and Aggrieved Employees will receive their Claim Amount.

7.8.4 The Settlement Administrator shall remit and report the applicable portions of the payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this Agreement. Defendants agree to reasonably cooperate with the Settlement Administrator to the extent necessary to determine the amount of the payroll tax payment required.

7.9 Settlement Check Expiration and Uncashed Checks: The Settlement Administrator shall issue Claim Amounts to Qualified Claimants and Aggrieved Employees in the form of a check, which shall become null and void if not deposited within one hundred twenty (120) calendar days of issuance. After one hundred twenty (120) calendar days of issuance, the checks shall be voided and funds from all uncashed checks shall be transmitted in accordance with Section 5.6. The Settlement Administrator shall deliver these funds within fourteen (14) calendar days after the check cashing deadline.

7.10 Settlement Administrator Declaration Regarding Compliance and Settlement Administration: Within twenty-one (21) calendar days after the last day for Qualified Claimants and Aggrieved Employees to cash their settlement checks, the Settlement Administrator shall provide Class Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete and detailed report regarding the settlement administration documenting that all payments under the Agreement have been made, that the Court's final approval order has been complied with, and that all the obligations of the Settlement Administrator have been completed.

8. PRELIMINARY SETTLEMENT ADMINISTRATION SCHEDULE

8.1 The schedule may be modified depending on whether and when the Court grants necessary approvals, orders notice to Class Members, and sets further hearings. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement as described above. In the event of such modification, the Parties shall cooperate to complete the settlement procedures as expeditiously as reasonably practicable. The preliminary schedule for notice, approval, and payment procedures carrying out the Agreement is as follows:

1	Last day for Defendants to provide Settlement Administrator with Class Member information	Within 14 calendar days after the Preliminary Approval Date
2		
3	Last day for Settlement Administrator to complete NCOA search, update Class Member mailing information, and mail Notice of Settlement, Request for Exclusion Form, and Objection Form	Within 14 calendar days after the Settlement Administrators' receipt of Class Members' information from Defendants
4		
5		
6		
7	Last day for Class Members to submit Request for Exclusion Forms, Objection Forms, Disputes, and/or data requests	45 calendar days after mailing of Notice of Settlement, Request for Exclusion Form, and Objection Form or within 10 calendar days after they re-mailed, whichever is later
8		
9		
10	Last day for Settlement Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 21 calendar days after end of the Notice Period
11		
12		
13	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
14		
15		
16		
17	Last day for Defendants to fund settlement	Within 21 calendar days after Final Approval Date
18		
19		
20	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
21		
22		
23		
24	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
25		
26	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
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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9. DUTIES OF THE PARTIES

9.1 Preliminary Approval: The Parties will cooperate in obtaining, through an unopposed motion to be filed as soon as reasonably practicable, an order from the Court preliminarily approving this Agreement at the earliest possible date concurrently with the Court’s certification of the Action as a class action for settlement purposes. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain certification for settlement purposes, approval of, and implementation of this Agreement. The Parties will submit this Agreement to the Court for preliminary approval of its terms and for approval of the steps to be taken to obtain its final approval. Within one week of signing this Agreement Class Counsel shall provide a draft of the Preliminary Approval Motion to Defendants’ Counsel. Defendants’ Counsel will provide comments and/or proposed revisions within one week after receipt of the draft Preliminary Approval Motion from Class Counsel. With regard to the final approval documents, a similar one-week maximum review and response time shall be observed by the Parties. The Parties will request that the Court’s preliminary approval of this Agreement be embodied in an Order Granting Preliminary Approval of Class Action and PAGA Settlement.

9.1.1 Plaintiff’s motion shall seek an order: 1) Preliminarily approving the Agreement; 2) Approving as to form and content the proposed Notice of Settlement; 3) Directing the mailing of the Notice of Settlement by first class mail to Class Members and Aggrieved Employees; 4) Preliminarily appointing Plaintiff and Class Counsel as representatives of Class Members; 5) Preliminarily approving settlement administration services to be provided by the Settlement Administrator; 6) Preliminarily approving the proposed Enhancement Payment to Plaintiff; 7) Preliminarily approving the application for payment of reasonable attorneys’ fees and reimbursement of litigation-related expenses to Class Counsel;

and 8) Scheduling a fairness hearing on the question of whether the proposed Agreement should be finally approved as fair, reasonable and adequate as to the Class Members.

9.1.2 Defendants shall not oppose Plaintiff's motion for approval of the proposed Agreement.

9.1.3 The Parties shall cooperate with each other and the Settlement Administrator during the process of giving Class Members notice and opportunity to object to the Agreement, as necessary and appropriate to assure effective communication to individual Class Members of information about their rights and obligations under this Agreement.

9.2 Final Approval and Fairness Hearing: On a date approved by the Court and set forth in the Notice of Settlement, the Court shall hold the Final Approval and Fairness Hearing where objections, if any, may be heard. Class Counsel shall provide the Court as part of the motion for final approval of the Agreement, a declaration by the Settlement Administrator of due diligence and proof of mailing of the Notice of Settlement, Request for Exclusion Form, and Objection Form required to be mailed to Class Members by this Agreement, and of the delivery results of the Claim Administrator's mailings including tracing and re-mailing efforts.

9.2.1 Class Counsel will submit a proposed order and judgment for final approval, which shall include findings and orders: 1) Approving the Agreement, adjudging the terms thereof to be fair, reasonable and adequate, and directing that its terms and provisions be carried out; 2) Approving the payment of an Enhancement Payment to the Class Representative; 3) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of out-of-pocket litigation expenses; 4) Approving the Settlement Administrator Costs; and 5) Providing that the Court will retain jurisdiction to oversee administration and enforcement of the terms of the Agreement and the Court's orders.

9.2.2 Following entry of the Court's Order granting final approval of the Agreement, the Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the following: 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside the judgement be filed, all parties will support the final approval order on appeal or otherwise; 2) Class Counsel will assist the Settlement Administrator as needed or requested in the process of identifying and locating Qualified Claimants and Aggrieved Employees entitled to payments under the Agreement and

1 assuring delivery of such payments; 3) Class Counsel and Defendants' Counsel will cooperate with each
2 other and assist the Settlement Administrator as needed or requested in completing the distribution of any
3 residual amounts, as specified above, to the *cy pres* beneficiaries; 4) Class Counsel, in conjunction with
4 the Settlement Administrator, will certify to the Court completion of all payments required to be made by
5 this Agreement.

6 9.3 Final Judgment: If the Court approves this Agreement at the final approval and fairness
7 hearing, the Parties will request that the Court enter an Order Granting Final Approval of Class Action
8 and PAGA Settlement and Final Judgment.

9 9.4 Notice to LWDA: Class Counsel agrees to provide notice to the Labor and Workforce
10 Development Agency ("LWDA") of this settlement in accordance with Labor Code § 2699(1)(2).

11 **10. MISCELLANEOUS TERMS**

12 10.1 Defendants' Right to Withdraw Based on Opt-Outs: If, prior to the Final Approval Date,
13 10% or more of the Class Members have submitted proper and timely Request for Exclusion Forms in
14 accordance with the provisions of the Agreement, Defendants may, at their election, rescind the
15 Agreement and all actions taken in its furtherance will be thereby null and void. Defendants must exercise
16 this right of rescission, in writing, to Class Counsel, within seven (7) calendar days after the Settlement
17 Administrator notifies the Parties of the total number of Request for Exclusion Forms submitted. If the
18 option to rescind is exercised, then any Settlement Administrator Costs shall be paid by Defendants.
19 Defendants have represented that there are no more than 27,406 workweeks during the Class Period. In
20 the event the number of workweeks during the Class Period is more than 30,146.60 (*i.e.*, greater than
21 10% more than 27,406), then the Gross Settlement Amount shall be increased proportionally by the
22 workweeks in excess of 27,406, multiplied by the pay period value. For example, if there were 11,900
23 workweeks represented to exist during the Class Period, but there are actually 15,000 workweeks in the
24 Class Period, and the actual workweek value is \$5.00 per workweek, Defendants would have to increase
25 the Gross Settlement Amount by \$15,500.00 (15,000 workweeks – 11,900 workweeks = 3,100
26 workweeks x \$5.00/workweek).

27 10.2 Circular 230 Disclaimer: EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF
28 THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT

1 OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND
2 AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
3 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
4 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
5 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
6 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
7 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
8 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
9 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
10 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
11 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
12 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
13 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY
14 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
15 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
16 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX
17 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
18 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
19 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
20 BY THIS AGREEMENT.

21 10.3 No Prior Assignments: The Parties represent, covenant, and warrant that they have not
22 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
23 any person or entity any portion of any liability, claim, demand, action, cause of action or right released
24 and discharged in this Agreement.

25 10.4 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by
26 signing this Agreement Defendants are waiving any rights to appeal from the Court's approval of the
27 settlement unless the Court materially modifies the settlement. Furthermore, by signing this Agreement
28

Plaintiff is waiving any right or ability to opt out of this Agreement during the Notice Period or otherwise and is, therefore, a Qualified Claimant.

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

10.6 Judgment and Retention of Jurisdiction to Enforce: Upon the Final Approval Date, judgment will be entered according to this Agreement, with the Court to retain jurisdiction over the parties to enforce the terms therein.

10.7 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other action as may reasonably be necessary to fulfill the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by Court order, or otherwise, to effectuate this Agreement and the terms set forth herein.

10.8 No Admission of Liability: Neither the acceptance nor the performance by Defendants of the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the Complaint, the representative character of the Action, the validity of any of the claims that were or could have been asserted by Plaintiff and/or Class Members in the Action, or of any liability or guilt of Defendants in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by Defendants of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Class Members, or any other person, and Defendants specifically disclaim any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Class Members, or any other person. Each of the Parties has entered into this Stipulation with the intention to avoid further disputes and litigation.

10.9 Notices: Unless otherwise specifically provided herein, all notices, demands, or other 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 certified mail, return receipt requested, addressed as follows:

To Plaintiff and the Class:

Galen T. Shimoda
Justin P. Rodriguez
Jessica L. Hart
Shimoda Law Corp.
9401 East Stockton Blvd., Suite 120
Elk Grove, CA, 95624

To Defendants:

Yesenia Gallegos
Marjorie Soto
McDermott Will & Emery LLP
2049 Century Park E, Ste 3200
Los Angeles, CA, 90067-3206

10.10 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Agreement.

10.11 Binding Effect of Agreement: The Parties, by signing this Agreement, are bound by the terms herein. The Parties waive their rights to file an appeal, writ, or any challenge whatsoever to the terms of this Agreement. This Stipulation shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, Settlement Administrators, successors, and assigns.

10.12 Attorneys' Fees and Costs Limitations: Neither Class Counsel nor any other attorneys acting for, or purporting to act for, the Class, Class Members, or Plaintiff, may recover or seek to recover any amounts for fees, costs, or disbursements from the Releasees or the Gross Settlement Amount except as expressly provided in this Agreement. The Parties stipulate and agree that the Riverside County Superior Court shall have continuing jurisdiction to enforce the terms of the Agreement pursuant to Civil Procedure Code section 664.6 and that the prevailing party any action necessary to enforce the terms of the Agreement after default by the other party may recover reasonable attorney's fees and costs related thereto.

10.13 No Modifications: This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest. This Agreement may not be discharged except by performance in accordance with its terms.

1 10.14 Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement
3 and to take all appropriate action required or permitted to be taken by such Parties pursuant to this
4 Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of
5 this Agreement.

6 10.15 Class Member Signatories: Because the Action has not yet been certified, and the Class
7 Members are so numerous, the Parties agree that it is impossible or impractical to have each Class Member
8 sign this Agreement. It is agreed that, for purposes of seeking approval of the Agreement, this Agreement
9 may be executed on behalf of all Class Members by the Class Representative.

10 10.16 Counterparts: This Agreement shall become effective upon its execution by all of the
11 undersigned. Plaintiff, Class Counsel, Defendants and Defendants' Counsel may execute this Agreement
12 in counterparts, and execution of counterparts shall have the same force and effect as if each had signed
13 the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the same force
14 and effect of originals.

15 10.17 Choice of Law: The Agreement and any exhibits hereto shall be considered to have been
16 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and
17 the rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance
18 with, and governed by, the substantive laws of the State of California without giving effect to that State's
19 choice of law principles.

20 10.18 Headings and Captions: Section titles or captions contained in the Agreement are inserted
21 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of
22 this Agreement, or any provision thereof.

23 10.19 No Retaliation or Discouragement: The Parties agree they will take no action that could
24 be construed as retaliation against any Class Members for participating or seeking to participate in this
25 class action settlement. The Parties will not discourage any class member from participating or seeking
26 to participate in this class action settlement. This is a material term of the Agreement and non-breaching
27 Parties will seek court intervention if this provision is breached. Should non-breaching Party prevail, they
28 shall be entitled to further attorneys' fees and costs.

1 10.20 Integrated Agreement: This Agreement and the *Class & PAGA Settlement Memorandum*
 2 *of Understanding* sets forth the entire understanding between the Parties and supersedes any and all prior
 3 agreements, oral or written, pertaining to the subject matter hereof. Each party acknowledges that there
 4 is no representation, inducement, promise or agreement which has been made, orally or otherwise, by the
 5 other party, concerning the terms or conditions of this Agreement, which is not expressly embodied in this
 6 Agreement. In entering into this Agreement, the Parties represent that the terms of this Agreement are
 7 fully understood and voluntarily accepted by the Parties.

8 10.21 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to
 9 the benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

10 10.22 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the
 11 Court will first attempt to construe the provision as valid to the fullest extent possible consistent with
 12 applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

13 10.23 Waiver of Compliance: No waiver of any condition or covenant contained in this
 14 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply
 15 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

16 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized
 17 attorneys, as of the day and year herein set forth.

18 **For Plaintiff:**

19 Date: 12/7/2021

DocuSigned by:

Sara Franco

Sara Franco

22 **FOR Defendants:**

23 Date: _____

24 By: David Burke
 25 For Rancho Family Medical Group, Inc.

26 Date: _____

27 By: David Burke
 28 For Rancho Health Mso, Inc.

10.20 Integrated Agreement: This Agreement and the *Class & PAGA Settlement Memorandum of Understanding* sets forth the entire understanding between the Parties and supersedes any and all prior agreements, oral or written, pertaining to the subject matter hereof. Each party acknowledges that there is no representation, inducement, promise or agreement which has been made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement, which is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent that the terms of this Agreement are fully understood and voluntarily accepted by the Parties.

10.21 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

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

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

IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Plaintiff:

Date: _____

Sara Franco

FOR Defendants:

Date: 12/7/21

DocuSigned by:
David Burke
4CD9201A8755431...
By: David Burke
For Rancho Family Medical Group, Inc.

Date: 12/7/21

DocuSigned by:
David Burke
4CD9201A8755431...
By: David Burke
For Rancho Health Mso, Inc.

1
2 APPROVED AS TO FORM

Shimoda Law Corp.

3
4 Dated: _____

By: _____
Galen T. Shimoda
Justin P. Rodriguez
Jessica L. Hart
Attorney for Plaintiff and Aggrieved
Employees

5
6
7
8 APPROVED AS TO FORM

MCDERMOTT WILL & EMERY LLP

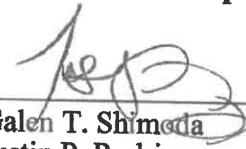
9
10 Dated: 12/7/2021 _____

By:  _____
Yesenia Gallegos
Marjorie Soto
Attorney for Defendants

1
2 APPROVED AS TO FORM

3
4 Dated: 12/7/21

Shimoda Law Corp.

By: 

Galen T. Shimoda

Justin P. Rodriguez

Jessica L. Hart

Attorney for Plaintiff and Aggrieved
Employees

7
8 APPROVED AS TO FORM

MCDERMOTT WILL & EMERY LLP

9
10 Dated: _____

By: _____

Yesenia Gallegos

Marjorie Soto

Attorney for Defendants

Exhibit 1

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 (public-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 2

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)

Exhibit 3

Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT

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

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 J

1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 Jessica L. Hart (Cal. State Bar No. 331411)
Shimoda Law Corp.
3 9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
4 Telephone: (916) 525-0716
Facsimile: (916) 760-3733

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

7 Yesenia Gallegos (Cal. State Bar No. 231852)
Marjorie Soto (Cal. State Bar No. 313290)
8 McDermott Will & Emery LLP
2049 Century Park E, Ste 3200
9 Los Angeles, CA
90067-3206
10 Phone: 310-788-4199

11 Attorneys for RANCHO FAMILY MEDICAL GROUP, INC.,
and RANCHO HEALTH MSO, INC.

12 **SUPERIOR COURT OF CALIFORNIA**
13 **FOR THE COUNTY OF RIVERSIDE**
14

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

17 Plaintiff,

18 vs.

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

21 Defendants.
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Case No.: CVRI2102264

**JOINT STIPULATION REGARDING CLASS
ACTION AND PAGA SETTLEMENT AND
RELEASE**

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

Filed: May 10, 2021

FAC Filed: July 7, 2021

Trial Date: None Set

1 This Joint Stipulation Regarding Class Action and PAGA Settlement and Release is made and
2 entered into between the Plaintiff Sara Franco, on behalf of herself, the Labor and Workforce
3 Development Agency through Sara Franco as an authorized representative under the Private Attorneys
4 General Act, Aggrieved Employees, and Defendants Rancho Family Medical Group, Inc., and Rancho
5 Health MSO, Inc. This Agreement is subject to the terms and conditions set forth below and the approval
6 of the Court.

7 **1. DEFINITIONS**

8 The following terms, when used in this Agreement, have the following meanings:

9 1.1 "Action" means the above stated lawsuit, *Franco v. Rancho Family Medical Group, Inc.*,
10 *et at.*, Riverside County Superior Court, Case No. CVRI2102264, filed May 10, 2021.

11 1.2 "Aggrieved Employee(s)" means all non-exempt employees who have or continue to work
12 for Defendants in California during the PAGA Claim Period.

13 1.3 "Agreement" or "Settlement" or "Settlement Agreement" means this Joint Stipulation
14 Regarding Class Action and PAGA Settlement and Release.

15 1.4 "Claim Amount" means an individual Qualified Claimant's and Aggrieved Employee's
16 allocation of the Net Settlement Amount and PAGA Payment respectively, as defined in Sections 1.21,
17 1.26, 5.5, and 5.8.

18 1.5 "~~ClaimsSettlement~~ Administrator" means and refers to Simpluris, Inc., the third-party
19 entity that will administer the Agreement as outlined in Sections 4 and 7, or any other third-party class
20 action settlement ~~claims administrator~~ Settlement Administrator agreed to by the Parties and approved by
21 the Court for the purposes of administering this Agreement. The Parties each represent that they do not
22 have any financial interest in the ~~ClaimsSettlement~~ Administrator or otherwise have a relationship with
23 the ~~ClaimsSettlement~~ Administrator that could create a conflict of interest.

24 1.6 "~~ClaimsSettlement~~ Administrator Costs" means the fees and expenses reasonably incurred
25 by the ~~ClaimsSettlement~~ Administrator as a result of the procedures and processes expressly required by
26 this Agreement, and shall include all costs of administering the Agreement, including, but not limited to,
27 all tax document preparation, custodial fees, and accounting fees incurred by the ~~ClaimsSettlement~~
28 Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices and

1 other correspondence to Class Members and/or Aggrieved Employees; all costs and fees associated with
2 communicating with Class Members and/or Aggrieved Employees, Class Counsel, and Defendants'
3 Counsel; all costs and fees associated with computing, processing, reviewing, and paying the Claim
4 Amounts, and resolving disputes; all costs and fees associated with calculating tax withholdings and
5 payroll taxes, if any, making related payment to federal and state tax authorities, if any, and issuing tax
6 forms relating to payments made under the Agreement; all costs and fees associated with preparing any
7 tax returns and any other filings required by any governmental taxing authority or agency; all costs and
8 fees associated with preparing any other notices, reports, or filings to be prepared in the course of
9 administering Claim Amounts; and any other costs and fees incurred and/or charged by the
10 ~~Claims~~Settlement Administrator in connection with the execution of its duties under this Agreement.

11 1.7 "Class Counsel" means Galen T. Shimoda, Justin P. Rodriguez, and Jessica L. Hart, of the
12 Shimoda Law Corp.

13 1.8 "Class Member(s)" means all non-exempt employees who have or continue to work for
14 Defendants. The estimated number of Class Members is 355.

15 1.9 "Class Period" means from May 10, 2017, up to either (1) the Preliminary Approval Date,
16 or (2) November 7, 2021, whichever is earlier.

17 1.10 "Class Representative" means Plaintiff Sara Franco.

18 1.11 "Complaint" means the operative Complaint on file in the Action with the Court.

19 1.12 "Court" means the Riverside County Superior Court.

20 1.13 "Defendants" means Rancho Family Medical Group, Inc., and Rancho Health MSO, Inc.

21 1.14 "Defendants' Counsel" means Yesenia Gallegos and Marjorie Soto of McDermott Will &
22 Emery LLP.

23 1.15 "Defendants' Offset" means a \$104,000 reduction to the Gross Settlement Amount, derived
24 from prior payments to approximately 116 putative class members.

25 1.16 "Effective Date" means the day the Court files a signed order granting final approval of
26 this Agreement unless there is a timely objection lodged that has not later been withdrawn, in which case
27 the effective date will be either (a) the 60th calendar day after a signed order granting final approval of this
28 Agreement has been filed provided no motion to vacate the judgment, appeal, writ or other appellate

proceeding having been filed; or (b) the seventh (7th) calendar day after any motion to vacate the judgment, appeal, writ, or other appellate proceeding opposing the Agreement has been finally dismissed with no material change to the terms of this Agreement and there is no right to pursue further remedies or relief, whichever is later.

1.17 “Enhancement Payment” means the amount approved by the Court to be paid to the Class Representative in recognition of the time and effort expended on behalf of Class Members for the benefit of Class Members, which is in addition to any Claim Amount paid to the Class Representative as a Qualified Claimant.

1.18 “Final Approval Date” means the date a signed order granting final approval of this Agreement is filed with the Court.

1.19 “Gross Settlement Amount” is the sum of Six-Hundred and Fifty Thousand Dollars (\$650,000), subject to Defendants’ Offset as set forth in Sections 1.15 and 5.8 when allocating amounts due to individual Qualified Claimants. This Gross Settlement Amount excludes Defendant’s tax obligations (e.g. employer FICA, FUTA and SDI contributions on wage payments) on any monies distributed to Qualified Claimants that are allocated as wages under the Agreement, which will be paid in addition to the Gross Settlement Amount.

1.20 “LWDA” means the California Labor and Workforce Development Agency.

1.21 “Net Settlement Amount” is the portion of the Gross Settlement Amount available for distribution to Qualified Claimants, as described in this Agreement, after deduction of Plaintiff’s attorneys’ fees and litigation costs, ClaimsSettlement Administrator Costs, the PAGA Payment, and Enhancement Payment to the Class Representative.

1.22 “Notice of Settlement” means the document substantially in the form attached hereto as Exhibit 1.

1.23 “Notice Period” means forty-five (45) calendar days from the initial mailing of the Notice of Settlement, Request for Exclusion Form, and Objection Form to Class Members and Aggrieved Employees.

1.24 “Objection Form” means the document substantially in the form attached hereto as Exhibit 2.

1.25 “PAGA” means Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.*

1.26 “PAGA Payment” means the amount allocated from the Gross Settlement Amount towards resolving claims under the PAGA.

1.27 “PAGA Claim Period” means from April 29, 2020 up to either (1) to the Preliminary Approval Date or (2) November 7, 2021, whichever is earlier.

1.28 “Parties” mean Defendants and Plaintiff.

1.29 “Plaintiff” means Sara Franco.

1.30 “Preliminary Approval Date” means the date a signed order granting preliminary approval of this Agreement is filed with the Court.

1.31 “QSF” means a Qualified Settlement Fund set up by the Claims Settlement Administrator for the benefit of the Qualified Claimants and/or Aggrieved Employees and from which the payments under this Agreement shall be made. Any amounts Defendants have agreed to pay under this Agreement shall remain the property of Defendants until the payments required under the Agreement are made.

1.32 “Qualified Claimant” means Plaintiff and any and all Class Members who have not made any timely request to opt-out of the Agreement.

1.33 “Qualified Claimant’s Released Claims” means 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, ~~and (10) a claim for civil penalties under the PAGA based thereon.~~ 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 the Request for Exclusion Form opting out of the Settlement.

1.34 “Qualifying Workweeks” are weeks worked by Class Members and/or Aggrieved Employees during the Class Period and/or PAGA Claim Period, respectively, in California. For Class Members, workweeks shall be defined as the total length of service (in days) in California during the Class Period divided by seven. For Aggrieved Employees workweeks shall be defined as the total length of service (in days) in California during the PAGA Claim Period divided by seven. The calculation of a Class Member’s and/or Aggrieved Employee’s workweeks and a determination as to whether a Class Member and/or Aggrieved Employee was actively employed in California in a particular workweek shall be construed from Defendants’ records.

1.35 “Released PAGA Claims” means any and all claims ~~that were brought under the PAGA based on the facts for statutory and/or claims alleged in the Action~~ 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 does not release any Aggrieved Employees’ claims for wages or damages. Aggrieved Employees cannot opt out of this waiver of claims.

1.36 “Released Parties” means Defendants, as well as Defendants’ officers, shareholders, directors, agents, employees, attorneys, and insurers agents.

1.37 “Request for Exclusion Form” means the document substantially in the form attached hereto as Exhibit 3.

2. DESCRIPTION OF THE LITIGATION

2.1 On or about April 29, 2021, Plaintiff sent notice to the LWDA to exhaust administrative remedies under the PAGA for 1) violations of Labor Code §§ 510, 1194; IWC Wage Order 4, § 3 (Failure to Pay Overtime Wages); 2) violations of Labor Code §§ 1194, 1197.1; IWC Wage Order 4, § 4 (Failure to Pay Minimum Wages); 3) violations of Labor Code §§ 226.7, 512 and Wage Order No. 4, §§ 11(A) and 11(B) (Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof); 4) violations of Labor Code § 226.7 and Wage Order No. 4, § 12(A) (Failure to Provide Rest Periods or Pay Premiums in Lieu Thereof); 5) violations of Labor Code §§ 226, 226.3 (Failure to Provide Accurate Wage Statements); 6) violations of Labor Code §§ 201-203, 256 (Failure to Pay Final Wages); 7) violations of

1 Labor Code § 2802 (Failure to Pay Reimbursements for Expenses); 8) violations of Labor Code §§ 558,
2 558.1 (Provisions Regulating Hours and Days of Work in Any Industrial Welfare Commission Order);
3 9) violations of Labor Code §§ 226.3, 1174 (Failure to Maintain Accurate Records); and 10) violations
4 of Labor Code §§ 246, 246.5, 248.5 (Failure to Provide Paid Sick Leave).

5 2.2 The LWDA did not respond to the notice within the statutorily required time frame and,
6 as such, Plaintiff became authorized to act as a Private Attorneys General on all alleged PAGA claims.

7 2.3 On or about May 10, 2021, Plaintiff filed a class action Complaint in Riverside County
8 Superior Court on behalf of herself and Class Members alleging claims for 1) Failure to Pay Overtime
9 Wages; 2) Failure to Pay Minimum Wages; 3) Meal Period Violations; 4) Rest Period Violations; 5) Wage
10 Statement Violations; 6) Waiting Time Penalties; 7) Failure to Reimburse Expenses; and 8) Unfair
11 Competition. Plaintiff filed a First Amended Complaint on approximately July 7, 2021 to add a PAGA
12 cause of action based on the violations alleged in the April 29, 2021 notice to the LWDA on behalf of
13 herself and Aggrieved Employees.

14 2.4 Through informal discovery, Defendants and Defendants' Counsel provided Class
15 Counsel with copies of all applicable versions of its policies and procedures, employee handbooks,
16 payroll information for Aggrieved Employees and Class Members including, but not limited to, the
17 number of workweeks and pay periods at issue within the Class Period and PAGA Claim Period, dates of
18 employment, total number of Class Members and Aggrieved Employees, average rates of pay, and
19 timecard data and payroll reports for a randomly selected sample of Class Members and Aggrieved
20 Employees.

21 2.5 After Class Counsel received and analyzed the data, they participated in a lengthy
22 mediation with private mediator Lisa Klerman on September 8, 2021. At the conclusion of the mediation,
23 the Parties were able to come to a resolution on essential terms, which was further memorialized and
24 detailed through this Agreement. At all times, the Parties' settlement negotiations have been non-
25 collusive, adversarial, and at arm's length.

26 2.6 Discussions between Plaintiff and Class Counsel, between counsel for the Parties,
27 document productions, extensive legal analysis, the provision of information by Defendants to Class
28

1 Counsel and the detailed analysis of the records, including expert analysis, have permitted each side to
2 assess the relative merits of the claims and the defenses to those claims.

3 2.7 In the Action, Plaintiff contends that Defendants violated California law by 1) failing to
4 correctly incorporate the value of the non-discretionary remuneration, such as, but not limited to, shift
5 differentials, pay stipends, and bonuses into Class Member's and Aggrieved Employees' regular rate of
6 pay when calculating overtime, double time, meal and rest period premiums, or sick pay; 2) failing to
7 provide meal and rest periods in compliance with California law due to understaffing and workflow
8 issues, or pay premiums in lieu thereof; 3) failing to pay employees for all hours worked due their failure
9 to pay for time employees spent waiting to clock into work; 4) failing to pay reimbursements for business-
10 related cell phone use; and 5) failing to accurately itemize the hours and wages earned on paystubs issued
11 to Class Members and Aggrieved Employees. The waiting time penalties, unfair competition, and PAGA
12 claims are derivative of these violations. –Defendants have denied each of Plaintiff's claims and
13 Defendants have denied that this Action is appropriate for class certification for anything other than
14 settlement purposes. The agreed upon Gross Settlement Amount was reached after evaluating the Parties'
15 theories of potential exposure for the underlying claims and the class data supporting these claims. The
16 Parties, with the assistance of the mediator, also assessed appropriate discounts to the potential liability
17 based on Defendants' factual and legal contentions and defenses.

18 2.8 Plaintiff and Class Counsel recognize the expense and length of continued protracted
19 litigation necessary to litigate Plaintiff's disputes in the Action through trial and through any possible
20 appeals. Plaintiff also has taken into account the uncertainty and risks of the outcome of further litigation,
21 and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of
22 the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally
23 and in response to Defendants' defenses thereto, and the difficulties in establishing damages, penalties,
24 restitution and other relief sought in the Action. Plaintiff and Class Counsel also have taken into account
25 Defendants' agreement to enter into a settlement that confers substantial benefits upon the Class Members.
26 Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement set forth in this
27 Agreement is fair, adequate, and reasonable, and is in the best interests of all Class Members.
28

1 2.9 Defendants have concluded that any further defense of this litigation would be protracted
2 and expensive for all Parties. Substantial amounts of Defendants' time, energy, and resources have been,
3 and unless this Settlement is completed, will continue to be devoted to the defense of the Plaintiff's claims.
4 Defendants have also taken into account the risks of further litigation in reaching its decision to enter into
5 this Settlement. Even though Defendants continue to contend that it is not liable for any of the claims set
6 forth by Plaintiff in this Action, Defendants have agreed, nonetheless, to settle in the manner and upon the
7 terms set forth in this Agreement to put to rest the claims in this Action. Defendants have claimed and
8 continue to claim that the Released Claims have no merit and do not give rise to liability. This Agreement
9 is a compromise of disputed claims. Nothing contained in this Agreement, no documents referred to
10 herein, and no action taken to carry out this Agreement, may be construed or used as an admission by or
11 against Defendants as to the merits or lack thereof of the claims asserted in the Action. Defendants contend
12 that they have complied with all applicable state, federal, and local laws.

13 2.10 The Parties agree that the above-described investigation and evaluation, as well as
14 discovery and the information exchanged to date, are more than sufficient to assess the merits of the
15 respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff, Class
16 Counsel, Defendants, and Defendants' Counsel have concluded that it is desirable that the Action be
17 settled in a manner and upon such terms and conditions set forth herein in order to avoid further expense,
18 inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the
19 Parties potentially face in the Action. Therefore, the Parties desire to resolve the claims in the Action.
20 Plaintiff, Class Counsel, Defendants, and Defendants' Counsel are of the opinion that the Agreement is a
21 fair, reasonable, and adequate compromise of the disputed claims in light of all known facts and
22 circumstances and warrants approval by the Court.

23 **3. THE CONDITIONAL NATURE OF THIS AGREEMENT**

24 3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose
25 of settling the Action. This Agreement and the settlement it evidences are made in compromise of disputed
26 claims. Because the Action was pled as a class action, this Agreement must receive preliminary and final
27 approval by the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a
28 conditional basis. If the Court does not enter an order granting final approval of the Agreement, or if the

1 Court's approval of the settlement is reversed or materially modified on appellate review, this Agreement
2 shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or
3 utilized for any purpose whatsoever; and the negotiation, terms and entry of the Agreement shall remain
4 subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence
5 408, and any other analogous rules of evidence that may be applicable.

6 3.2 Defendants have denied all claims as to liability, damages, liquidated damages, penalties,
7 interest, fees, restitution, injunctive relief and all other forms of relief asserted in the Action. Defendants
8 have agreed to resolve the Action via this Agreement, but to the extent this Agreement is deemed void or
9 the Effective Date does not occur, Defendants do not waive, but rather expressly reserve, all rights to
10 challenge all such claims and allegations in the Action upon all procedural and factual grounds, including,
11 without limitation, the ability to challenge class or collective treatment on any grounds, as well as to assert
12 any and all other potential defenses or privileges.

13 4. SCOPE OF THE CLASS

14 4.1 The scope of the class of individuals encompassed under the Agreement, who are entitled
15 to all benefits as authorized under the Agreement and subject to all obligations and duties required under
16 the Agreement, shall include all Class Members as defined in Section 1.8 and all Aggrieved Employees
17 as defined in Section 1.2. However, it shall not include any Class Members who submit valid and timely
18 Request for Exclusion Forms, as set forth in Section 7.5.1.

19 4.2 Individuals entitled to recover under this Agreement will include only those individuals
20 who are identified as being within the scope of this Agreement under Section 4.1.

21 4.3 Any person who believes that he or she is a Class Member or Aggrieved Employee and
22 wishes to participate in the Agreement, but did not receive a Notice of Settlement because his or her name
23 did not appear on the class list provided to the ClaimsSettlement Administrator prior to mailing, may
24 submit a data request to the ClaimsSettlement Administrator. The data request must contain all of the
25 following information: (a) the individual's full name and the last four digits of their Social Security
26 Number; (b) the name used by such employee at the time his or her employment with Defendants ended,
27 if different from the name provided under (a); (c) the dates during which the individual was employed by
28 Defendants; and (d) a return address to which a response may be sent. Every data request must be

1 postmarked on or before the conclusion of the Notice Period or otherwise submitted to the
2 ClaimsSettlement Administrator such that it is received before the conclusion of the Notice Period. Upon
3 receipt of any data requests, the ClaimsSettlement Administrator shall promptly (in no event more than
4 two business days) transmit the data requests to Defendants' Counsel and request that Defendants review
5 their records.

6 4.4 If Defendants do agree that the person listed in a data request is a Class Member and/or
7 Aggrieved Employee, the ClaimsSettlement Administrator shall promptly mail a Notice of Settlement,
8 Request for Exclusion Form, and an Objection Form to the person who submitted the data request, at the
9 address designated for that purpose in the data request. All provisions of this Agreement relating to the
10 Notice of Settlement, Request for Exclusion Form, and Objection Form shall apply to Notice of
11 Settlement, Request for Exclusion Form, and Objection Form sent in response to data requests, and any
12 person who submits a data request and is sent a Notice of Settlement, Request for Exclusion Form, and
13 Objection Form in response shall be treated by the ClaimsSettlement Administrator as a Class Member
14 and/or Aggrieved Employee for all other purposes.

15 4.5 If Defendants disagree that the person listed in a data request is a Class Member and/or
16 Aggrieved Employee, Defendants' Counsel and Class Counsel shall attempt to resolve any such dispute
17 in good faith within seven (7) calendar days of Class Counsel being advised in writing of the data request
18 dispute. Defendants' records shall control unless the individual submitting the data request provides
19 persuasive evidence to doubt the accuracy of those records. Each data request dispute that Defendants'
20 Counsel and Class Counsel cannot timely resolve shall be resolved by the ClaimsSettlement
21 Administrator. The ClaimsSettlement Administrator must accept and weigh all the evidence provided in
22 a good faith attempt to resolve the dispute. The ClaimsSettlement Administrator must resolve any dispute
23 submitted to it within seven (7) calendar days after Defendants' Counsel and Class Counsel submit the
24 dispute to the ClaimsSettlement Administrator. The decision by the ClaimsSettlement Administrator shall
25 be final and there shall be no right of appeal.

26 5. TERMS OF THE SETTLEMENT

27 The Parties agree as follows:
28

1 5.1 Gross Settlement Amount: In consideration and exchange for the releases described in
2 Section 6, Defendants shall pay the Gross Settlement Amount (\$650,000), subject to any and all reductions
3 as set forth in this Agreement, including Defendants' Offset as set forth in Sections 1.15 and 5.8. Funding
4 of the Gross Settlement Amount shall occur within twenty-one (21) days after the Final Approval Date to
5 be held in trust in a QSF by the ~~ClaimsSettlement~~ Administrator. The Gross Settlement Amount includes
6 payments to Qualified Claimants, Aggrieved Employees, all attorneys' fees, costs and litigation expenses
7 related to the Action incurred to date, as well as all such fees and costs incurred in documenting the
8 Agreement, administering the Agreement (including ~~ClaimsSettlement~~ Administrator Costs), and
9 obtaining final approval of the Agreement, the Enhancement Payment to the Class Representative and the
10 PAGA Payment. Any monies necessary to satisfy Defendants' tax obligations (e.g. employer FICA,
11 FUTA and SDI contributions on wage payments) on any monies distributed to Qualified Claimants will
12 be paid in addition to the Gross Settlement Amount.

13 5.2 Attorneys' Fees and Costs: Class Counsel will apply to the Court for attorney's fees of
14 one-third (1/3) of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount.
15 Defendants have agreed to not oppose Class Counsel's application for attorneys' fees so long as it does
16 not exceed the one-third (1/3) threshold. Class Counsel will also be entitled to reimbursement for
17 advanced litigation expenses not to exceed \$15,000, which shall be paid from the Gross Settlement
18 Amount. Defendants have agreed to not oppose Class Counsel's request for reimbursement for advanced
19 litigation expenses so long as they do not exceed the \$15,000 threshold. The ~~ClaimsSettlement~~
20 Administrator will issue Class Counsel an IRS Form 1099 for the attorneys' fees and costs paid under this
21 Agreement. In the event that the Court awards less than the requested attorney's fees and/or costs, the
22 portion of the requested amounts not awarded to Class Counsel shall be added to the Net Settlement
23 Amount to be distributed to Qualified Claimants on a pro rata basis.

24 5.3 ~~ClaimsSettlement~~ Administrator Costs: The ~~ClaimsSettlement~~ Administrator Costs shall
25 be paid from the Gross Settlement Amount and shall not exceed \$10,000. The difference between any
26 actual costs and the allocated \$10,000 shall be added to the Net Settlement Amount.

27 5.4 Enhancement Payment: Class Counsel, on behalf of Plaintiff, shall apply to the Court for
28 an Enhancement Payment to the Class Representative in an amount not to exceed Seven Thousand and

1 Five Hundred Dollars (\$7,500) to compensate for the risks, time, and expense of her involvement in the
2 Action and securing the benefits of this Agreement for Class Members. The Enhancement Payment is in
3 addition to the Claim Amount Plaintiff would otherwise be due under the Agreement as a Qualified
4 Claimant. Defendants have agreed to not oppose Class Counsel's request for an Enhancement Payment
5 to the Class Representative so long as it does not exceed the amount stated herein. The Enhancement
6 Payment will be designated as a non-wage payment and reported on an IRS Form 1099. In the event that
7 the Court awards less than the Enhancement Payment amount requested, then any portion of the requested
8 amount not awarded to the Class Representative shall be added to the Net Settlement Amount to be
9 distributed to Qualified Claimants on a pro rata basis.

10 5.5 PAGA Payment: Fifteen Thousand Dollars (\$15,000) of the Gross Settlement Amount
11 shall be allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment
12 will be paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees on a *pro*
13 *rata* basis as described below in Section 5.8. Any amount not approved by the Court for the allocated
14 PAGA Payment shall be added to the Net Settlement Amount to be distributed to Qualified Claimants on
15 a pro rata basis.

16 5.6 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount or
17 PAGA Payment allocated to Qualified Claimants and/or Aggrieved Employees that were not claimed by
18 cashing their respective settlement checks before the deadline to do so, that remaining amount shall be
19 donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc. and the Center for Workers Rights. No portion of
20 the Gross Settlement Amount will revert to Defendants for any reason.

21 5.7 No Additional Benefits Contributions: All Claim Amounts paid to Qualified Claimants
22 and Aggrieved Employees shall be deemed to be income solely in the year in which such amounts were
23 actually received. It is expressly understood and agreed that the receipt of such Claim Amounts will not
24 entitle any Qualified Claimant or Aggrieved Employee to any new or additional compensation or benefits
25 under any company bonus or other compensation or benefit plan or agreement in place during the period
26 covered by the Agreement, nor will it entitle any Qualified Claimant Aggrieved Employee to any increased
27 retirement, 401(k) and/or 403(b) benefits or matching benefits, or deferred compensation benefits. It is
28 the intent of this Agreement that the Claim Amounts provided for in this Agreement are the sole payments

1 to be made by Defendants to the Qualified Claimants and Aggrieved Employees in connection with this
2 Agreement (notwithstanding any contrary language or agreement in any benefit or compensation plan
3 document that might have been in effect during the period covered by this Agreement).

4 5.8 Pro Rata Distribution Formula: Payment to Qualified Claimants and Aggrieved
5 Employees of their Claim Amount will not require the submission of a claim form. A Net Settlement
6 Amount will be determined by subtracting from the Gross Settlement Amount any amounts for approved
7 attorneys' fees and costs, any Enhancement Payment to the Class Representative, the ~~Claims~~Settlement
8 Administrator Costs, and the PAGA Payment. To the extent a Class Member's or Aggrieved Employee's
9 short duration of employment resulted in Qualifying Workweeks is some fraction less than one (1) total
10 Qualifying Workweek, their Qualifying Workweek number shall be rounded up to equal one (1)
11 Qualifying Workweek. Each Class Member's share will be determined by dividing their total Qualifying
12 Workweeks within the Class Period by the total Qualifying Workweeks of all Class Members within the
13 Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class
14 Member's individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the 25%
15 portion of the PAGA Payment will be determined by dividing their total weeks worked within the PAGA
16 Claim Period by the total weeks worked by all Aggrieved Employees within the PAGA Claim Period.
17 That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved
18 Employee's individual share. During the Action, Defendants paid Defendants' Offset to an estimated
19 116 Class Members who agreed to sign a release in exchange for consideration based on the number of
20 workweeks in which they worked during the Class Period. Any payment due to one of these individuals
21 based on the allocation formula for the Net Settlement Amount set forth above will be offset by the amount
22 previously paid under Defendants' Offset to that individual. To the extent the amount owed to a Qualified
23 Claimant would be less than the amount actually paid through Defendants' Offset, Defendants will not be
24 able to recover that amount paid to the Qualified Claimant or offset that amount against payment to other
25 Qualified Claimants. Nonetheless, to the extent the calculation of the Claim Amount (including the
26 Defendants' Offset) results in an amount less than the equivalent of one workweek, that Qualified
27 Claimant shall receive an allocation of one (1) Qualifying Workweek.

1 5.9 Tax Allocation: The Parties recognize that the Claim Amounts to be paid to Qualified
2 Claimants and/or Aggrieved Employees reflect a settlement of a dispute over claimed penalties and wages.
3 The ClaimsSettlement Administrator shall calculate the employer's share of payroll taxes on the amounts
4 paid to Qualified Claimants as wages as well as calculating all required withholdings and deductions from
5 said wage payments. The characterization of Claim Amounts to Qualified Claimants and Aggrieved
6 Employees are as follows:

7 5.9.1 Twenty Percent (20%) of each Qualified Claimants' Claim Amount shall be
8 allocated for payment of disputed wages and shall be subject to required employer taxes. Qualified
9 Claimants shall receive an IRS Form W-2 for reporting of this portion of their Claim Amount.

10 5.9.2 Eighty Percent (80%) of each Qualified Claimants' Claim Amount shall be
11 allocated for disputed statutory penalties and interest, and no amount shall be deducted for any taxes. This
12 portion of the Claim Amount consists of other income, not wages, for which the Qualified Claimants shall
13 receive an IRS Form 1099-MISC.

14 5.9.3 The entirety (100%) of each Aggrieved Employee's share of the 25% portion of the
15 PAGA Payment shall be allocated for payment of disputed civil penalties, and no amount shall be deducted
16 for any taxes. This portion of the Claim Amount consists of other income, not wages, for which the
17 Aggrieved Employees shall receive an IRS Form 1099-MISC.

18 5.10 Qualified Claimants and Aggrieved Employees shall be solely responsible for the reporting
19 and payment of their share of any federal, state and/or municipal income or other taxes on payments made
20 pursuant to this Agreement, and shall hold the Parties, Class Counsel, and Defendants' Counsel free and
21 harmless from any claims resulting from treatment of such payments as non-taxable, including the
22 treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.
23 No party has made any representation to any of the other Parties as to the taxability of any payments
24 pursuant to this Agreement, including the payments to Qualified Claimants, the payments to Aggrieved
25 Employees, the payments to Class Counsel, the payments to the Class Representative, the payroll tax
26 liability of Defendants, or the allocation of the Net Settlement Amount or PAGA Payment to wage and
27 non-wage income as provided in this Section, or otherwise as to tax implications of any provision of this
28 Agreement.

5.11 No Additional Contribution by Defendants: Defendants' monetary obligation under this Agreement is limited to the Gross Settlement Amount and any employer side payroll taxes owed on amounts characterized as wages under this Agreement. All other costs and expenses arising out of or in connection with the performance of this Agreement shall be paid from the Gross Settlement Amount, unless expressly provided otherwise herein. However, in the event this agreement is deemed null and void as described in Section 3 because the Court, in its independent determination, finds that the Agreement does not meet the standards for settlement approval, then Defendants and Plaintiff shall be equally responsible for the costs of the ~~Claims~~Settlement Administrator incurred between the date the Agreement was executed and the date of such event.

5.12 Certification For Settlement Purposes: The Parties agree that, for purposes of settlement only, certification of the class as defined in Section 1.8 and 4.1 is appropriate and the requisites for establishing class certification have been met and are met.

5.13 Adequacy of Class Counsel and Class Representatives: The Parties agree that, for purposes of settlement only, Class Counsel and Plaintiff are adequate representatives for Class Members and Aggrieved Employees.

6. RELEASE

6.1 Release of Claims by Qualified Claimants: Upon the Effective Date, all Qualified Claimants will be deemed to fully, finally and forever release Qualified Claimant's Released Claims as to all Released Parties. In addition, on the Effective Date, all Qualified Claimants and their successors in interest will be permanently enjoined and forever barred from prosecuting any of Qualified Claimant's Released Claims against any of the Released Parties.

6.2 Release of PAGA Claims by Aggrieved Employees~~By Plaintiff:~~ Upon the Effective Date, ~~all Aggrieved Employees~~Plaintiff will be deemed to fully, finally and forever release the Released PAGA Claims as to all Released Parties. ~~In addition, on the Effective Date, all Aggrieved Employees and their successors in interest will be permanently enjoined and forever barred from prosecuting any of the Released PAGA Claims against any of the Released Parties.~~ on behalf of herself and the LWDA, who shall also be bound by this release.

6.3 Upon the Effective Date, in addition to Plaintiff's waiving of the Qualified Claimant's Released Claims, Plaintiff will also expressly waive all rights and benefits under the terms of section 1542 of the California Civil Code with respect to those claims. Section 1542 reads:

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

Notwithstanding the provisions of section 1542, and for the purpose of implementing a full and complete release and discharge, Plaintiff expressly acknowledges that this Settlement is intended to include in its effect, without limitation, all Qualified Claimant's Released Claims which Plaintiff does not know or suspect to exist in her favor at the time of execution hereof, and that the Settlement contemplates the extinguishment of all such claims with respect to her.

7. SETTLEMENT ADMINISTRATION

7.1 Duties of ClaimsSettlement Administrator: The ~~ClaimsSettlement~~ Administrator shall be responsible for: 1) receiving Class Member and Aggrieved Employee contact information and confirming addresses are valid; 2) calculating estimated Claim Amounts and any and all taxes associated with the Claim Amounts, including Employer taxes; 3) taking appropriate steps to trace and locate any individual Class Members and Aggrieved Employee whose address or contact information as provided to the ~~ClaimsSettlement~~ Administrator is inaccurate or outdated and mailing the Notice of Settlement, Request for Exclusion Form, and Objection Form to Class Members; 4) maintaining a web address where Class Members and Aggrieved Employees may access the Complaint, Class Counsel's motion for preliminary approval, the Agreement, and any other documents required by the Court; 5) providing notification to the appropriate state and federal officials of this Agreement where required under the law; 6) receiving, independently reviewing, and resolving any challenges (in consultation with Class Counsel and Defendants' Counsel) from Class Members or Aggrieved Employees, including any associated documentation, regarding their Qualified Workweek calculations; 7) receiving and serving on Class Counsel, Defendants' Counsel, and the Court, copies of any Request for Exclusion Form or Objection Forms submitted by Class Members; 8) establishing a toll free telephone line and responding to inquiries and requests for information or assistance from Class Members and/or Aggrieved Employees; 9)

maintaining a QSF; 10) determining and paying the final amounts due to be paid under the Agreement after resolution of all challenges, disputes, opt-outs, awarded attorneys' fees and costs, ClaimsSettlement Administrator Costs, PAGA Payment, taxes, any Enhancement Payments, and for funds that cannot be distributed due to the inability to locate Class Members or Aggrieved Employees; 11) determining the validity of any disputes or late Request For Exclusion Forms by previously unidentified Class Members or Aggrieved Employees; 12) paying any residual funds from uncashed checks; 13) reporting to Class Counsel and Defendants' Counsel regarding the statistics of the administration, including (a) the number of initial Notice of Settlement, Request for Exclusion Forms, and Objection Forms mailed; (b) the number of forwarded mailings; (c) the number of re-mailed Notice of Settlement, Request for Exclusion Forms, and Objection Forms; (d) the number of total undeliverable mailings; (e) the number of address traces performed for undeliverable mailings; (f) the number of mailings undeliverable from traced addresses; (g) the number of total Objection Forms received; (h) the number of Request for Exclusion Forms received; (i) the number of disputes received; (j) the number of disputes resolved; 14) providing a declaration to the Court regarding the final statistics of the administration and compliance with all payment obligations under the Agreement; 15) completing all necessary tax reporting on the QSF and payment of the Claim Amounts to Qualified Members and Aggrieved Employees; and 16) carrying out other related tasks as necessary to effectuate the terms of this Agreement and any Order of the Court. All disputes relating to the ClaimsSettlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until all payments and obligations contemplated by the Agreement have been fully executed.

7.2 Notice to Class Members and Aggrieved Employees: Defendants warrant that Class Members and Aggrieved Employees are all over the age of eighteen (18) and are able to read, write, and understand English such that no translation of the Notice of Settlement, Request for Exclusion Form, or Objection Form is required. The nature of Class Members' and Aggrieved Employees' employment required a well educated workforce with a strong ability to communicate in, and understand, English. The Notice of Settlement will provide Class Members and Aggrieved Employees with a summary of the terms and conditions of the Agreement, how to participate in the settlement, how to object to the Agreement, how to dispute the individual's Qualifying Workweeks, and how to opt-out from the Agreement. Class

1 Members and Aggrieved Employees will be provided with a Request for Exclusion Form and an Objection
2 Form along with the Notice of Settlement for these purposes. The Notice of Settlement will also inform
3 Class Members and Aggrieved Employees of the Gross Settlement Amount, Net Settlement Amount,
4 proposed attorneys' fees and costs allocations, any proposed Enhancement Payments, proposed
5 ClaimsSettlement Administrator Cost allocations, proposed PAGA Payment allocations, Defendants'
6 Offset, the scope of the class, the nature and extent of the released claims, dates set for a fairness hearing
7 and hearing on Class Counsels' motion for attorneys' fees and costs. The Notice of Settlement shall
8 include information regarding Class Member's and Aggrieved Employee's estimated Claim Amount.

9 7.3 Class Member Data and Mailing: No later than fourteen (14) calendar days after the
10 Preliminary Approval Date, Defendants shall provide the ClaimsSettlement Administrator with the name,
11 last known mailing address, last known telephone number, Social Security Number, start and end date of
12 employment (if any) of each Class Member, and any other information the ClaimsSettlement
13 Administrator needs to effectuate notice to Class Members and Aggrieved Employees as outlined herein.
14 The ClaimsSettlement Administrator shall review the data to determine the number of Qualifying
15 Workweeks for each Class Member and Aggrieved Employee. No later than fourteen (14) calendar days
16 after receipt of such address information, the ClaimsSettlement Administrator will perform a national
17 change of address ("NCOA") search, update the addresses per the results of the NCOA search, and then
18 mail the Notice of Settlement, Request for Exclusion Form, and Objection Form, to each Class Member
19 and Aggrieved Employee by first-class mail, postage prepaid. Class Counsel shall also provide the
20 ClaimsSettlement Administrator with the Complaint, Class Counsel's motion for preliminary approval,
21 the Agreement, and any other documents required by the Court that are to be posted at the web address as
22 stated in Section 7.1(4). The ClaimsSettlement Administrator shall maintain all information received from
23 Defendants confidential to itself, and Defendants' Counsel. However, Class Counsel shall be able to
24 review the breakdown of Qualified Workweeks and estimated Claim Amounts for Class Members and
25 Aggrieved Employees prior to mailing for quality assurance provided the personal identifying information
26 is redacted and/or omitted.

27 7.4 Returned and/or Re-mailed Notice of Settlements: In the event that a Notice of Settlement,
28 Request for Exclusion Form, and/or Objection Form, are returned to the ClaimsSettlement Administrator

1 as non-delivered on or before the conclusion of the Notice Period, the documents shall be sent to the
2 forwarding address affixed thereto within five (5) calendar days. If no forwarding address is provided,
3 then the ClaimsSettlement Administrator shall promptly attempt to determine a correct address using a
4 single skip-trace search using the name, address and/or Social Security number of the individual involved,
5 and shall then perform a single re-mailing within five (5) calendar days. Following each search that does
6 not result in a corrected address, for those Class Members who appear to be current employees of
7 Defendants at the time of the Preliminary Approval Date, the ClaimsSettlement Administrator shall
8 contact Defendants' Counsel for assistance and Defendants shall cooperate in good faith with the
9 ClaimsSettlement Administrator's reasonable efforts to obtain valid mailing addresses for Class Members
10 to the extent they are active employees of Defendants. In the event the Notice of Settlement, Request for
11 Exclusion Form, and/or Objection Form, are forwarded to a new address and/or re-mailed to a Class
12 Member, the deadline for the Class Member to submit any Request for Exclusion Form, Objection Form,
13 or dispute their Qualifying Workweek allocation shall be the end of the Notice Period or 10 calendar days
14 from the date of the re-mailing, whichever is later. In the event the procedures in this Section are followed
15 and the Class Member does not timely and properly submit a Request for Exclusion, the Class Member
16 shall be bound by all terms of the Agreement, including the releases contained in Section 6.

17 7.5 Responses to Notice of Settlement:

18 7.5.1 *Request for Exclusion:* The Notice of Settlement shall provide that Class Members
19 who wish to exclude themselves from the Agreement must submit a complete and timely Request for
20 Exclusion Form. The Request for Exclusion Form must be post-marked no later than the conclusion of
21 the Notice Period or the re-mailing timeline stated in Section 7.4. The Class Member must personally
22 sign the Request for Exclusion Form. No Request for Exclusion Form may be made on behalf of a group
23 of Class Members. The date of the postmark on the return-mailing envelope shall be the exclusive means
24 used to determine whether a Request for Exclusion Form has been timely submitted. Any Class Member
25 who submits a timely and complete Request for Exclusion Form will not be entitled to any benefit of the
26 Agreement as a Class Member, will not be bound by the Agreement, nor will they have any right to object,
27 appeal or comment thereon. Class Members who fail to submit a complete and timely Request For
28 Exclusion Form shall be bound by all terms of the Agreement and any order or final judgment thereon,

1 regardless of whether they otherwise have requested to opt-out of the Agreement. Aggrieved Employees
2 cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA Claims regardless
3 of whether they opt out of being a Class Member.

4 7.5.2 *Objection Procedures:* Any Class Member who does not opt-out but who wishes
5 to object to this Agreement or otherwise to be heard concerning this Agreement a complete and timely
6 Objection Form to the ClaimsSettlement Administrator, who will serve copies of the Objection Form on
7 Class Counsel and Defendants' Counsel. The Notice of Settlement shall make clear that the Court can
8 only approve or deny the Agreement, not change the terms of the Agreement. The Objection Form must
9 be signed and post-marked no later than the conclusion of the Notice Period or the re-mailing timeline
10 stated in Section 7.4.

11 7.5.3 *Dispute Procedures:* Any Class Member who disputes the number of Qualifying
12 Workweeks on the Notice of Settlement shall contact the ClaimsSettlement Administrator. The dispute
13 must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the
14 dispute; (c) be signed; and (d) be post-marked no later than the conclusion of the Notice Period or the re-
15 mailing timeline stated in Section 7.4. The ClaimsSettlement Administrator shall promptly (in no event
16 more than two business days) forward all such disputes to Defendants' Counsel and request that
17 Defendants review the dispute. Defendants' records shall presumptively control unless the Class Member
18 can produce documentation evidencing other periods of employment worked. If Defendants agree with
19 submitted information, the Class Member shall be credited or subtracted Qualifying Workweeks in
20 accordance with their submitted dispute and that final number of Qualified Workweeks shall govern the
21 calculation of that Class Member's Claim Amount. If Defendants do not agree with the submitted
22 information, Defendants' Counsel will promptly advise Class Counsel of the dispute, which includes
23 turning over any documentation submitted by the Class Member as part of the dispute. Defendants'
24 Counsel and Class Counsel shall attempt in good faith to resolve any such dispute within five (5) calendar
25 days of Class Counsel being advised of the dispute. Each dispute that Defendants' Counsel and Class
26 Counsel cannot timely resolve shall be resolved by the ClaimsSettlement Administrator or Court.

27 7.5.4 *Deficient Request for Exclusion Forms, Objection Forms, and/or Disputes:* In the
28 event that a deficient Request for Exclusion Form, Objection Form, or dispute is received on or before the

1 conclusion of the Notice Period, the ClaimsSettlement Administrator shall mail a letter to the Class
2 Member within five (5) calendar days informing them of the deficiency. If a deficiency letter is mailed to
3 a Class Member, the deadline for the Class Member to cure the deficiency shall be the end of the Notice
4 Period or 10 calendar days from the date of the deficiency letter, whichever is later.

5 7.6 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.1
6 to 7.5.4 shall constitute due and sufficient notice to Class Members of the Action and the Agreement and
7 shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Class
8 Counsel or Defendants' Counsel to provide notice of the proposed Agreement, unless otherwise ordered
9 by the Court.

10 7.7 ClaimsSettlement Administrator Declaration Regarding Notice Period: Within twenty-one
11 (21) calendar days after the conclusion of the Notice Period, the ClaimsSettlement Administrator shall
12 provide Class Counsel and Defendants' Counsel with a signed declaration under penalty of perjury
13 providing a complete and detailed report regarding the statistics and responses of settlement administration
14 to date and all the ClaimsSettlement Administrators' obligations under Sections 5.8 to 5.10.3, 7.1 to 7.5.4,
15 and 7.9.

16 7.8 ClaimsSettlement Administrator Payments to Qualified Claimants, Class Counsel and
17 Plaintiff: Within seven (7) calendar days after the Final Approval Date and the Court's determination of
18 the amount of attorneys' fees and costs payable to Class Counsel, the Enhancement Payment payable to
19 Plaintiff, the PAGA Payment, and ClaimsSettlement Administrator Costs, the ClaimsSettlement
20 Administrator shall calculate the final Net Settlement Amount, the final Claim Amounts for Qualified
21 Claimants and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these
22 calculations Class Counsel and Defendants' Counsel. Defendants shall wire the Gross Settlement Amount
23 and applicable taxes necessary to fund the Settlement as described in Section 5.1 and 5.8 to the
24 ClaimsSettlement Administrator within twenty-one (21) calendar days after the Final Approval Date to be
25 to be held in trust in a QSF. Within twenty-eight (28) calendar days after the Effective Date, the
26 ClaimsSettlement Administrator shall deliver payment of Class Counsels' attorney's fees and costs, the
27 Enhancement Payment payable to Plaintiff, the 75% portion of the PAGA Payment payable to the LWDA,
28

1 ClaimsSettlement Administrator Costs, and payment to Qualified Claimants and/or Aggrieved Employees
2 as required under this Agreement and approved by Court.

3 7.8.1 The ClaimsSettlement Administrator shall send, via UPS or other similar overnight
4 carrier that allows for tracking of delivery, a check for the Court-approved attorneys' fees and costs to
5 Class Counsel unless other method is requested by Class Counsel. Class Counsel shall provide the
6 ClaimsSettlement Administrator with the pertinent taxpayer identification number and payment
7 instructions after the Final Approval Date.

8 7.8.2 The ClaimsSettlement Administrator shall send a check by mail for the Court-
9 approved Enhancement Payment to the Class Representative, care of Class Counsel unless other method
10 is requested by Class Counsel.

11 7.8.3 Only Qualified Claimants and Aggrieved Employees will receive their Claim
12 Amount.

13 7.8.4 The ClaimsSettlement Administrator shall remit and report the applicable portions
14 of the payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties
15 under this Agreement. Defendants agree to reasonably cooperate with the ClaimsSettlement
16 Administrator to the extent necessary to determine the amount of the payroll tax payment required.

17 7.9 Settlement Check Expiration and Uncashed Checks: The ClaimsSettlement Administrator
18 shall issue Claim Amounts to Qualified Claimants and Aggrieved Employees in the form of a check,
19 which shall become null and void if not deposited within one hundred twenty (120) calendar days of
20 issuance. After one hundred twenty (120) calendar days of issuance, the checks shall be voided and funds
21 from all uncashed checks shall be transmitted in accordance with Section 5.6. The ClaimsSettlement
22 Administrator shall deliver these funds within fourteen (14) calendar days after the check cashing
23 deadline.

24 7.10 ClaimsSettlement Administrator Declaration Regarding Compliance and Settlement
25 Administration: Within twenty-one (21) calendar days after the last day for Qualified Claimants and
26 Aggrieved Employees to cash their settlement checks, the ClaimsSettlement Administrator shall provide
27 Class Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a
28 complete and detailed report regarding the settlement administration documenting that all payments under

the Agreement have been made, that the Court's final approval order has been complied with, and that all the obligations of the ClaimsSettlement Administrator have been completed.

8. PRELIMINARY SETTLEMENT ADMINISTRATION SCHEDULE

8.1 The schedule may be modified depending on whether and when the Court grants necessary approvals, orders notice to Class Members, and sets further hearings. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement as described above. In the event of such modification, the Parties shall cooperate to complete the settlement procedures as expeditiously as reasonably practicable. The preliminary schedule for notice, approval, and payment procedures carrying out the Agreement is as follows:

Last day for Defendants to provide <u>ClaimsSettlement</u> Administrator with Class Member information	Within 14 calendar days after the Preliminary Approval Date
Last day for <u>ClaimsSettlement</u> Administrator to complete NCOA search, update Class Member mailing information, and mail Notice of Settlement, Request for Exclusion Form, and Objection Form	Within 14 calendar days after the <u>ClaimsSettlement</u> Administrators' receipt of Class Members' information from Defendants
Last day for Class Members to submit Request for Exclusion Forms, Objection Forms, Disputes, and/or data requests	45 calendar days after mailing of Notice of Settlement, Request for Exclusion Form, and Objection Form or within 10 calendar days after they re-mailed, whichever is later
Last day for <u>ClaimsSettlement</u> Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 21 calendar days after end of the Notice Period
Last day for <u>ClaimsSettlement</u> 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
Last day for Defendants to fund settlement	Within 21 calendar days after Final Approval Date

Last day for ClaimsSettlement Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payments, PAGA Payment, ClaimsSettlement Administrator Costs, payment to Qualified Claimants, and payment to Aggrieved Employees	With 28 calendar days after the Effective
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
Last day for ClaimsSettlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline
Last day for ClaimsSettlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

9. DUTIES OF THE PARTIES

9.1 Preliminary Approval: The Parties will cooperate in obtaining, through an unopposed motion to be filed as soon as reasonably practicable, an order from the Court preliminarily approving this Agreement at the earliest possible date concurrently with the Court's certification of the Action as a class action for settlement purposes. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain certification for settlement purposes, approval of, and implementation of this Agreement. The Parties will submit this Agreement to the Court for preliminary approval of its terms and for approval of the steps to be taken to obtain its final approval. Within one week of signing this Agreement Class Counsel shall provide a draft of the Preliminary Approval Motion to Defendants' Counsel. Defendants' Counsel will provide comments and/or proposed revisions within one week after receipt of the draft Preliminary Approval Motion from Class Counsel. With regard to the final approval documents, a similar one-week maximum review and response time shall be observed by the Parties. The Parties will request that the Court's preliminary

1 approval of this Agreement be embodied in an Order Granting Preliminary Approval of Class Action and
2 PAGA Settlement.

3 9.1.1 Plaintiff's motion shall seek an order: 1) Preliminarily approving the Agreement; 2)
4 Approving as to form and content the proposed Notice of Settlement; 3) Directing the mailing of the
5 Notice of Settlement by first class mail to Class Members and Aggrieved Employees; 4) Preliminarily
6 appointing Plaintiff and Class Counsel as representatives of Class Members; 5) Preliminarily approving
7 settlement administration services to be provided by the ClaimsSettlement Administrator; 6) Preliminarily
8 approving the proposed Enhancement Payment to Plaintiff; 7) Preliminarily approving the application for
9 payment of reasonable attorneys' fees and reimbursement of litigation-related expenses to Class Counsel;
10 and 8) Scheduling a fairness hearing on the question of whether the proposed Agreement should be finally
11 approved as fair, reasonable and adequate as to the Class Members.

12 9.1.2 Defendants shall not oppose Plaintiff's motion for approval of the proposed
13 Agreement.

14 9.1.3 The Parties shall cooperate with each other and the ClaimsSettlement Administrator
15 during the process of giving Class Members notice and opportunity to object to the Agreement, as
16 necessary and appropriate to assure effective communication to individual Class Members of information
17 about their rights and obligations under this Agreement.

18 9.2 Final Approval and Fairness Hearing: On a date approved by the Court and set forth in the
19 Notice of Settlement, the Court shall hold the Final Approval and Fairness Hearing where objections, if
20 any, may be heard. Class Counsel shall provide the Court as part of the motion for final approval of the
21 Agreement, a declaration by the ClaimsSettlement Administrator of due diligence and proof of mailing of
22 the Notice of Settlement, Request for Exclusion Form, and Objection Form required to be mailed to Class
23 Members by this Agreement, and of the delivery results of the Claim Administrator's mailings including
24 tracing and re-mailing efforts.

25 9.2.1 Class Counsel will submit a proposed order and judgment for final approval, which
26 shall include findings and orders: 1) Approving the Agreement, adjudging the terms thereof to be fair,
27 reasonable and adequate, and directing that its terms and provisions be carried out; 2) Approving the
28 payment of an Enhancement Payment to the Class Representative; 3) Approving Class Counsel's

1 application for an award of attorneys' fees and reimbursement of out-of-pocket litigation expenses; 4)
2 Approving the ClaimsSettlement Administrator Costs; and 5) Providing that the Court will retain
3 jurisdiction to oversee administration and enforcement of the terms of the Agreement and the Court's
4 orders.

5 9.2.2 Following entry of the Court's Order granting final approval of the Agreement, the
6 Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the
7 following: 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside
8 the judgement be filed, all parties will support the final approval order on appeal or otherwise; 2) Class
9 Counsel will assist the ClaimsSettlement Administrator as needed or requested in the process of
10 identifying and locating Qualified Claimants and Aggrieved Employees entitled to payments under the
11 Agreement and assuring delivery of such payments; 3) Class Counsel and Defendants' Counsel will
12 cooperate with each other and assist the ClaimsSettlement Administrator as needed or requested in
13 completing the distribution of any residual amounts, as specified above, to the *cy pres* beneficiaries; 4)
14 Class Counsel, in conjunction with the ClaimsSettlement Administrator, will certify to the Court
15 completion of all payments required to be made by this Agreement.

16 9.3 Final Judgment: If the Court approves this Agreement at the final approval and fairness
17 hearing, the Parties will request that the Court enter an Order Granting Final Approval of Class Action
18 and PAGA Settlement and Final Judgment.

19 9.4 Notice to LWDA: Class Counsel agrees to provide notice to the Labor and Workforce
20 Development Agency ("LWDA") of this settlement in accordance with Labor Code § 2699(1)(2).

21 **10. MISCELLANEOUS TERMS**

22 10.1 Defendants' Right to Withdraw Based on Opt-Outs: If, prior to the Final Approval Date,
23 10% or more of the Class Members have submitted proper and timely Request for Exclusion Forms in
24 accordance with the provisions of the Agreement, Defendants may, at their election, rescind the
25 Agreement and all actions taken in its furtherance will be thereby null and void. Defendants must exercise
26 this right of rescission, in writing, to Class Counsel, within seven (7) calendar days after the
27 ClaimsSettlement Administrator notifies the Parties of the total number of Request for Exclusion Forms
28 submitted. If the option to rescind is exercised, then any ClaimsSettlement Administrator Costs shall be

1 paid by Defendants. Defendants have represented that there are no more than 27,406 workweeks during
2 the Class Period. In the event the number of workweeks during the Class Period is more than 30,146.60
3 (i.e., greater than 10% more than 27,406), then the Gross Settlement Amount shall be increased
4 proportionally by the workweeks in excess of 27,406, multiplied by the pay period value. For example,
5 if there were 11,900 workweeks represented to exist during the Class Period, but there are actually
6 15,000 workweeks in the Class Period, and the actual workweek value is \$5.00 per workweek,
7 Defendants would have to increase the Gross Settlement Amount by \$15,500.00 (15,000 workweeks –
8 11,900 workweeks = 3,100 workweeks x \$5.00/workweek).

9 10.2 Circular 230 Disclaimer: EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF
10 THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT
11 OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND
12 AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
13 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
14 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
15 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
16 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
17 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
18 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
19 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
20 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
21 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
22 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
23 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY
24 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
25 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
26 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX
27 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
28 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX

1 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
2 BY THIS AGREEMENT.

3 10.3 No Prior Assignments: The Parties represent, covenant, and warrant that they have not
4 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
5 any person or entity any portion of any liability, claim, demand, action, cause of action or right released
6 and discharged in this Agreement.

7 10.4 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by
8 signing this Agreement Defendants are waiving any rights to appeal from the Court's approval of the
9 settlement unless the Court materially modifies the settlement. Furthermore, by signing this Agreement
10 Plaintiff is waiving any right or ability to opt out of this Agreement during the Notice Period or otherwise
11 and is, therefore, a Qualified Claimant.

12 10.5 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set
13 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
14 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

15 10.6 Judgment and Retention of Jurisdiction to Enforce: Upon the Final Approval Date,
16 judgment will be entered according to this Agreement, with the Court to retain jurisdiction over the parties
17 to enforce the terms therein.

18 10.7 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish
19 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to,
20 execution of such other documents and the taking of such other action as may reasonably be necessary to
21 fulfill the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including
22 all efforts contemplated by this Agreement and any other efforts that may become necessary by Court
23 order, or otherwise, to effectuate this Agreement and the terms set forth herein.

24 10.8 No Admission of Liability: Neither the acceptance nor the performance by Defendants of
25 the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to
26 be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the
27 Complaint, the representative character of the Action, the validity of any of the claims that were or could
28 have been asserted by Plaintiff and/or Class Members in the Action, or of any liability or guilt of

1 Defendants in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by
2 Defendants of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Class Members,
3 or any other person, and Defendants specifically disclaim any liability, culpability, negligence, or
4 wrongdoing toward Plaintiff, the Class Members, or any other person. Each of the Parties has entered
5 into this Stipulation with the intention to avoid further disputes and litigation.

6 10.9 Notices: Unless otherwise specifically provided herein, all notices, demands, or other
7 communications given hereunder shall be in writing and shall be deemed to have been duly given as of
8 the third business day after mailing by United States certified mail, return receipt requested, addressed as
9 follows:

10 To Plaintiff and the Class:

11 Galen T. Shimoda
12 Justin P. Rodriguez
13 Jessica L. Hart
14 Shimoda Law Corp.
15 9401 East Stockton Blvd., Suite 120
16 Elk Grove, CA, 95624

17 To Defendants:

18 Yesenia Gallegos
19 Marjorie Soto
20 McDermott Will & Emery LLP
21 2049 Century Park E, Ste 3200
22 Los Angeles, CA, 90067-3206

23 10.10 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of
24 this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that
25 this Agreement shall not be construed in favor of or against any party by reason of the extent to which any
26 party or its counsel participated in the drafting of this Agreement.

27 10.11 Binding Effect of Agreement: The Parties, by signing this Agreement, are bound by the
28 terms herein. The Parties waive their rights to file an appeal, writ, or any challenge whatsoever to the
terms of this Agreement. This Stipulation shall be binding upon and inure to the benefit of the Parties
hereto and their respective heirs, trustees, executors, ~~Claims~~Settlement Administrators, successors, and
assigns.

1 10.12 Attorneys' Fees and Costs Limitations: Neither Class Counsel nor any other attorneys
2 acting for, or purporting to act for, the Class, Class Members, or Plaintiff, may recover or seek to recover
3 any amounts for fees, costs, or disbursements from the Releasees or the Gross Settlement Amount except
4 as expressly provided in this Agreement. The Parties stipulate and agree that the Riverside County
5 Superior Court shall have continuing jurisdiction to enforce the terms of the Agreement pursuant to Civil
6 Procedure Code section 664.6 and that the prevailing party any action necessary to enforce the terms of
7 the Agreement after default by the other party may recover reasonable attorney's fees and costs related
8 thereto.

9 10.13 No Modifications: This Agreement may be amended or modified only by a written
10 instrument signed by counsel for all Parties or their successors-in-interest. This Agreement may not be
11 discharged except by performance in accordance with its terms.

12 10.14 Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and
13 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement
14 and to take all appropriate action required or permitted to be taken by such Parties pursuant to this
15 Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of
16 this Agreement.

17 10.15 Class Member Signatories: Because the Action has not yet been certified, and the Class
18 Members are so numerous, the Parties agree that it is impossible or impractical to have each Class Member
19 sign this Agreement. It is agreed that, for purposes of seeking approval of the Agreement, this Agreement
20 may be executed on behalf of all Class Members by the Class Representative.

21 10.16 Counterparts: This Agreement shall become effective upon its execution by all of the
22 undersigned. Plaintiff, Class Counsel, Defendants and Defendants' Counsel may execute this Agreement
23 in counterparts, and execution of counterparts shall have the same force and effect as if each had signed
24 the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the same force
25 and effect of originals.

26 10.17 Choice of Law: The Agreement and any exhibits hereto shall be considered to have been
27 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and
28 the rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance

1 with, and governed by, the substantive laws of the State of California without giving effect to that State's
2 choice of law principles.

3 10.18 Headings and Captions: Section titles or captions contained in the Agreement are inserted
4 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of
5 this Agreement, or any provision thereof.

6 10.19 No Retaliation or Discouragement: The Parties agree they will take no action that could
7 be construed as retaliation against any Class Members for participating or seeking to participate in this
8 class action settlement. The Parties will not discourage any class member from participating or seeking
9 to participate in this class action settlement. This is a material term of the Agreement and non-breaching
10 Parties will seek court intervention if this provision is breached. Should non-breaching Party prevail, they
11 shall be entitled to further attorneys' fees and costs.

12 10.20 Integrated Agreement: This Agreement and the *Class & PAGA Settlement Memorandum*
13 *of Understanding* sets forth the entire understanding between the Parties and supersedes any and all prior
14 agreements, oral or written, pertaining to the subject matter hereof. Each party acknowledges that there
15 is no representation, inducement, promise or agreement which has been made, orally or otherwise, by the
16 other party, concerning the terms or conditions of this Agreement, which is not expressly embodied in this
17 Agreement. In entering into this Agreement, the Parties represent that the terms of this Agreement are
18 fully understood and voluntarily accepted by the Parties.

19 10.21 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to
20 the benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

21 10.22 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the
22 Court will first attempt to construe the provision as valid to the fullest extent possible consistent with
23 applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

24 10.23 Waiver of Compliance: No waiver of any condition or covenant contained in this
25 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply
26 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

27 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized
28 attorneys, as of the day and year herein set forth.

1 **For Plaintiff:**

2
3 Date: _____

Sara Franco

4
5 **FOR Defendants:**

6 Date: _____

By: David Burke
For Rancho Family Medical Group, Inc.

7
8
9 Date: _____

By: David Burke
For Rancho Health Mso, Inc.

10
11
12 APPROVED AS TO FORM

Shimoda Law Corp.

13
14
15 Dated: _____

By: _____
Galen T. Shimoda
Justin P. Rodriguez
Jessica L. Hart
Attorney for Plaintiff and Aggrieved
Employees

16
17
18 APPROVED AS TO FORM

MCDERMOTT WILL & EMERY LLP

19
20
21 Dated: _____

By: _____
Yesenia Gallegos
Marjorie Soto
Attorney for Defendants

Exhibit K

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 (public-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 L

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.'s, and Rancho Health MSO, Inc.'s, 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 this time, which means your share of the Settlement proceeds is estimated to be _____. 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; IWCIndustrial Welfare Commission Wage Order 4, §section 3 (Failure to Pay Overtime Wages); 2) violating Labor Code §§sections 1194, 1197.1; IWCIndustrial Welfare Commission Wage Order 4, §4section (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, *et seq.*). 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, ClaimsSettlement 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 ClaimsSettlement 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 ClaimsSettlement Administrator from Defendants' records. Defendants' records will be presumed correct unless evidence to the contrary is provided to the ClaimsSettlement Administrator. Defendants' records and any additional evidence will be reviewed by the ClaimsSettlement 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 ClaimsSettlement Administrator based on the records and evidence provided. The ClaimsSettlement 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, and (10) a claim for civil penalties under the PAGA based thereon Period ("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 not timely submit a Request for Exclusion Form.

Aggrieved EmployeesPlaintiff, on behalf of herself and the Labor and Workforce Development Agency, will be

deemed to have released ~~waived any and all claims that were brought under the Private Attorneys General Act, Labor Code § 2698, et seq., based on the facts for statutory and/or claims alleged in the Action~~ 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, shareholders, directors, agents, employees, attorneys, and insurers ~~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 ClaimsSettlement Administrator no later than _____. The ClaimsSettlement 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 ClaimsSettlement 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 ClaimsSettlement 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 ClaimsSettlement 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 ClaimsSettlement 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 M

Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT

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

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 [REDACTED]. 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 N

Exhibit O

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 [Date]. 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)

Exhibit P

Franco v. Rancho Family Medical Group, Inc., et al.

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., et al.*, 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 the Claims Administrator [Admin Name] at [Admin Address] by [Date]. 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)

Exhibit Q

1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 Jessica L. Hart (Cal. State Bar No. 331411)
Shimoda Law Corp.
3 9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
4 Telephone: (916) 525-0716
Facsimile: (916) 760-3733

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

7
8 **SUPERIOR COURT OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE**
10

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

12 Plaintiff,

13 vs.
14

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

18 Defendants.
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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*

Reservation ID: 818205877015

Date: ~~November~~December 15, 2021

Time: 8:30:00 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 ~~November~~December 15, 2021, at 8:309:00 a.m., in
4 Department 6 before the Honorable Sunshine Sykes, presiding. This hearing was continued from
5 November 15, 2021, after the Court identified several deficiencies in the originally submitted motion
6 in its tentative ruling that were to be addressed and corrected and/or have supplemental briefing
7 submitted thereon. Named Plaintiff Sara Franco ("Plaintiff") filed this putative class action on May
8 10, 2021. The operative Complaint alleges that Defendants Rancho Family Medical Group, Inc., and
9 Rancho Health MSO, Inc., ("Defendants") violated California law by 1) failing to pay overtime wages;
10 2) failing to pay minimum wages; 3) failing to provide legally compliant meal periods or pay the
11 appropriate meal period premiums in lieu thereof; 4) failing to provide legally compliant rest periods
12 or pay the appropriate rest period premiums in lieu thereof; 5) failing to provide accurate, itemized
13 wage statements; 6) failing to pay final wages owed in a timely manner; 7) failing to pay
14 reimbursement for all expenses incurred by employees; 8) failing to pay premium wages at the correct
15 regular rate of pay for overtime, paid sick leave, and meal and rest period premiums (*i.e.* including
16 within the regular rate of pay calculation shift differentials, pay stipends, and bonuses); and 9)
17 engaging in unfair competition based on these alleged violations. Plaintiff has also alleged Defendants
18 are liable for a civil penalties under the Private Attorneys General Act ("PAGA") based on these
19 violations. Plaintiff sought attorneys' fees and costs as part of this Action. Defendants denied all of
20 Plaintiff's claims and denied that this case was appropriate for class treatment. No class has been
21 certified.

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

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

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

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

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

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

1 purposes is also satisfied since the claims of the Class Representative are based on the same facts and
2 legal theories as those applicable to the Class Members.

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

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

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

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

17 Because the Court finds that the Agreement was agreed upon only after an extensive
18 investigation and arms-length negotiations, and in an attempt to avoid further delays and costs, the Court
19 preliminarily approves the Agreement and all terms therein as if stated here in full, including the
20 \$650,000 Gross Settlement Amount.

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

given that the claims are entirely derivative of Plaintiff's class claims and a full award of civil penalties in addition to recovery on the non-PAGA claims may be deemed unjust, arbitrary and oppressive, or confiscatory.

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

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

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

The Court approves the appointment of Simpluris, Inc. to act as the ClaimsSettlement Administrator in this case, who shall be responsible for noticing Class Members and Aggrieved Employees and carrying out the duties as set forth in the Agreement. The Court finds that the revised proposed Notice of Settlement, attached hereto as Exhibit A, fairly and adequately advises Class Members of the terms of the Agreement, the rights being waived, their right to opt out, the ability to dispute the number of workweeks worked during the Class Period, their pro rata share of the Net Settlement Amount, how to participate in the settlement, how to file documentation in opposition to the proposed settlement, and when to appear at the fairness hearing to be conducted on the date set forth below. The Notice of Settlement shall be accompanied by the revised proposed Request for Exclusion Form, and revised proposed Objection Form, attached hereto as Exhibit B and Exhibit C, respectively, that Class Members may use to opt out of the Agreement or present their objections to the Agreement. Any Requests for Exclusion Forms or Objection Forms shall be submitted to the ClaimsSettlement Administrator as set forth in the Agreement. The ClaimsSettlement Administrator shall submit any timely Objection Forms to the Court by declaration filed concurrently with Plaintiff's motion for final

1 approval. The ClaimsSettlement Administrator shall be responsible for serving any received Objection
2 Forms on the Parties. To the extent that any Objection Forms are received and the final approval
3 hearing is continued for any reason, Class Counsel shall be responsible for notifying the objecting Class
4 Member about the continuance and the new date and time of the hearing.

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

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

22 4. IMPLEMENTATION SCHEDULE

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

25
26 Last day for Defendants to provide
27 ClaimsSettlement Administrator with Class
28 Member information

Within 14 calendar days after the
Preliminary Approval Date

1 2 3 4	Last day for ClaimsSettlement Administrator to complete NCOA search, update Class Member mailing information, and mail Notice of Settlement, Request for Exclusion Form, and Objection Form	Within 14 calendar days after the ClaimsSettlement Administrators' receipt of Class Members' information from Defendants
5 6 7	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
8 9 10	Last day for ClaimsSettlement 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
11 12 13 14 15	Last day for ClaimsSettlement 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
16 17 18	Last day for Defendants to fund settlement	Within 21 calendar days after the Final Approval Date
19 20 21 22	Last day for ClaimsSettlement Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payments, PAGA Payment, ClaimsSettlement Administrator Costs, payment to Qualified Claimants, and payment to Aggrieved Employees	With 28 calendar days after the Effective Date
23 24 25	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
26 27 28	Last day for ClaimsSettlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline

1 Last day for ~~ClaimsSettlement~~ Administrator to
2 provide Parties with compliance declaration

Within 21 calendar days after settlement
check cashing deadline

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6 **FINAL APPROVAL AND HEARING**

7 The Court hereby grants Plaintiff's Motion and sets final approval hearing on the proposed date
8 of ~~March 31~~ April 28, 2022, at 8:30 a.m. in Department 6 or _____, at _____
9 a.m./p.m., in Department 6 with briefs and supporting documentation to be submitted according to the
10 California Code of Civil Procedure, in this Department. Class Counsel shall also file a motion for
11 attorneys' fees and costs, a Class Representative Enhancement Payment, and ~~ClaimsSettlement~~
12 Administrator Costs concurrently with this motion that shall be heard on the same day and time as the
13 motion for final approval. To the extent that the Court awards less than the amount allocated under the
14 Agreement for attorneys' fees and costs, Class Representative Enhancement, and ~~ClaimsSettlement~~
15 Administrator Costs, the portion of the requested amounts not awarded shall be added to the Net
16 Settlement Amount to be distributed to Qualified Claimants on a pro rata basis as set forth in the
17 Agreement.

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

23 **IT IS SO ORDERED.**

24
25 Date: _____

By: _____

Hon. Sunshine Sykes

Exhibit R

1 YESENIA GALLEGOS (SBN: 231852)

2 ygallegos@mwe.com

3 MARJORIE SOTO (SBN: 313290)

4 mcsoto@mwe.com

5 **MCDERMOTT WILL & EMERLY LLP**

6 2049 Century Park East, Suite 3200

7 Los Angeles, CA 90067-3206

8 Telephone: +1 310 277 4110

9 Facsimile: +1 310 277 4730

10 Attorneys for Defendants

11 RANCHO FAMILY MEDICAL GROUP, INC.

12 AND RANCHO HEALTH MSO, INC.

13 **SUPERIOR COURT OF CALIFORNIA**

14 **FOR THE COUNTY OF RIVERSIDE**

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

17 Plaintiff,

18 vs.

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

23 Defendants.

Case No. CVRI2102264

CLASS ACTION

**SUPPLEMENTAL DECLARATION OF
YESENIA GALLEGOS REGARDING
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 I, Yesenia Gallegos, declare and state as follows:

2 1. I am a partner at the law firm of McDermott Will & Emery LLP, duly admitted to practice
3 before all the courts of the State of California. I am also attorney of record for Defendants Rancho
4 Family Medical Group, Inc. and Rancho Health MSO, Inc. (collectively, "Defendants") herein. I am
5 making this declaration on behalf of the named Defendants.
6

7 **CMO ¶G.3.b. – Other Similar Class, Representative, or Other Actions Pending Against**
8 **Defendants**
9

10 2. I have completed a diligent search and reasonable inquiry, including speaking with other
11 attorneys at my firm, and am aware of only two (2) other cases that are related to this case.

12 3. The first case, *Beck v. Rancho Family Medical Group, Inc., et al.* (Riverside Case No.
13 CVSW2105916) was filed by plaintiff Megan Beck on June 24, 2021 (a month after Plaintiff Franco
14 filed the instant action), by her attorney Edwin Aiwarzian. It is a wage and hour class action wherein
15 plaintiff Beck alleges claims for: (1) unpaid overtime; (2) unpaid meal period premiums; (3) unpaid rest
16 period premiums; (4) unpaid minimum wages; (5) untimely payment of final wages; (6) untimely
17 payment of wages during employment; (7) non-compliant wage statements; (8) failure to maintain
18 requisite payroll records; (9) unreimbursed business expenses; and (10) violation of California Business
19 and Professions Code §§ 17200, *et seq.* ("Beck's Class Action"). In Beck's Class Action, plaintiff
20 Beck seek to represent herself and all other current and former hourly-paid or non-exempt employees
21 who worked for Defendants within the state of California at any time during the four years preceding
22 the filing of the lawsuit (*i.e.* June 24, 2017) through final judgment. Beck's Class Action is also
23 pending before this Court, and is assigned to the Hon. Sunshine Sykes in Department 6 of the Riverside
24 County Superior Court, Case No CVRI2102912. Beck's Class Action involves the same Plaintiff, the
25 same Defendants, and the same allegedly aggrieved employees at issue in Beck's PAGA
26 Representative Action. Accordingly, Beck's PAGA Representative Action is related to Beck's Class
27 Action, which both related to this first-filed case.
28

1 4. The second case, *Beck v. Rancho Family Medical Group, Inc., et al.* (Riverside Case No.
2 CVR12102912), was also filed by plaintiff Megan Beck on July 12, 2021 (two months after Plaintiff ,
3 by her attorney Edwin Aiwarzian. In it, Plaintiff alleges a single claim for penalties pursuant to the
4 Private Attorneys General Act ("PAGA"). Plaintiff Beck, on behalf of the State of California, seeks
5 civil penalties for violations of the California Labor Code allegedly suffered by Beck and all other
6 hourly-paid or non-exempt employees who worked for Rancho Family Medical Group, Inc. or Rancho
7 Health MSO, Inc. from May 8, 2020, through the present ("Beck's PAGA Representative Action").
8 Beck's PAGA Representative Action is related to this case and her separately filed class action (noted
9 below). Further, Beck's PAGA Representative Action and separately filed class action (noted below)
10 are both absorbed by this first-filed class and representative action which settled on September 8, 2021.

11 5. On December 13, 2021 and January 10, 2022, the Court will hold an initial Case
12 Management Conference in Beck's Class Action and Beck's PAGA Representative Action,
13 respectively.
14

15 **CMO ¶3.c.iv. – Relationship to the Proposed *Cy Pres* Beneficiaries**

16 6. I have no relationship with either of the proposed *cy pres* beneficiaries. I have completed
17 a diligent search and reasonable inquiry, including speaking with other attorneys at my firm and my
18 clients to determine whether anyone else at my firm or any officer, director, or manager of Defendants
19 have any type of relationship with either of the proposed *cy pres* beneficiaries. Neither my clients,
20 including their officers, directors, or managers, nor any other members of my firm have any relationship
21 with either of the proposed *cy pres* beneficiaries.
22

23 I declare under penalty of perjury under the laws of the State of California that the foregoing is
24 true and correct. Executed this 6th day of December 2021 in Los Angeles, California.
25

26
27
28


Yesenia Gallegos

1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 Jessica L. Hart (Cal. State Bar No. 331441)
Shimoda Law Corp.
3 9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
4 Telephone: (916) 525-0716
Facsimile: (916) 760-3733

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

7
8 **SUPERIOR COURT OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE**
10

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

13 Plaintiff,

14 vs.

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

17 Defendants.
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Case No. CVRI2102264

CLASS ACTION

**SUPPLEMENTAL DECLARATION OF
JUSTIN P. RODRIGUEZ IN SUPPORT OF
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 I, Justin P. Rodriguez, declare:

2 1. I am an attorney at law duly admitted to practice before all the courts of the State of
3 California and an attorney of record for Plaintiff Sara Franco ("Plaintiff") herein. I am making this
4 supplemental declaration on behalf of the named Plaintiff, the putative class members, and in support of
5 Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion").

6 2. Prior to submitting the Motion, we had not yet received the Court's Case Management
7 Order #1 ("CMO#1"). As a result, we drafted the Motion utilizing the Guidelines for Complex
8 Litigation In Riverside Superior Court.¹ Having now received CMO#1 and the November 15, 2021
9 ruling identifying the deficiencies/issues in the Motion as submitted, Plaintiff and Defendants have
10 entered into a revised Joint Stipulation Regarding Class Action and PAGA Settlement and Release
11 ("Agreement"). A true and correct copy of the revised Agreement is being filed with Plaintiff's
12 supplemental exhibits as Exhibit I. A true and correct copy of redline showing all modifications to the
13 Agreement is being filed with Plaintiff's supplemental exhibits as Exhibit J.

14 3. A copy of the Agreement and supplemental briefing in support of the Motion was
15 submitted to the LWDA for review at the same time the supplemental briefing was submitted to the
16 Court pursuant to California Labor Code section 2699(1)(2). A true and correct copy of documents
17 demonstrating the settlement documents were provided to the LWDA and that the LWDA has confirmed
18 receipt are being filed with Plaintiff's supplemental exhibits as Exhibit R.

19 4. A true and correct copy of the revised Proposed Notice of Settlement is being filed with
20 Plaintiff's supplemental exhibits as Exhibit K. A true and correct copy of redline showing all
21 modifications to the Notice of Settlement is being filed with Plaintiff's supplemental exhibits as Exhibit
22 L.

23 5. A true and correct copy of the revised Proposed Request for Exclusion Form is being
24 filed with Plaintiff's supplemental exhibits as Exhibit M. A true and correct copy of redline showing all
25 modifications to the Request for Exclusion Form is being filed with Plaintiff's supplemental exhibits as
26 Exhibit N.

27
28

¹ <https://www.riverside.courts.ca.gov/Divisions/Civil/complexlitigation.pdf>

1 6. A true and correct copy of the revised Proposed Objection Form is being filed with
2 Plaintiff's supplemental exhibits as Exhibit O. A true and correct copy of redline showing all
3 modifications to the Objection Form is being filed with Plaintiff's supplemental exhibits as Exhibit P.

4 7. A true and correct copy of redline showing all modifications to the proposed order
5 submitted with Plaintiff's supplemental briefing is being filed with Plaintiff's supplemental exhibits as
6 Exhibit Q.

7
8 **CMO G.3.a.i – Estimated Number of Aggrieved Employees**

9 8. Based on my review of the data and informal discovery produced in connection with
10 mediation and litigating this matter, there are approximately 235 individuals falling within the
11 Aggrieved Employee definition that working during the PAGA Claim Period.

12
13 **CMO G.3.a.v – Aggrieved Employees Estimated Share of the PAGA Penalty Allocation.**

14 9. After deducting the 75% share of the PAGA penalty allocation to account for payment
15 to the LWDA pursuant to California Labor Code § 2699(i), there is a net of \$3,750 to be distributed
16 among the Aggrieved Employees. Aggrieved Employees would receive an average of \$15.96 each.

17
18 **CMO G.3.c.i. – Factual Basis for Choosing Cy Pres Recipients Rather Than Redistribution**

19 10. Part of my review of payroll data, employer policies, and other relevant documents when
20 evaluating a case for settlement purposes includes considering what is the likely range of residual funds,
21 if any, that might be expected to be left after the check cashing deadline. This is done to determine
22 whether a *cy pres* beneficiary, a redistribution to class members who cash settlement checks, or some
23 other method of redistribution is best for the residual funds consistent with California Civil Procedure
24 Code section 384. This evaluation includes considering how transient the class may be, whether there is
25 a large amount of turnover in the employee population, the number of current employees, indications
26 that personnel information updates were regularly performed such that employee addresses are more
27 likely to be accurate, the estimated average size of recovery per class member, and the chosen method of
28 notice. These items of information help me determine how likely it is that a settlement check will arrive

1 in a Class Members' and/or Aggrieved Employees' hand and how likely they are to cash the check
2 compared to what has occurred in other similar cases I have litigated or am currently litigating.

3 11. In the present case, I believe there is a very high likelihood that there will not be any
4 substantial amount of residual funds left after the check cashing deadline. Over forty percent (40%) of
5 Class Members are current employees and there is a very low turnover rate of less than 10% per year.
6 This will make it easier to get current address information (from current employees) and makes it more
7 likely that the employee address information is accurate (less turnover generally translates to less
8 moving between residences). There was nothing in the state of the personnel documents that indicated
9 they were inaccurate or not well kept, there is a substantial average class recovery of \$1,162.93, and the
10 notice method utilizes a USPS national change of address database search as well as a more advanced
11 skip trace search for any initial mailings returned as undeliverable.

12 12. In other cases I have litigated over the past year with Class Member and Aggrieved
13 Employee populations and statistics similar to those in this case, the range of residual funds has been
14 from \$1,276.64 to \$3,832.10. This is important as the current bid for administration from Simpluris,
15 Inc. is for \$8,500.00. However, this bid presumed that there would only be one distribution to Class
16 Members and Aggrieved Employees and any residual funds would be deposited with a *cy pres*
17 beneficiary. I have contacted Simpluris, Inc., to inquire about the cost difference for an administration
18 that presumed a secondary distribution to Class Members. The cost of the administration bid would rise
19 to \$11,150 (a \$2,650 increase). The primary reason of the increase would be due to additional tax
20 reporting for the QSF account created to hold the settlement funds. Furthermore, even with a secondary
21 distribution to Class Members, there is still the potential for residual funds based on checks not cashed
22 during the second round. At this point a third round of redistribution to Class Members who cashed
23 checks would need to occur, further increasing costs, or a *cy pres* beneficiary would need to be
24 designated. Based on my experience in other recent settlement administrations with similar Class
25 Member and Aggrieved Employee populations, requiring a secondary distribution to Class Members in
26 this case could result in a decrease to the net fund available to Class Members. As such, I believe it is
27 better to distribute any residual funds to a *cy pres* beneficiary.
28

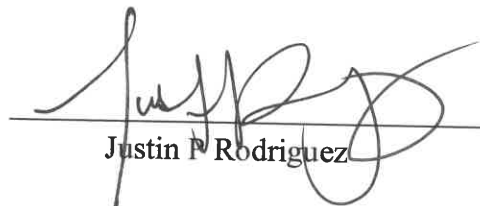
1 **CMO G.3.c.iv – Relationship to the Proposed Cy Pres Beneficiaries**

2 13. I have spoken with every other attorney at my firm to determine whether they have any
3 relationship with either of the proposed *cy pres* beneficiaries. Galen T. Shimoda, my partner, has
4 volunteered for both organizations on and off over the past several years through either presenting wage
5 and hour seminars to law students who staff the free advice clinics or helping at the advice clinics
6 themselves. However, Mr. Shimoda has not performed any volunteer work with either organization
7 since approximately March 2020. Mr. Shimoda has never received payment or compensation of any
8 kind in connection with any work he's done with either of the proposed *cy pres* beneficiaries.

9 14. Brittany V. Berzin, an associate attorney at my firm, has never done any work, volunteer
10 or otherwise with Capital Pro Bono, Inc. During law school, Ms. Berzin was a student volunteer for the
11 Center for Workers Rights for two summers. Since graduating law school, she has volunteered for the
12 Center for Workers Rights approximately one to two times per year, assisting in the advice clinic. Ms.
13 Berzin has never received payment or compensation of any kind in connection with any work she's done
14 with the Center for Workers Rights.

15 15. Jessica L. Hart, an associate attorney at my firm, has volunteered for both Capital Pro
16 Bono, Inc., and the Center for Workers Rights on occasion over the past few years. In September 2021,
17 Ms. Hart presented a wage and hour seminar for law students who staff the free advice clinic with the
18 Center for Workers Rights. Ms. Hart also sits on Capital Pro Bono, Inc.'s advisory committee and
19 assists with intakes for Capital Pro Bono, Inc., approximately once a month. Ms. Hart has never
20 received payment or compensation of any kind in connection with any work she's done with the Center
21 for Workers Rights or Capital Pro Bono, Inc.

22
23 I declare under penalty of perjury under the laws of the State of California that the foregoing is
24 true and correct. Executed this 8th day of December 2021 in Elk Grove, California.

25
26
27
28

Justin P. Rodriguez

1 YESENIA GALLEGOS (SBN: 231852)
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6 Attorneys for Defendants
RANCHO FAMILY MEDICAL GROUP, INC.
7 AND RANCHO HEALTH MSO, INC.

8 SUPERIOR COURT OF CALIFORNIA
9
10 FOR THE COUNTY OF RIVERSIDE

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

13 Plaintiff,

14 vs.

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

Case No. CVRI2102264

CLASS ACTION

**DECLARATION OF JULIANNE SOUSA IN
SUPPORT OF 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 I, Julianne Sousa, declare:

2 1. I am a competent adult, I have personal knowledge of the facts set forth in this
3 declaration, and I am making this declaration on behalf of Rancho Family Medical Group, Inc.
4 (“RFMG”), and Rancho Health MSO, Inc. (“Rancho MSO”) (collectively referred to as “Defendants”).
5 I am currently employed by Rancho MSO, and I am a salaried exempt employee that holds the title of
6 Human Resources Specialist. I am authorized to make this declaration on behalf of both Defendants
7 regarding Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement.

8 2. In 2020, RFMG and Rancho MSO were purchased, wherein Rancho MSO was created
9 to transfer the non-clinical business functions of RFMG’s practice to Rancho MSO.

10 3. In my role as Human Resources Specialist, I have access to the business records for
11 RFMG and Rancho MSO, including personnel data. I also have access to our Human Resources
12 Information System (“HRIS”) where we maintain data on each of our employees. I also assist with
13 Human Resources-related duties such as hiring and on-boarding qualified staff.
14

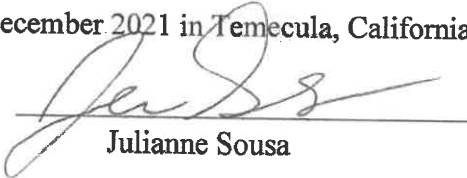
15 **CMO ¶3.k.ii – Ability of Class Members to Read and Understand English**

16 4. I have made a diligent and reasonable inquiry of Class Members and Aggrieved
17 Employees as defined in the Agreement, to determine their likely age, education, and experience as
18 well as their ability to read and comprehend English. Based on this inquiry and my own personal
19 knowledge of these individuals, they are all over the age of eighteen (18) and are able to read, write,
20 and understand English. The nature of the work they do requires that they be educated, with a strong
21 ability to communicate in, and understand, English. In fact, many Class Members and Aggrieved
22 Employees hold degrees and/or special healthcare industry certifications to perform their work and
23 must be able to read and understand English in order to comply with numerous healthcare
24 requirements, and the protocols and procedures that we have in place in relation to patient care and
25 patient safety.

26 5. It was for these reasons that Defendants represented in the Joint Stipulation Regarding
27 Class Action and PAGA Settlement and Release (“Settlement Agreement”), at section 7.2, that Class
28

1 Members and Aggrieved Employees were able to communicate in, and understand, English such that
2 no translation of any notice to Class Members and Aggrieved Employees was warranted.
3

4 I declare under penalty of perjury under the laws of the State of California that the foregoing is
5 true and correct. Executed this 7th day of December 2021 in Temecula, California.
6

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8 Julianne Sousa
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1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 Jessica L. Hart (Cal. State Bar No. 331411)
Shimoda Law Corp.
3 9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
4 Telephone: (916) 525-0716
Facsimile: (916) 760-3733

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

7
8 **SUPERIOR COURT OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE**
10

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

13 Plaintiff,

14 vs.

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

18 Defendants.
19
20
21
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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
28

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

1 **FINAL APPROVAL AND HEARING**

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

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

17 **IT IS SO ORDERED.**

18
19 Date: _____

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

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

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 [REDACTED]. 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)

1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 Jessica L. Hart (Cal. State Bar No. 331411)
Shimoda Law Corp.
3 9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
4 Telephone: (916) 525-0716
Facsimile: (916) 760-3733

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

7
8 **SUPERIOR COURT OF CALIFORNIA**
9 **FOR THE COUNTY OF RIVERSIDE**
10

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

13 Plaintiff,

14 vs.

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

18 Defendants.
19
20
21
22
23
24

Case No. CVRI2102264

CLASS ACTION

PROOF OF SERVICE

*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

3 **PROOF OF SERVICE — CCP §§ 1013a and 2015.5**
4 **and California Rules of Court, Rule 1.21 and Rule 2.150**

5 I, Caitlyn A. Lopez, declare that:

6 I am a citizen of the United States and am over the age of eighteen years and not a party to
7 the within above-entitled action.

8 On December 8, 2021, I served the following documents on the party below:

- 9 • Supplemental Memorandum of Points & Authorities in Support of
10 Plaintiff's Motion for Preliminary Approval of Class Action and PAGA
11 Settlement
- 12 • Supplemental Exhibit List and Supplemental Exhibits in Support of
13 Plaintiff's Motion for Preliminary Approval of Class Action and PAGA
14 Settlement
- 15 • Declaration of Justin P. Rodriguez in Support of Plaintiff's Motion for
16 Preliminary Approval of Class Action and PAGA Settlement
- Supplemental Declaration of Yesenia Gallegos Regarding Plaintiff's
Motion for Preliminary Approval of Class Action and PAGA Settlement
- Declaration of Julianne Sousa in Support of Plaintiff's Motion for
Preliminary Approval of Class Action and PAGA Settlement
- [Proposed] Order Granting Plaintiff's Motion for Class Action and PAGA
Settlement

17 Marjorie Soto (SBN: 313290)
18 Yesenia Gallegos (SBN: 231852)
19 Cindy Liu
20 McDermott Will & Emery LLP
21 2049 Century Park East Suite 3200
22 Los Angeles, CA 90067
23 Phone: (310) 277-4110
24 Fax: (310) 277-4730
25 Email: mcsoto@mwe.com
Ygallegos@mwe.com
Cliu@mwe.com
Kmay@mwe.com
abeverly@mwe.com

26 [] [By Mail] I am familiar with my employer's practice for the collection and
27 processing of correspondence for mailing with the United States Postal
28 Service and that each day's mail is deposited with the United States Postal
Service that same day in the ordinary course of business. On the date set
forth above, I served the aforementioned document(s) on the parties in

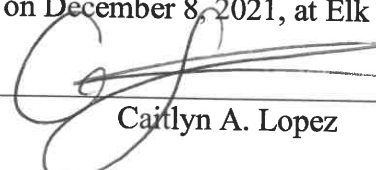
1 said action by placing a true copy thereof enclosed in a sealed envelope
2 with postage thereon fully prepaid, for collection and mailing on this date,
following ordinary business practices, at Elk Grove, California, addressed
as set forth above.

3 [] [By Personal Service] By personally delivering a true copy thereof to the
4 office of the addressee above.

5 [XXX] [By Electronic Mail] I e-mailed the documents(s) to the person(s) shown
above. No error was reported by the e-mail service that I used.

6 [] [By Overnight Courier] By causing a true copy and/or original thereof to
7 be personally delivered via the following overnight courier service: _____.

8 I declare under penalty of perjury under the laws of the State of California that the foregoing is true
9 and correct, and that this declaration was executed on December 8, 2021, at Elk Grove, California.

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11 Caitlyn A. Lopez
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