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individually and on behalf of similarly situated employees
6
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
Corporation; and DOES 1 to 100, inclusive,
17

18 Defendants.
19
20
21
22

Case No. CVRI2102264

CLASS ACTION

**PLAINTIFF'S NOTICE OF MOTION AND
MOTION FOR FINAL APPROVAL OF
CLASS ACTION AND PAGA SETTLEMENT**

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

*[Filed concurrently with Plaintiff's Motion for
Attorneys Fees' and Costs, Class Representative
Enhancement Payment, and Settlement
Administrator Costs]¹*

Date: April 28, 2022

Time: 8:30 a.m.

Dept.: 6

Judge: Hon. Sunshine Sykes

Filed: May 10, 2021

FAC Filed: July 7, 2021

Trial Date: None Set

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28 ¹ Pursuant to the Court's December 15, 2021, Order granting preliminary approval of the class action and PAGA settlement, Plaintiff has filed a separate motion for attorneys' fees and costs, Class Representative Enhancement Payment, and Settlement Administrator Costs concurrently with this motion to be heard at the same time as this motion.

1 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

2 PLEASE TAKE NOTICE that on April 28, 2022, at 8:30 a.m., or as soon thereafter as the matter
3 may be heard in Department 6 of the above-entitled Court, Plaintiff Sara Franco, individually and on
4 behalf of all other similarly situated individuals, hereby moves for entry of an Order for the following:

- 5 1. Certifying the proposed class herein for purposes of settlement;
- 6 2. Appointing Plaintiff Sara Franco as Class Representative for purposes of settlement;
- 7 3. Appointing Shimoda & Rodriguez Law, PC, as Class Counsel for purposes of settlement;
- 8 4. Approving the Joint Stipulation Regarding Class Action and PAGA Settlement and Release,
9 which is incorporated herein by reference;
- 10 5. Approving the appointment of Simpluris, Inc. as the Settlement Administrator;
- 11 6. Approving the settlement of claims under the Private Attorneys General Act for the total
12 amount of \$15,000, 75% of which will be paid to the Labor and Workforce Development
13 Agency and 25% of which will be paid to Aggrieved Employees;
- 14 7. Determining that the class notification procedures and process complied with Class
15 Members' due process rights;
- 16 8. Approving the proposed *cy pres* beneficiaries, Capital Pro Bono, Inc., and the Center for
17 Workers' Rights, and the proposed plan of disbursement of any residue from settlement
18 checks that were not cashed by the check cashing deadline;
- 19 9. Approving and adopting the Proposed Order and its implementation schedule, which is filed
20 herewith and incorporated by reference.

21 This motion is being made pursuant to Code of Civil Procedure section 382, Labor Code section
22 2699(1), and California Rules of Court 3.769 and 3.764, on the grounds that the preliminarily approved
23 class action and Private Attorneys General Act settlement is fair, reasonable, and adequate as to all class
24 members and should be given final approval by the Court. This motion will be based on the notice of
25 motion, memorandum of points and authorities, the declaration of Justin P. Rodriguez, the declaration of
26 Sara Franco, the declaration of Lindsay Kline, the declaration of Yesenia Gallegos, exhibits, the record
27 and files of this case, and any further oral or documentary evidence introduced at the hearing of this
28 motion.

1 The Court will make a tentative ruling on the merits of this matter by 3:00 p.m. on the court day
2 prior to the hearing. Tentative rulings will be available on the Internet or by calling 1-760-904-
3 5722. To view go to: <http://www.riverside.courts.ca.gov> and click on the tentative ruling link. The
4 tentative ruling shall become the ruling of the Court unless, by 4:30 p.m. on the court day before
5 the scheduled hearing, a party gives notice of intent to appear to all parties and the court. The
6 notice of intent to appear must be given either in person or by telephone. Where notice of intent to
7 appear has been properly given, or upon direction of the Court, oral argument will be permitted.

8 Dated: April 4, 2022

Shimoda & Rodriguez Law, PC

By: 

Galen T. Shimoda
Justin P. Rodriguez
Attorneys for Plaintiff

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

18 Defendants.
19

Case No. CVRI2102264

CLASS ACTION

**MEMORANDUM OF POINTS &
AUTHORITIES IN SUPPORT OF PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

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

*[Filed concurrently with Plaintiff's Motion for
Attorneys Fees' and Costs, Class Representative
Enhancement Payment, and Settlement Administrator
Costs]*

Date: April 28, 2022

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Trial Date: None Set

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I. INTRODUCTION AND OPENING SUMMARY OF ARGUMENT

This Motion is brought seeking final approval of a wage and hour class action and Private Attorneys General Act (“PAGA”) settlement in the gross amount of \$650,000. *See generally* Exhibit A (Joint Stipulation Regarding Class Action and PAGA Settlement and Release [“Agreement”]). Plaintiff Sara Franco (“Plaintiff”) brought this class action individually and on behalf of other similarly situated employees employed by Defendants Rancho Family Medical Group, Inc., and Rancho Health MSO, Inc. (“Defendants”). Plaintiff worked for Defendants in California from September 2017 through March 11, 2021, and was subject to all the same policies and practices that are alleged to be unlawful in this litigation. *See generally* Exhibit B (Plaintiff’s Operative Complaint); Declaration of Sara Franco (“Decl. Franco”) ¶ 2.

Plaintiff has alleged that Defendants 1) failed to pay overtime wages; 2) failed to pay minimum wages; 3) failed to provide legally compliant meal periods or pay the appropriate meal period premiums in lieu thereof; 4) failed to provide legally compliant rest periods or pay the appropriate rest period premiums in lieu thereof; 5) failed to provide accurate, itemized wage statements; 6) failed to pay final wages owed in a timely manner; 7) failed to pay reimbursement for all expenses incurred by employees; 8) failed to pay premium wages at the correct regular rate of pay for overtime, paid sick leave, and meal and rest period premiums (*i.e.* including within the regular rate of pay calculation shift differentials, pay stipends, and bonuses); and 9) engaged in unfair competition based on these alleged violations. *See generally* Exhibit B. Plaintiff has also alleged Defendants are liable for civil penalties under the PAGA based on these violations. *See id.*; Exhibit C (Plaintiff’s Ltr. to the Labor and Workforce Development Agency [“LWDA”] Regarding PAGA Claims). These violations primarily stem from Plaintiff’s allegations that Defendants violated California law 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

1 business-related cell phone use; and 5) failing to accurately itemize the hours and wages earned on
2 paystubs issued to Class Members and Aggrieved Employees. The waiting time penalties, unfair
3 competition, and PAGA claims are derivative of these violations. *See* Exhibit B. Plaintiff has
4 contended that this is a meritorious class action lawsuit and that this case is appropriate for class
5 certification for settlement purposes as the requisites for class certification in this case can be satisfied.
6 *See* Exhibit B.

7 Defendants have denied all of Plaintiff's allegations in their entirety and any liability or
8 wrongdoing of any kind. *See* Declaration of Justin P. Rodriguez ("Decl. Rodriguez"), ¶ 5. Defendants
9 have denied that this case is appropriate for class certification other than for purposes of settlement and
10 that Plaintiff would have difficulty proving class certification. *See id.* However, subject to approval by
11 the Court, the parties have been able to compromise and settle all asserted claims for monetary
12 compensation as a result of extensive investigations, informal document and data exchanges, and
13 extended negotiations relating to all aspects of the asserted claims. *See* Exhibit A. Plaintiff's counsel is
14 convinced that the proposed Agreement is in the best interest of the Class Members based on the
15 discovery, investigations, negotiations, and a detailed knowledge of the issues in this case. *See* Decl.
16 Rodriguez, ¶¶ 3, 6-12. The prospect of potential class certification issues and the uncertainty of class
17 certification, difficulties of complex litigation, the lengthy process of establishing specific damages and
18 various possible delays and appeals were carefully considered by Plaintiff and Plaintiff's counsel in
19 agreeing to the proposed Agreement. *See id.*

20 It is well within the discretion of this Court to grant final approval of the Agreement, which
21 satisfies all of the criteria for final settlement approval under California law. Accordingly, Plaintiff
22 requests that the Court: (1) certify the proposed settlement class; (2) grant approval of the proposed
23 Agreement (Exhibit A); and (3) adopt the implementation schedule contained in the proposed order.

24 **II. PROCEDURAL AND LITIGATION HISTORY**

25 On April 29, 2021, Plaintiff filed notice with the LWDA identifying the specific California
26 Labor Code Sections Plaintiff alleged were violated as well as the facts and theories supporting claims.
27 *See* Exhibit C; Cal. Lab. Code § 2699.3(a), (c); Decl. Rodriguez, ¶ 3. Plaintiff filed a class action
28 complaint on approximately May 10, 2021, in the Riverside County Superior Court against Defendants.

1 After exhausting administrative remedies, Plaintiff filed a First Amended Class Action Complaint on
2 approximately July 7, 2021, to include a PAGA claim. *See id.*; Exhibit B. There is no date set for a
3 motion for certification or trial in this matter. *See Decl. Rodriguez*, ¶ 4.

4 **III. INVESTIGATION AND DISCOVERY CONDUCTED**

5 Plaintiff thoroughly investigated issues affecting certification, the merits of the class and PAGA
6 claims, and potential damages for such claims. *See Decl. Rodriguez*, ¶¶ 2-3, 6-12. Plaintiff worked
7 during the time all of Defendants' policies and practices at issue in the Complaint were in effect and
8 provided information regarding these policies and practices, enabling pre-filing investigations to take
9 place. *See Decl. Franco* ¶¶ 2-3, 5. The parties engaged in informal discovery and exchange of
10 documents, including a representative sampling of employee data, such as timecards, paystubs, payroll
11 data and relevant policies for the entirety of the statute of limitations applicable to the alleged claims.
12 The discovery covered all aspects of the asserted claims, including certification issues, merits issues,
13 damages, the scope and configuration of Class Members, the content and implementation of the wage
14 and hour policies at issue, issues relating to manageability concerns at trial, among other relevant areas.
15 *See Decl. Rodriguez*, ¶¶ 6-7. The information allowed Plaintiff to determine the extent and frequency
16 of any violations in accordance with Plaintiff's contentions and create an accurate damages model to
17 assess the reasonableness of any settlement. *See id.*

18 **IV. NEGOTIATION AND PROPOSED SETTLEMENT**

19 **a. Plaintiff and Defendants Engaged in Extensive Arm's Length Negotiations**

20 A final settlement occurred only after extended, and sometimes contentious, arm's length
21 negotiations. Over the course of approximately six (6) months, Plaintiff has been investigating the
22 claims and discussing with Defendants' counsel the merits of the claims and certification issues present
23 in this case. *See id.* at ¶¶ 6-10. The parties exchanged substantial amounts of information and legal
24 analysis regarding the asserted claims. *See id.* Then, only after nearly six (6) months of litigation and
25 negotiation, which included a full day mediation with Lisa Klerman, Esq., the parties able to reach a
26 mutually agreeable settlement. *See id.* at ¶ 8. In light of the claims and defenses at issue, the parties
27 agreed to a Gross Settlement Amount of 650,000. *See Exhibit A.*

28 //

1 **b. The Terms of the Settlement**

2 Under the settlement agreement, Defendants have agreed to the following:

3 1. The following groups of individuals are covered by the Settlement (*See* Exhibit A, ¶¶
4 1.2, 1.8, 1.9, 1.27):

5 All non-exempt employees who have or continue to work for Defendants
6 from May 10, 2017, up to either (1) the Preliminary Approval Date, or (2)
7 November 7, 2021, whichever is earlier (Class Members & Class Period)

8 All non-exempt employees who have or continue to work for Defendants in
9 California from April 29, 2020 up to either (1) to the Preliminary Approval
 Date or (2) November 7, 2021, whichever is earlier (Aggrieved Employees
 & PAGA Claim Period)

10 2. Pay the Gross Settlement Amount of \$650,000, which is exclusive of the employer's
11 share of payroll taxes, to resolve and release the claims alleged in the Complaint and any further claims
12 that could be based on the facts alleged in the Complaint. *See id.* at ¶¶ 1.1, 1.11, 1.33, 1.35, 5.1., 6.1-
13 6.3. No portion of the Gross Settlement Amount will revert to Defendants. *See id.* at ¶ 5.6. Aggrieved
14 Employees will still be paid their share of the PAGA Payment regardless of whether they opt out of
15 being Class Members. *See id.* at ¶ 7.5.1.

16 3. The parties agree that up to \$7,500 for Plaintiff Sara Franco will be paid as a Class
17 Representative Enhancement Payment. This amount will be in addition to any amount Plaintiff may be
18 entitled to under the terms of the Agreement. *See id.* at ¶ 5.4.

19 4. The parties agree that the Settlement Administrator Costs shall be paid from the Gross
20 Settlement Amount. Pursuant the Court's preliminary approval order, Simpluris, Inc. has been carrying
21 out the duties of the Settlement Administrator. *See* Decl. Rodriguez, ¶ 23. Simpluris, Inc. provided a
22 final cost estimate of \$8,500 to administer the class settlement. *See* Declaration of Lindsay Kline
23 ("Decl. Kline"), ¶18; *see also* Exh. E to Decl. Kline. The difference between any actual Settlement
24 Administrator Costs and the \$10,000 allocated under the Agreement, will be paid to Class Members on
25 a pro rata basis.

26 5. The parties agree that \$15,000 of the Gross Settlement Amount shall be allocated to
27 resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment will be paid to
28 the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees. *See* Exhibit A, ¶

1 5.5. Given the derivative nature of the penalties, the efforts by Defendants to maintain compliant
2 policies and take corrective action, the lack of any widespread complaints lodged by Class Members
3 during their employment, the presence of what may likely be deemed good faith disputes, and the
4 Court's discretion to reduce any penalty award, Plaintiff believes the \$15,000 PAGA allocation
5 represents a meaningful settlement aimed at deterring non-compliance given the facts of this case. *See*
6 Decl. Rodriguez, ¶ 9.i.; *see Davis v. Cox Commc'ns California, LLC*, 2017 U.S. Dist. LEXIS 63514,
7 *1 (S.D. Cal. 2017) (preliminarily approving \$4,000 PAGA allocation in \$275,000 settlement); *Jack v.*
8 *Hartford Fire Ins. Co.*, 2011 U.S. Dist. LEXIS 118764, *6 (S.D. Cal. 2011) (approving \$3,000 PAGA
9 allocation in \$1,200,000 settlement); *Singer v. Becton Dickinson & Co.*, 2010 U.S. Dist. LEXIS 53416,
10 *2 (S.D. Cal. 2010) (approving \$3,000 PAGA allocation in \$1,000,000 settlement); *Hopson v.*
11 *Hanesbrands Inc.*, 2009 U.S. Dist. LEXIS 33900, *9 (N.D. Cal. 2009) (approving \$1,500 PAGA
12 allocation in \$1,026,000 settlement); *Garcia v. Gordon Trucking, Inc.*, 2012 U.S. Dist. LEXIS 160052,
13 at *7 (E.D. Cal. 2012) (approving \$10,000 PAGA allocation in a \$3,700,000 settlement). Relief under
14 the PAGA is to protect the public, not benefit private parties. *See Arias v. Superior Ct.*, 46 Cal.4th 969,
15 986 (2009). As a result, it is permissible for a Court to view the adequacy of a PAGA settlement
16 allocation in light of the overall class and PAGA settlement in that the purpose of the PAGA may also
17 be furthered where there are substantial payments made to Class Members for the same Labor Code
18 violations. *See O'Connor v. Uber Techs., Inc.*, 201 F.Supp.3d 1110, 1134 (N.D. Cal. 2016); *see also In*
19 *re Nordstrom Commission Cases*, 186 Cal.App.4th 576, 579 (2010) (finding no abuse of discretion
20 where the trial court approved a settlement allocating zero dollars to highly contested PAGA claims).

21 6. The parties agree that up to one third (1/3) of the Gross Settlement Amount
22 (\$216,666.67) will be paid for Plaintiff's attorneys' fees incurred in the litigation of this case.
23 Defendants will not oppose any application for attorneys' fees so long as it is within this threshold. *See*
24 *id.* at ¶ 5.2. Additionally, the parties agree that Plaintiff will also be entitled to the actual litigation
25 costs as approved by the Court in an amount not to exceed \$15,000. *See id.* The difference between
26 any awarded fees and costs and the allocated amounts will be redistributed to Class Members on a pro
27 rata basis. *See Exhibit A, ¶ 5.2.* The Notice of Settlement sent to Class Members stated this
28 information. *See Exhs A & B to Decl. Kline.*

1 7. Any Settlement Administrator Costs, any amounts paid for attorneys' fees and costs, the
2 Class Representative Enhancement Payment, and PAGA Payment will be paid out from the Gross
3 Settlement Amount, not in addition to the Gross Settlement Amount. *See* Exhibit A, ¶¶ 5.1-5.5.
4 Pursuant to the Court's December 15, 2021, Order granting preliminary approval of the class action and
5 PAGA settlement, Plaintiff has filed a separate motion for attorneys' fees and costs, Class
6 Representative Enhancement Payment, and Settlement Administrator Costs concurrently with this
7 motion to be heard at the same time as this motion.

8 8. In consideration for the value received in the Agreement, Class Members who fail to
9 timely opt-out of this settlement will waive all Qualified Claimant's Released Claims as set forth in the
10 Agreement. *See* Exhibit A, ¶¶ 1.32-1.33. Plaintiff will be deemed to fully, finally and forever release
11 the Released PAGA Claims as to all Released Parties on behalf of herself and the LWDA as set forth in
12 the Agreement. *See id.* at ¶¶ 1.35-1.36, 6.2.

13 9. For any portion of the Net Settlement Sum or PAGA Payment allocated to Qualified
14 Claimants and/or Aggrieved Employees that is not claimed by them by cashing their respective
15 settlement checks within 120 days, the remaining amount shall be paid 50/50 to Capital Pro Bono, Inc.
16 and the Center for Workers' Rights under the doctrine of *cy pres*. *See* Exhibit A, at ¶ 5.6. Capital Pro
17 Bono, Inc., and the Center for Workers Rights were preliminarily approved as *cy pres* beneficiaries in
18 the Court's December 15, 2021, preliminary approval order. No new facts have arisen that would
19 warrant disturbing that finding. *See* Decl. Rodriguez, ¶¶ 23-29.

20 **c. Allocation of Settlement Funds**

21 Payment to Qualified Claimants and Aggrieved Employees of their Claim Amount will not
22 require the submission of a claim form. A Net Settlement Amount will be determined by subtracting
23 from the Gross Settlement Amount any amounts for approved attorneys' fees and costs, any
24 Enhancement Payment to the Class Representative, the Claims Administrator Costs, and the PAGA
25 Payment. Each Class Member's share will be determined by dividing their total weeks worked within
26 the Class Period by the total weeks worked by all Class Members within the Class Period. That
27 fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's
28 individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the 25% portion

1 of the PAGA Payment will be determined by dividing their total weeks worked within the PAGA
2 Claim Period by the total weeks worked by all Aggrieved Employees within the PAGA Claim Period.
3 That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the
4 Aggrieved Employee's individual share. *See* Exhibit A, at ¶ 5.8. To the extent that an individual was
5 one of the 121 Class Members who was previously paid under an individual settlement agreement, any
6 payment due to them based on the allocation formula for the Net Settlement Amount set forth above
7 will be offset by the amount previously paid to them under the individual settlement. *See id.*; Decl.
8 Rodriguez, ¶¶ 11-12.

9 **V. PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT AND THE**
10 **SUBSEQUENT CLASS ACTION ADMINISTRATION**

11 Plaintiff's motion for preliminary approval of the class action settlement was approved by the
12 Court on December 15, 2021. To comply with the Class Members' due process rights, the parties
13 enlisted an exhaustive method to ensure the best practical means possible was used to provide notice to
14 the class. The parties provided the Settlement Administrator the names, last known address, and social
15 security numbers for the class. The Settlement Administrator then updated this information by doing
16 an address trace for each individual using this information. *See* Decl. Kline, ¶¶ 3, 5-6. If the mailing
17 was returned as undeliverable, further investigation was performed and Class Members were re-mailed
18 the Notice of Settlement, Request for Exclusion Form, and Objection Form (collectively referred to as
19 "Notice Packet") using updated information. *See id.* at ¶¶ 8-9. Of the 396 Notice Packets mailed, only
20 three were undeliverable after use of these methods. *See id.* The Notice Packets included information
21 regarding the requested attorneys' fees, costs, payment to the LWDA, administration costs, and tax
22 allocations. *See* Decl. Kline, Exhs. A & B. The methods used to notify Class Members of this
23 settlement are regularly used and approved by Courts as satisfying due process and represent the best
24 means practicable of ensuring Class Members receive notice. Actual notice is not required. *See Noel v.*
25 *Thrifty Payless, Inc.*, 7 Cal. 5th 955, 980-984 (2019); *Silber v. Mabon*, 18 F.3d 1449, 1453 (9th Cir.
26 1994); *Briseno v. ConAgra Foods, Inc.*, 844 F.3d 1121, 1129 (9th Cir. 2017); *Walsh v. CorePower*
27 *Yoga LLC*, 2017 U.S. Dist. LEXIS 163991, at *12-14 (N.D. Cal. 2017); *Wright v. Linkus Enters.*, 259
28 F.R.D. 468, 474-75 (E.D. Cal. 2009); *Rannis v. Recchia*, 380 F. App'x 646 (9th Cir. 2010).

1 The average estimated payment to participating Class Members is approximately \$986.49, the
2 minimum estimated payment is \$13.38, and the average estimated payment is approximately \$986.49.
3 *See id.* at ¶ 15. Only one (1) objection to the Agreement was received from a Class Member, Ms.
4 Jessica Salinas, however it does not address the Agreement or any claims covered by the Agreement.
5 *See id.* at ¶ 12; Exh. D to Decl. Kline.; *see* Exhibit A, ¶ 1.33. Instead, the objection refers to paid
6 family leave and unemployment benefits, which are not part of the released claims. *See id.* The parties
7 have worked cooperatively to attempt to reach Ms. Salinas to clarify her intent. But, as of the date this
8 motion was filed, Ms. Salinas has not provided any response. There were only eight (8) Class
9 Members (2% of all Class Members) who opted out of the settlement. *See* Decl. Kline, ¶ 11; Exh. C to
10 Decl. Kline. The individuals who opted out will not be considered Class Members for the purpose of
11 this settlement. However, five (5) of the eight (8) individuals are also Aggrieved Employees and will
12 still receive their share of the PAGA Payment. *See* Exhibit A, ¶ 7.5.1.

13 VI. ARGUMENT

14 a. Class Action Settlements are Subject to Court Review and Approval Under the 15 California Rules of Court

16 A class action may not be dismissed, compromised, or settled without Court approval and the
17 decision to approve or reject a settlement is committed to the Court's sound discretion. *See* Cal. Rules
18 of Court, Rule 3.769; Fed. R. Civ. Proc., Rule 23(e)¹; *Wershba v. Apple Computer, Inc.*, 91 Cal. App.
19 4th 224, 234-35 (2001); *see also* Cal. Lab. Code §§ 2699(l)(2) (requiring Court review of PAGA
20 settlements). However, courts should give "proper deference to the private consensual decision of the
21 parties," since "the court's intrusion upon what is otherwise a private consensual agreement negotiated
22 between the parties to a lawsuit must be limited to the extent necessary to reach a reasoned judgment
23 that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating
24 parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned."
25 *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1027 (9th Cir. 1998). Where a settlement is reached on terms
26 agreeable to all parties, a court should disapprove of the settlement "only with considerable
27

28 ¹The California Supreme Court has authorized California's trial courts to rely on these federal resources to decide class certification issues. *See Green v. Obledo*, 29 Cal.3d 126, 145-46 (1981).

1 circumspection.” *Jamison v. Butcher & Sherrerd*, 68 F.R.D. 479, 481 (E.D. Pa. 1975). The law favors
2 settlement of lawsuits, particularly class actions and other complex cases where substantial resources
3 can be conserved by avoiding the time, expense, and rigors of formal litigation. *See Neary v. Regents of*
4 *Univ. of Cal.*, 3 Cal. 4th 273, 277-81 (1992).

5 **b. The Terms of The Settlement Are Fair and Within the Range of Reasonableness**

6 The purpose of the Court’s final evaluation of a proposed class action settlement is to determine
7 only whether the proposed settlement is within the range of reasonableness. *See Wershba*, 91 Cal. App.
8 4th at 234-35. If the Court finds a proposed settlement falls within “the range of reasonableness,” it
9 should grant preliminary approval of the class action settlement. *See, e.g., North County Contr.’s Assn.,*
10 *Inc. v. Touchstone Ins. Svcs.*, 27 Cal. App. 4th 1085, 1089-90 (1994); *Kullar v. Foot Locker Retail, Inc.*,
11 168 Cal. App. 4th 116, 133 (2008). To make the fairness determination, the Court must consider several
12 factors, including:

13 the strength of the Plaintiff’s case, the risk, expense, complexity and likely
14 duration of further litigation, the risk of maintaining class action status
15 through trial, the amount offered in settlement, the extent of discovery
16 completed and the stage of the proceedings, the experience and views of
 counsel, the presence of a governmental participant, and the reaction of the
 class members to the proposed settlement.

17 *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1801 (1996). However, this Court should begin its
18 analysis with a presumption that the settlement is fair. “A presumption of fairness exists where: (1) the
19 settlement is reached through arm’s length bargaining; (2) investigation and discovery are sufficient to
20 allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4)
21 the percentage of objectors is small.” *Id.* at 1802; *see also In re Heritage Bond Litig.*, 2005 WL
22 1594403, at *10 (C.D. Cal. June 10, 2005) (“It is established that the absence of a large number of
23 objectors to a proposed class action settlement raises a strong presumption that the terms of a proposed
24 class settlement action are favorable to the class members”).

25 **i. The Settlement is a Result of Extensive, Non-Collusive Arm’s Length**
26 **Negotiations Between the Parties**

27 Settlement in this case was reached only after litigation and extensive arm’s length negotiations
28 lasting nearly six (6) months, which included a full day mediation with Lisa Klerman, Esq. *See Decl.*

1 Rodriguez, ¶¶ 6-12. At all times, the negotiations were adversarial and contentious, although still
2 professional in nature. *See id.* Further, while Plaintiff contends she would ultimately prevail on the
3 claims and the issue of certification, this is not a certainty and there is substantial risk in proceeding to
4 further litigation. *See id.* The ability to secure a guaranteed settlement now and ensure Class Members
5 receive some compensation, rather than proceed to further litigation and potentially recover nothing, was
6 a motivating factor in reaching this settlement. *See id.*

7 **ii. The Extent of Investigation and Discovery Completed Provided Ample**
8 **Information to Enter Into an Informed and Reasonable Settlement**

9 The parties were in possession of all necessary information during the negotiations. The parties
10 engaged in substantial informal discovery and exchange of documents, including a representative
11 sampling of employee data, such as timecards, paystubs, payroll data and relevant policies for the
12 entirety of the statute of limitations applicable to the alleged claims, which covered all aspects of the
13 class claims and helped thoroughly vet the extent of Plaintiff's claims against Defendants and create an
14 accurate damages model. *See id.* at ¶¶ 6-12. Plaintiff was in possession of this information prior to
15 calculating the potential damages in this case. *See id.* As a result, Plaintiff was able to make a
16 reasonable estimation of Defendants' potential liability. *See id.* For these reasons, the settlement now
17 before the Court was reached at a stage where "the parties certainly have a clear view of the strengths
18 and weaknesses of their cases" sufficient to support the settlement. *Boyd v. Bechtel Corp.*, 485 F. Supp.
19 610, 617 (N.D. Cal. 1979).

20 **iii. Plaintiff's Counsel is Experienced in Similar Litigation**

21 Plaintiff's counsel has considerable experience in class actions and wage and hour litigation.
22 Plaintiff's counsel has brought and is currently bringing several wage and hour class and/or PAGA
23 actions. Thus, Plaintiff's counsel is qualified to evaluate the class claims, value of settlement versus
24 moving for certification and going to trial, and the viability of possible affirmative defenses. *See Decl.*
25 Rodriguez, ¶¶ 13-20. Plaintiff's counsel believes that the settlement is fair and reasonable in light of the
26 complexities of the case, the uncertainties of class certification and litigation, and the secured benefit to
27 the class. *See id.* at ¶ 6.

28 //

1 **iv. Class Members' Reaction To The Settlement**

2 The overall response by Class Members to the settlement was very positive. Only eight (8)
3 individuals, approximately two percent (2%) of the entire class, opted out. *See* Decl. Kline, ¶ 11.
4 While there was one filed objection by Ms. Salinas, it does not appear to be related to any actual term
5 of the Agreement. *See id.* at ¶ 12. Ms. Salinas references paid family leave and unemployment
6 benefits in her objection, but does not mention how the Agreement would affect those things or in what
7 way she is actually opposed to approval of the Agreement. *See* Exh. D to Decl. Kline. The Complaint
8 does not contain any claims for paid family leave, unemployment benefits, or wrongful termination and
9 constructive discharge based thereon. *See generally* Exhibit B. Plaintiff's claims regarding sick leave
10 pay were only in in regards to failing to pay sick leave under the Healthy Workplaces Healthy Families
11 Act of 2014 at the correct, regular rate of pay. *See* Exhibit B, at 7:9-18; Exhibit A, ¶ 1.33 ("(8) failure
12 to pay regular rate of pay for overtime, paid sick leave and meal period premiums (including the
13 calculation of shift differentials, pay stipends, and bonuses into the regular rate of pay)"). Whatever
14 claims Ms. Salinas may have for paid family leave or unemployment benefits are not affected by the
15 Agreement. Thus, Ms. Salinas' objection should be overruled. Because there was such a small number
16 of individuals opting out of the settlement and the only objection received did not address the terms of
17 the Agreement, the Court should find that the class reaction to the settlement was overwhelmingly
18 positive and supports final approval. *See Dunk*, 48 Cal. App. 4th at 1802; *In re Heritage Bond Litig.*,
19 2005 WL 1594403, at *10 ("It is established that the absence of a large number of objectors to a
20 proposed class action settlement raises a strong presumption that the terms of a proposed class
21 settlement action are favorable to the class members").
22

23 **v. The Settlement is Fair and Reasonable Based on the Strength of Plaintiff's Case**
24 **and the Risks and Costs of Further Litigation**

25 A review of the Agreement's terms does not give rise to any doubts about its fairness. Based on
26 the records and facts of this case, Plaintiff has secured a gross recovery of approximately 37.2% and a
27 net recovery of approximately 22.4% of the claims' likely value. *See id.* at ¶¶ 9-12. Additionally, the
28 average net award per Class Member is approximately \$986.49, the highest possible award is

1 approximately \$3,139.27, and the lowest possible award is approximately \$13.38. *See id.* at ¶ 11. The
2 average payment to each Aggrieved Employee is \$13.59. This settlement is a reasonable compromise
3 of the class and PAGA claims, and is within the percentile ranges of the total available damages that
4 have been approved in other class settlements. *See Wershba*, 91 Cal. App. 4th at 246, 250; *Rebney v.*
5 *Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139 (1990); *Officers for Justice v. Civil Serv. Comm'n*, 688
6 F.2d 615, 628 (9th Cir. 1982); *see also In re Omnivision Technologies, Inc.*, 559 F.Supp.2d 1036, 1042
7 (2007) (noting that certainty of recovery in settlement of 6% of maximum potential recovery after
8 reduction for attorney's fees was higher than median percentage for recoveries in shareholder class
9 action settlements, averaging 2.2%-3% from 2000 through 2002); *Bravo v. Gale Triangle, Inc.*, 2017
10 U.S. Dist. LEXIS 77714 (C.D. Cal. 2017) (approving a settlement where the net recovery to class
11 members was approximately 7.5% of the projected maximum recovery amount); *Avila v. Cold Spring*
12 *Granite Co.*, 2017 U.S. Dist. LEXIS 130878 (E.D. Cal. 2017): (approving a settlement with a gross
13 recovery of 11% of the projected maximum damages available and a net recovery of approximately
14 6.7% of the projected maximum recovery); *Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245 (N.D.
15 Cal 2015) (approving a settlement where the gross recovery was approximately 8.5% of the projected
16 maximum recovery).

17 **vi. The Proposed Settlement is a Reasonable Compromise of Claims**

18 The case of *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116 (2008) requires additional
19 information be presented to the Court, acting as a fiduciary for the absent class members “to ensure that
20 the recovery represents a reasonable compromise, given the magnitude and apparent merit of the claims
21 being released, discounted by the risks and expenses of attempting to establish and collect on those
22 claims by pursuing the litigation” *Id.* at 129. *Munoz v. BCI Coca-Cola Bottling Co. of Los*
23 *Angeles*, 186 Cal. App. 4th 399 (2010), clarified that a *Kullar* showing does not require the parties to
24 submit an illusory prediction of the outer reaches of exposure without taking into account the actual
25 risks of certification, decertification, dispositive motions, and trial. *Kullar* also does not require an
26 explicit statement of the maximum amount the plaintiff class could recover if it prevailed on all its
27 claims provided there is a record that allows “an understanding of the amount that is in controversy and
28 the realistic range of outcomes of the litigation.” *Id.* at 409. The *Munoz* Court found that the record

1 before the trial court was sufficient, having included the number of class members, payroll data,
2 declarations describing hours and overtime worked, as well as variances in duties and rest and meal
3 period experience, and a companion action alleging less than \$5,000,000 in damages. This information
4 constituted “an adequate basis from which to garner a reasonably adequate understanding of the amount
5 that is in controversy within the meaning of *Kullar*.” *Id.*

6 Plaintiff similarly relied upon payroll data and Class Members data to determine the realistic
7 potential damages suffered by the class as a whole. *See Decl. Rodriguez*, ¶¶ 6-12. This analysis
8 allowed Plaintiff to determine the extent and frequency of potential violations on all claims as to all
9 Class Members. *See id.* Ultimately, Plaintiff secured a percentage of the total demand for the putative
10 class that is within the range of what has been found to be sufficient in several other cases. *See, supra*,
11 Section V.c.iv; *see also, e.g., In re Omnivision Technologies, Inc.*, 559 F.Supp.2d at 1042; *Reed v. 1-*
12 *800 Contacts, Inc.*, 2014 U.S. Dist. LEXIS 255 (S.D. Cal. 2014) (approving a settlement of \$11.7
13 million where the maximum range of damages was \$5,000 for each of the alleged 300,000 instances of
14 unlawful recording violations (\$1.5 billion), equaling approximately .78% of the total demand and
15 approximately \$800 per class member). This settlement represents a reasonable compromise given the
16 percentage of the total demand that was secured, the average recovery per Class Member, the Court’s
17 ability and discretion to cut PAGA penalties, and the uncertainty of class certification. *See Decl.*
18 *Rodriguez*, ¶¶ 9-12.

19 **vii. Attorneys Fee’s and Costs, Class Representative Enhancement Payment, and**
20 **Claims Administrator Costs**

21 Pursuant to the Court’s December 15, 2021, Order granting preliminary approval of the class
22 action and PAGA settlement, Plaintiff has filed a separate motion for attorneys’ fees and costs, Class
23 Representative Enhancement Payment, and Settlement Administrator Costs concurrently with this
24 motion to be heard at the same time as this motion.

25 **c. The Notice Procedures Complied With Class Members’ Due Process Rights**

26 Due process requires the best notice practicable under the circumstances. *See Briseno v.*
27 *ConAgra Foods, Inc.*, 844 F.3d 1121, 1129 (9th Cir. 2017); *Noel v. Thrifty Payless, Inc.*, 7 Cal. 5th 955,
28 980-984 (2019). The content of the notice is sufficient if it “generally describes the terms of the

1 settlement in sufficient detail to alert those with adverse viewpoints to investigate and to come forward
2 and be heard,” which includes information regarding “(i) the nature of the action; (ii) the definition of
3 the class certified; (iii) the class claims, issues, or defenses; (iv) that a class member may enter an
4 appearance through an attorney if the member so desires; (v) that the court will exclude from the class
5 any member who requests exclusion; (vi) the time and manner for requesting exclusion; and (vii) the
6 binding effect of a class judgment on members . . .” *Churchill Vill., L.L.C.*, 361 F.3d at 575 (quoting
7 *Mendoza v. United States*, 623 F.2d 1338, 1352 (9th Cir. 1980)); Fed. R. Civ. Proc. 23(c)(2)(B). In the
8 present case, the Court approved Notice of Settlement, Request for Exclusion Form, and Objection
9 Form includes all required information to reasonably inform Class Members about the Agreement, its
10 terms, how to participate, how to exclude oneself, how to submit an objection the proposed Agreement,
11 and Class Members’ estimated individual share. *See* Exhs. A & B to Decl. Kline. Furthermore, the
12 notice procedure enlisted an exhaustive, reasonable process to ensure Class Members receive notice of
13 the settlement and accounts for various unique circumstances that might affect notice. *See generally*
14 Decl. Kline; *see also* Exhibit A, ¶¶ 1.22-1.23, 4.1-4.5, 7.1-7.8.4. The Agreement and preliminary
15 approval filings and order thereon were also available online for Class Members to review. The Court
16 should find that the notice materials and procedures used satisfied Class Members due process rights.

17 **d. Certification of the Class is Appropriate**

18 Class certification is appropriate when (1) the class is ascertainable and (2) there is “a well-
19 defined community of interest in the questions of law and fact involved affecting the parties to be
20 represented.” *Dunk*, 48 Cal. App. 4th at 1806. The “community of interest” element “embodies three
21 factors: (1) common questions of law or fact predominate; (2) class representatives with claims or
22 defenses typical of the class; and (3) class representatives who can adequately represent the class.” *Id.*
23 Here, the parties agree that, for the purposes of settlement, these prerequisites are met. *See* Exhibit A.

24 **i. The Settlement Class is Ascertainable and Sufficiently Numerous**

25 The settlement class is ascertainable because all Class Members can be readily identified
26 through employee personnel and payroll files. *See Noel v. Thrifty Payless, Inc.*, 7 Cal.5th 955, 980
27 (2019); *Rose v. City of Hayward*, 126 Cal.App.3d 926, 932 (1981); *Lee v. Dynamex, Inc.*, 166 Cal. App.
28 4th 1325, 1334 (2008). The numerosity requirement is met because there are 388 individuals who fall

1 within the definition of Class Member who have not opted out, which makes joinder of all members
2 impracticable. *See Gay v. Waiters' & Dairy Lunchmen's Union*, 489 F.Supp. 282 (N.D. Cal. 1980),
3 *aff'd* 694 F.2d 531 (9th Cir. 1982); *Hebbard v. Calgrove*, 28 Cal. App. 3d 1017, 1030 (1972) (noting no
4 set minimum to meet the numerosity prerequisite, but a class as few as twenty-eight (28) members is
5 acceptable). Thus, these requirements are satisfied.

6 **ii. The Commonality, Predominance, and Typicality Requirements are Met**

7 The commonality requirement is met when there are questions of law or fact regarding the class
8 as a whole. *See Hanlon*, 150 F.3d at 1019. Commonality requires only that some common legal or
9 factual questions exist; Plaintiff need not show that all issues in the litigation are identical. *See*
10 *Richmond v. Dart Ind., Inc.*, 29 Cal.3d 462, 473 (1981); *City of San Jose v. Superior Court*, 12 Cal.3d
11 447, 460 (1974). Common questions of law or fact must also predominate over individual questions
12 and class-wide treatment of a dispute must be superior to individual litigation.² *See Richmond*, 29
13 Cal.3d at 469. Predominance requires a putative class be sufficiently cohesive to warrant adjudication
14 by representation. *See Hanlon*, 150 F.3d at 1022. The typicality requirement is met when claims of the
15 named representative are typical of those of the class, though "they need not be substantially identical."
16 *Id.* at 1020; *Classen v. Weller*, 145 Cal. App. 3d 27, 46-47 (1983).

17 The common questions of law and fact in this case stem from Plaintiff's contention that
18 Defendants 1) failed to correctly incorporate the value of the non-discretionary remuneration, such as,
19 but not limited to, shift differentials, pay stipends, and bonuses into Class Member's and Aggrieved
20 Employees' regular rate of pay when calculating overtime, double time, meal and rest period premiums,
21 or sick pay; 2) failed to provide meal and rest periods in compliance with California law due to
22 understaffing and workflow issues, or pay premiums in lieu thereof; 3) failed to pay employees for all
23 hours worked due their failure to pay for time employees spent waiting to clock into work; 4) failed to
24 pay reimbursements for business-related cell phone use; and 5) failed to accurately itemize the hours
25 and wages earned on paystubs issued to Class Members and Aggrieved Employees.. *See Exhibit B.*
26 The waiting time penalties, unfair competition, and PAGA claims are derivative of these violations.
27

28 ²When assessing predominance and superiority, a court may consider that the class will be certified for settlement purposes only and that manageability of trial is therefore irrelevant. *See Amchem Products v. Windsor*, 521 U.S. 591 (1997).

1 *See id.* Plaintiff and the Class Members seek the same remedies under state law. Under these specific
2 circumstances, the commonality and predominance requirements are satisfied. Regarding the typicality
3 requirement, Plaintiff contends she suffered from the same unlawful policies, treatment, and
4 circumstances as Class Members did, will request the same remedies, and will rely on the same
5 methods of proof to establish liability and damages. *See id.* Thus, the typicality requirement is also
6 satisfied for settlement purposes.

7 **iii. The Adequacy Requirement is Met**

8 The adequacy of representation requirement is met if the named representative and counsel have
9 no interests adverse to those of the putative class members and are committed to vigorously prosecuting
10 the case on behalf of the class. *See Hanlon*, 150 F.3d at 1020; *McGhee v. Bank of America*, 60
11 Cal.App.3d 442, 450-51 (1976). Those standards are met here. Under the preliminarily approved
12 Agreement, Plaintiff and participating Class Members will receive a pro rata share of the settlement
13 based on the number of workweeks they worked for Defendants. *See Exhibit A.* Finally, any Class
14 Member who wished to opt-out of the settlement was able to do so, and they were also able to dispute
15 the number of workweeks stated in the Notice of Settlement.

16 There is no conflict of interest between Plaintiff and Class Members. Plaintiff and Plaintiff's
17 counsel have pursued the claims made in the operative Complaint vigorously on behalf of the class.
18 Plaintiff's counsel, with Plaintiff's assistance, thoroughly investigated the claims made in this case by
19 speaking with Plaintiff and reviewing substantial amounts of documents. Plaintiff's counsel thereafter
20 engaged Defendants' counsel in litigation and settlement discussions over the course of approximately
21 six (6) months. Moreover, Plaintiff's counsel has experience defending and bringing wage and hour
22 claims. Because Plaintiff's counsel has vigorously pursued Plaintiff's and the Class Members' claims,
23 the adequacy requirement is met. *See generally* Decl. Rodriguez.

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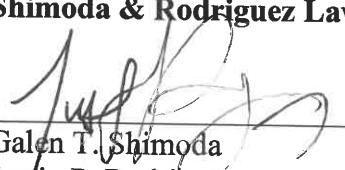
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1 **VII. CONCLUSION**

2 For all of the foregoing reasons, Plaintiff respectfully requests that this Court certify the class
3 for settlement purposes; grant final approval to the proposed settlement, find that Notice of Settlement,
4 Request for Exclusion Form, and Objection Form and administration process satisfied Class Members'
5 due process rights; and approve the proposed order and judgment submitted concurrently herewith.
6

7 Dated: April 4, 2022

Shimoda & Rodriguez Law, PC

8
9 By: 

10 Galen T. Shimoda

Justin P. Rodriguez

11 Attorneys for Plaintiff
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individually and on behalf of similarly situated employees
6
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.
18
19

Case No. CVRI2102264

CLASS ACTION

**EXHIBIT LIST AND EXHIBITS IN
SUPPORT OF PLAINTIFF'S MOTION FOR
FINAL APPROVAL OF CLASS ACTION
AND PAGA SETTLEMENT**

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

*[Filed concurrently with Plaintiff's Motion for
Attorneys Fees' and Costs, Class Representative
Enhancement Payment, and Settlement
Administrator Costs]*

Date: April 28, 2022

Time: 8:30 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>
A	Joint Stipulation Regarding Class Action and PAGA Settlement and Release
B	Plaintiff's Operative Complaint
C	Plaintiff's Letter to the LWDA Regarding PAGA Claims
D	Proof of Submission of Proposed Settlement Agreement to LWDA

Dated: April 4, 2022

Shimoda & Rodriguez Law, PC

By: _____

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Justin P. Rodriguez
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EXHIBIT A

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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);

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

3 2.2 The LWDA did not respond to the notice within the statutorily required time frame and,
4 as such, Plaintiff became authorized to act as a Private Attorneys General on all alleged PAGA claims.

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

12 2.4 Through informal discovery, Defendants and Defendants' Counsel provided Class
13 Counsel with copies of all applicable versions of its policies and procedures, employee handbooks,
14 payroll information for Aggrieved Employees and Class Members including, but not limited to, the
15 number of workweeks and pay periods at issue within the Class Period and PAGA Claim Period, dates of
16 employment, total number of Class Members and Aggrieved Employees, average rates of pay, and
17 timecard data and payroll reports for a randomly selected sample of Class Members and Aggrieved
18 Employees.

19 2.5 After Class Counsel received and analyzed the data, they participated in a lengthy
20 mediation with private mediator Lisa Klerman on September 8, 2021. At the conclusion of the mediation,
21 the Parties were able to come to a resolution on essential terms, which was further memorialized and
22 detailed through this Agreement. At all times, the Parties' settlement negotiations have been non-
23 collusive, adversarial, and at arm's length.

24 2.6 Discussions between Plaintiff and Class Counsel, between counsel for the Parties,
25 document productions, extensive legal analysis, the provision of information by Defendants to Class
26 Counsel and the detailed analysis of the records, including expert analysis, have permitted each side to
27 assess the relative merits of the claims and the defenses to those claims.
28

2.7 In the Action, Plaintiff contends that Defendants violated California law 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 waiting time penalties, unfair competition, and PAGA claims are derivative of these violations. Defendants have denied each of Plaintiff's claims and Defendants have denied that this Action is appropriate for class certification for anything other than settlement purposes. The agreed upon Gross Settlement Amount was reached after evaluating the Parties' theories of potential exposure for the underlying claims and the class data supporting these claims. The Parties, with the assistance of the mediator, also assessed appropriate discounts to the potential liability based on Defendants' factual and legal contentions and defenses.

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

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

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

10 2.10 The Parties agree that the above-described investigation and evaluation, as well as
11 discovery and the information exchanged to date, are more than sufficient to assess the merits of the
12 respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff, Class
13 Counsel, Defendants, and Defendants' Counsel have concluded that it is desirable that the Action be
14 settled in a manner and upon such terms and conditions set forth herein in order to avoid further expense,
15 inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the
16 Parties potentially face in the Action. Therefore, the Parties desire to resolve the claims in the Action.
17 Plaintiff, Class Counsel, Defendants, and Defendants' Counsel are of the opinion that the Agreement is a
18 fair, reasonable, and adequate compromise of the disputed claims in light of all known facts and
19 circumstances and warrants approval by the Court.

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

21 3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose
22 of settling the Action. This Agreement and the settlement it evidences are made in compromise of disputed
23 claims. Because the Action was pled as a class action, this Agreement must receive preliminary and final
24 approval by the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a
25 conditional basis. If the Court does not enter an order granting final approval of the Agreement, or if the
26 Court's approval of the settlement is reversed or materially modified on appellate review, this Agreement
27 shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or
28 utilized for any purpose whatsoever; and the negotiation, terms and entry of the Agreement shall remain

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

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

4. SCOPE OF THE CLASS

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

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

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

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

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

6 5.5 PAGA Payment: Fifteen Thousand Dollars (\$15,000) of the Gross Settlement Amount
7 shall be allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment
8 will be paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees on a *pro*
9 *rata* basis as described below in Section 5.8. Any amount not approved by the Court for the allocated
10 PAGA Payment shall be added to the Net Settlement Amount to be distributed to Qualified Claimants on
11 a pro rata basis.

12 5.6 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount or
13 PAGA Payment allocated to Qualified Claimants and/or Aggrieved Employees that were not claimed by
14 cashing their respective settlement checks before the deadline to do so, that remaining amount shall be
15 donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc. and the Center for Workers Rights. No portion of
16 the Gross Settlement Amount will revert to Defendants for any reason.

17 5.7 No Additional Benefits Contributions: All Claim Amounts paid to Qualified Claimants
18 and Aggrieved Employees shall be deemed to be income solely in the year in which such amounts were
19 actually received. It is expressly understood and agreed that the receipt of such Claim Amounts will not
20 entitle any Qualified Claimant or Aggrieved Employee to any new or additional compensation or benefits
21 under any company bonus or other compensation or benefit plan or agreement in place during the period
22 covered by the Agreement, nor will it entitle any Qualified Claimant Aggrieved Employee to any increased
23 retirement, 401(k) and/or 403(b) benefits or matching benefits, or deferred compensation benefits. It is
24 the intent of this Agreement that the Claim Amounts provided for in this Agreement are the sole payments
25 to be made by Defendants to the Qualified Claimants and Aggrieved Employees in connection with this
26 Agreement (notwithstanding any contrary language or agreement in any benefit or compensation plan
27 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

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

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

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

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

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

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

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

13 7.2 Notice to Class Members and Aggrieved Employees: Defendants warrant that Class
14 Members and Aggrieved Employees are all over the age of eighteen (18) and are able to read, write, and
15 understand English such that no translation of the Notice of Settlement, Request for Exclusion Form, or
16 Objection Form is required. The nature of Class Members' and Aggrieved Employees' employment
17 required a well educated workforce with a strong ability to communicate in, and understand, English. The
18 Notice of Settlement will provide Class Members and Aggrieved Employees with a summary of the terms
19 and conditions of the Agreement, how to participate in the settlement, how to object to the Agreement,
20 how to dispute the individual's Qualifying Workweeks, and how to opt-out from the Agreement. Class
21 Members and Aggrieved Employees will be provided with a Request for Exclusion Form and an Objection
22 Form along with the Notice of Settlement for these purposes. The Notice of Settlement will also inform
23 Class Members and Aggrieved Employees of the Gross Settlement Amount, Net Settlement Amount,
24 proposed attorneys' fees and costs allocations, any proposed Enhancement Payments, proposed Settlement
25 Administrator Cost allocations, proposed PAGA Payment allocations, Defendants' Offset, the scope of
26 the class, the nature and extent of the released claims, dates set for a fairness hearing and hearing on Class
27 Counsels' motion for attorneys' fees and costs. The Notice of Settlement shall include information
28 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

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

8 7.5 Responses to Notice of Settlement:

9 7.5.1 *Request for Exclusion:* The Notice of Settlement shall provide that Class Members
10 who wish to exclude themselves from the Agreement must submit a complete and timely Request for
11 Exclusion Form. The Request for Exclusion Form must be post-marked no later than the conclusion of
12 the Notice Period or the re-mailing timeline stated in Section 7.4. The Class Member must personally
13 sign the Request for Exclusion Form. No Request for Exclusion Form may be made on behalf of a group
14 of Class Members. The date of the postmark on the return-mailing envelope shall be the exclusive means
15 used to determine whether a Request for Exclusion Form has been timely submitted. Any Class Member
16 who submits a timely and complete Request for Exclusion Form will not be entitled to any benefit of the
17 Agreement as a Class Member, will not be bound by the Agreement, nor will they have any right to object,
18 appeal or comment thereon. Class Members who fail to submit a complete and timely Request For
19 Exclusion Form shall be bound by all terms of the Agreement and any order or final judgment thereon,
20 regardless of whether they otherwise have requested to opt-out of the Agreement. Aggrieved Employees
21 cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA Claims regardless
22 of whether they opt out of being a Class Member.

23 7.5.2 *Objection Procedures:* Any Class Member who does not opt-out but who wishes
24 to object to this Agreement or otherwise to be heard concerning this Agreement a complete and timely
25 Objection Form to the Settlement Administrator, who will serve copies of the Objection Form on Class
26 Counsel and Defendants' Counsel. The Notice of Settlement shall make clear that the Court can only
27 approve or deny the Agreement, not change the terms of the Agreement. The Objection Form must be
28

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

3 7.5.3 *Dispute Procedures:* Any Class Member who disputes the number of Qualifying
4 Workweeks on the Notice of Settlement shall contact the Settlement Administrator. The dispute must (a)
5 identify the nature of the dispute; (b) provide any information or documentation supporting the dispute;
6 (c) be signed; and (d) be post-marked no later than the conclusion of the Notice Period or the re-mailing
7 timeline stated in Section 7.4. The Settlement Administrator shall promptly (in no event more than two
8 business days) forward all such disputes to Defendants' Counsel and request that Defendants review the
9 dispute. Defendants' records shall presumptively control unless the Class Member can produce
10 documentation evidencing other periods of employment worked. If Defendants agree with submitted
11 information, the Class Member shall be credited or subtracted Qualifying Workweeks in accordance with
12 their submitted dispute and that final number of Qualified Workweeks shall govern the calculation of that
13 Class Member's Claim Amount. If Defendants do not agree with the submitted information, Defendants'
14 Counsel will promptly advise Class Counsel of the dispute, which includes turning over any
15 documentation submitted by the Class Member as part of the dispute. Defendants' Counsel and Class
16 Counsel shall attempt in good faith to resolve any such dispute within five (5) calendar days of Class
17 Counsel being advised of the dispute. Each dispute that Defendants' Counsel and Class Counsel cannot
18 timely resolve shall be resolved by the Settlement Administrator or Court.

19 7.5.4 *Deficient Request for Exclusion Forms, Objection Forms, and/or Disputes:* In the
20 event that a deficient Request for Exclusion Form, Objection Form, or dispute is received on or before the
21 conclusion of the Notice Period, the Settlement Administrator shall mail a letter to the Class Member
22 within five (5) calendar days informing them of the deficiency. If a deficiency letter is mailed to a Class
23 Member, the deadline for the Class Member to cure the deficiency shall be the end of the Notice Period
24 or 10 calendar days from the date of the deficiency letter, whichever is later.

25 7.6 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.1
26 to 7.5.4 shall constitute due and sufficient notice to Class Members of the Action and the Agreement and
27 shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Class
28

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

3 7.7 Settlement Administrator Declaration Regarding Notice Period: Within twenty-one (21)
4 calendar days after the conclusion of the Notice Period, the Settlement Administrator shall provide Class
5 Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete
6 and detailed report regarding the statistics and responses of settlement administration to date and all the
7 Settlement Administrators' obligations under Sections 5.8 to 5.10.3, 7.1 to 7.5.4, and 7.9.

8 7.8 Settlement Administrator Payments to Qualified Claimants, Class Counsel and Plaintiff:
9 Within seven (7) calendar days after the Final Approval Date and the Court's determination of the amount
10 of attorneys' fees and costs payable to Class Counsel; the Enhancement Payment payable to Plaintiff, the
11 PAGA Payment, and Settlement Administrator Costs, the Settlement Administrator shall calculate the
12 final Net Settlement Amount, the final Claim Amounts for Qualified Claimants and/or Aggrieved
13 Employees, any applicable taxes thereon, and report the results of these calculations Class Counsel and
14 Defendants' Counsel. Defendants shall wire the Gross Settlement Amount and applicable taxes necessary
15 to fund the Settlement as described in Section 5.1 and 5.8 to the Settlement Administrator within twenty-
16 one (21) calendar days after the Final Approval Date to be to be held in trust in a QSF. Within twenty-
17 eight (28) calendar days after the Effective Date, the Settlement Administrator shall deliver payment of
18 Class Counsels' attorney's fees and costs, the Enhancement Payment payable to Plaintiff, the 75% portion
19 of the PAGA Payment payable to the LWDA, Settlement Administrator Costs, and payment to Qualified
20 Claimants and/or Aggrieved Employees as required under this Agreement and approved by Court.

21 7.8.1 The Settlement Administrator shall send, via UPS or other similar overnight carrier
22 that allows for tracking of delivery, a check for the Court-approved attorneys' fees and costs to Class
23 Counsel unless other method is requested by Class Counsel. Class Counsel shall provide the Settlement
24 Administrator with the pertinent taxpayer identification number and payment instructions after the Final
25 Approval Date.

26 7.8.2 The Settlement Administrator shall send a check by mail for the Court-approved
27 Enhancement Payment to the Class Representative, care of Class Counsel unless other method is requested
28 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

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;

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

3 9.1.2 Defendants shall not oppose Plaintiff's motion for approval of the proposed
4 Agreement.

5 9.1.3 The Parties shall cooperate with each other and the Settlement Administrator during
6 the process of giving Class Members notice and opportunity to object to the Agreement, as necessary and
7 appropriate to assure effective communication to individual Class Members of information about their
8 rights and obligations under this Agreement.

9 9.2 Final Approval and Fairness Hearing: On a date approved by the Court and set forth in the
10 Notice of Settlement, the Court shall hold the Final Approval and Fairness Hearing where objections, if
11 any, may be heard. Class Counsel shall provide the Court as part of the motion for final approval of the
12 Agreement, a declaration by the Settlement Administrator of due diligence and proof of mailing of the
13 Notice of Settlement, Request for Exclusion Form, and Objection Form required to be mailed to Class
14 Members by this Agreement, and of the delivery results of the Claim Administrator's mailings including
15 tracing and re-mailing efforts.

16 9.2.1 Class Counsel will submit a proposed order and judgment for final approval, which
17 shall include findings and orders: 1) Approving the Agreement, adjudging the terms thereof to be fair,
18 reasonable and adequate, and directing that its terms and provisions be carried out; 2) Approving the
19 payment of an Enhancement Payment to the Class Representative; 3) Approving Class Counsel's
20 application for an award of attorneys' fees and reimbursement of out-of-pocket litigation expenses; 4)
21 Approving the Settlement Administrator Costs; and 5) Providing that the Court will retain jurisdiction to
22 oversee administration and enforcement of the terms of the Agreement and the Court's orders.

23 9.2.2 Following entry of the Court's Order granting final approval of the Agreement, the
24 Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the
25 following: 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside
26 the judgement be filed, all parties will support the final approval order on appeal or otherwise; 2) Class
27 Counsel will assist the Settlement Administrator as needed or requested in the process of identifying and
28 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(l)(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

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

3 10.5 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set
4 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
5 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

6 10.6 Judgment and Retention of Jurisdiction to Enforce: Upon the Final Approval Date,
7 judgment will be entered according to this Agreement, with the Court to retain jurisdiction over the parties
8 to enforce the terms therein.

9 10.7 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish
10 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to,
11 execution of such other documents and the taking of such other action as may reasonably be necessary to
12 fulfill the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including
13 all efforts contemplated by this Agreement and any other efforts that may become necessary by Court
14 order, or otherwise, to effectuate this Agreement and the terms set forth herein.

15 10.8 No Admission of Liability: Neither the acceptance nor the performance by Defendants of
16 the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to
17 be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the
18 Complaint, the representative character of the Action, the validity of any of the claims that were or could
19 have been asserted by Plaintiff and/or Class Members in the Action, or of any liability or guilt of
20 Defendants in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by
21 Defendants of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Class Members,
22 or any other person, and Defendants specifically disclaim any liability, culpability, negligence, or
23 wrongdoing toward Plaintiff, the Class Members, or any other person. Each of the Parties has entered
24 into this Stipulation with the intention to avoid further disputes and litigation.

25 10.9 Notices: Unless otherwise specifically provided herein, all notices, demands, or other
26 communications given hereunder shall be in writing and shall be deemed to have been duly given as of
27 the third business day after mailing by United States certified mail, return receipt requested, addressed as
28 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
 20 _____

DocuSigned by:
 Sara Franco
 CFAF83C03177491...
 Sara Franco

22 **FOR Defendants:**

23 Date: _____
 24 _____

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

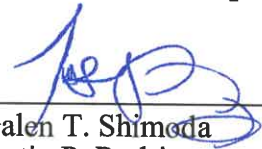
26 Date: _____
 27 _____

By: David Burke
 For Rancho Health Mso, Inc.

APPROVED AS TO FORM

Shimoda Law Corp.

Dated: 12/7/21

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

APPROVED AS TO FORM

MCDERMOTT WILL & EMERY LLP

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 (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 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 [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 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 [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 B

7/7/2021

A. Fluker

Electronically Filed

Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
Brittany V. Berzin (Cal. State Bar No. 325121)
Jessica L. Hart (Cal. State Bar No. 331441)
Shimoda Law Corp.
9401 East Stockton Boulevard, Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
Facsimile: (916) 760-3733

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

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

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

Plaintiff,

vs.

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

Defendants.

Case No. CVRI2102264

CLASS ACTION

**FIRST AMENDED COMPLAINT FOR
DAMAGES:**

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
8. Unfair Competition
9. Private Attorneys General Act

DEMAND FOR JURY TRIAL

Plaintiff SARA FRANCO ("Plaintiff"), on behalf of herself and all other similarly situated employees, hereby files this Complaint against Defendants RANCHO FAMILY MEDICAL GROUP, INC., a California Corporation; RANCHO HEALTH MSO, INC., a Delaware Corporation; and DOES 1 to 100, inclusive (hereinafter all collectively referred to as "Defendants"). On information and belief, Plaintiff alleges the following:

//

1 **INTRODUCTION**

2 1. This is a class action lawsuit brought by Plaintiff for failure to provide overtime wages,
3 failure to pay all minimum wages, meal and rest period violations, failure to reimburse expenses, wage
4 statement violations, waiting time penalties, and unfair competition. Plaintiff has also alleged a Private
5 Attorneys General Act ("PAGA") cause of action.

6 **JURISDICTION AND VENUE**

7 2. The Riverside County Superior Court has jurisdiction in this matter pursuant to California
8 Code of Civil Procedure section 410.10 to determine alleged violations of the California Labor Code,
9 California Business and Professions Code, and Wage Order No. 4.

10 3. Venue is proper pursuant to Civil Procedure Code sections 395(a) and 395.5, in that some
11 of the wrongful acts and violations of law asserted herein occurred within Riverside County.
12 Additionally, Defendants' obligation to pay wages, including violations of California Labor Code and
13 the applicable Industrial Welfare Commission Wage Order ("Wage Order") arose in Riverside County
14 pursuant to *Madera Police Officers Assn. v. City of Madera*, 36 Cal.3d 403, 414 (1984).

15 4. Plaintiff sought permission pursuant to Labor Code section 2699 *et seq.* to pursue the
16 claims set forth in this Complaint against Defendants as a Private Attorney General on behalf of herself
17 and other similarly situated employees. Pursuant to Labor Code section 2699.3, Plaintiff gave written
18 notice via online submission to the Labor and Workforce Development Agency ("LWDA") on
19 approximately April 29, 2021. Plaintiff provided facts and legal bases for her claims within the notice to
20 the LWDA on all violations asserted under the Private Attorneys General Act cause of action. Plaintiff
21 submitted the \$75.00 filing fee. The April 29, 2021, notice was also sent via certified mail to
22 Defendants on the same day. Plaintiff is informed and believes, that to date, the LWDA has not
23 provided any response to Plaintiff's notice correspondence. Accordingly, Plaintiff is informed and
24 believes that she has exhausted all administrative remedies pursuant to the Private Attorneys General
25 Act and may bring this action on behalf of herself and all similarly situated employees (*i.e.* Aggrieved
26 Employees). *See* Cal. Labor Code § 2699.3(a)(2)(A), (c)(3); *Caliber Bodyworks, Inc. v. Sup. Ct.*, 134
27 Cal.App.4th 365, 383 n.18, 385 n.19 (2005).

1 **PARTIES**

2 5. SARA FRANCO is an individual over the age of eighteen (18) and is a resident of the
3 State of California.

4 6. On information and belief, Plaintiff alleges, RANCHO FAMILY MEDICAL
5 GROUP, INC., is now and/or at all times mentioned in this Complaint was a California Corporation
6 and the owner and operator of an industry, business and/or facility doing business in the State of
7 California.

8 7. On information and belief, Plaintiff alleges, RANCHO HEALTH MSO, INC., is now
9 and/or at all times mentioned in this Complaint was a Delaware Corporation and the owner and
10 operator of an industry, business and/or facility doing business in the State of California.

11 8. Defendants DOES 1 through 100 are affiliates, subsidiaries, and related entities and the
12 alter egos of each of the other Defendants named herein, corporate, or otherwise, who participated in
13 and are liable for the actions herein alleged. Plaintiff will seek to amend this Complaint to allege the
14 true names and capacities of these DOE Defendants when they are ascertained. At all times mentioned
15 herein, each Defendant was the agent or employee of each of the other Defendants and was acting within
16 the course and scope of such agency or employment. The Defendants are jointly and severally liable to
17 Plaintiff.

18 9. At all times mentioned herein, each Defendant was the agent or employee of each of the
19 other Defendants and was acting within the course and scope of such agency or employment. The
20 Defendants are jointly and severally liable to Plaintiff.

21 10. Defendants, and each of them, are now and/or at all times mentioned in this Complaint
22 were members of and/or engaged in a joint employment, joint venture, partnership and common
23 enterprise, and were acting within the course and scope of, and in pursuance of said joint employment,
24 joint venture, partnership and common enterprise.

25 11. Defendants, and each of them, now and/or at all times mentioned in this Complaint
26 approved, ratified, acquiesced, aided or abetted the acts and omissions alleged in this Complaint.

27 12. Defendants proximately caused Plaintiff to be subjected to the unlawful practices,
28 wrongs, complaints, injuries and/or damages alleged in this Complaint.

1 **CLASS ALLEGATIONS**

2 13. Plaintiff brings the First through Eighth Causes of Action on behalf of herself and all
3 others similarly situated as a class action pursuant to California Code of Civil Procedure section 382.
4 The class which Plaintiff seeks to represent is composed of, and defined, as follows:

5 Plaintiff and all similarly situated, non-exempt employees who have or
6 continue to work for Defendants in California from May 10, 2017, to the
7 present.

8 14. This action has been brought and may be properly maintained as a class action,
9 pursuant to the provision of California Code of Civil Procedure section 382, because there is a well-
10 defined community of interests in the litigation and the proposed class is easily ascertainable.

11 (a) Numerosity: The putative class is so numerous that the individual joinder of all members
12 is impracticable under the circumstances of this case. While the exact number of class
13 members is unknown to Plaintiff at this time, Plaintiff is informed and believes that
14 Defendants have employed as many as five hundred (500) individuals falling within the
15 above stated class definition throughout the State of California during the applicable
16 statute of limitations, who were subjected to the policies and practices outlined in this
17 Complaint. As such, joinder of all members of the putative class is not practicable.

18 (b) Common Questions Predominate: Common questions of law and fact exist as to all
19 members of the putative class and predominate over questions that affect only individual
20 members of the class. These common questions of law and fact include, without
21 limitation, the following:

- 22 i. Whether Defendants paid putative class members for all hours worked;
23 ii. Whether Defendants paid all overtime wages owed;
24 iii. Whether Defendants failed to correctly calculate putative class members' regular
25 rate of pay;
26 iv. Whether Defendants maintained accurate payroll records;
27 v. Whether Defendants failed to authorize and permit all meal and rest periods;
28

- 1 vi. Whether, as a result of Defendants' policies and practices, Plaintiff and putative
2 class members were not authorized and permitted to take all meal and rest periods
3 owed;
- 4 vii. Whether, as a result of Defendants' policies and practices, Plaintiff and putative
5 class members received all reimbursements owed;
- 6 viii. Whether, as a result of Defendants' policies and practices, Plaintiff and putative
7 class members received all minimum and overtime wages due;
- 8 ix. Whether, as a result of Defendants' policies and practices, Plaintiff and putative
9 class members received all wages, due and owing, at the time of their termination
10 or separation; and
- 11 x. Whether Defendants provided Plaintiff and putative class members with wage
12 statements that complied with Labor Code section 226.

13 (c) Typicality: Plaintiff's claims are typical of the claims of the members of the putative
14 class. The putative class also sustained damages arising out of Defendants' common
15 course of conduct in violation of the law as complained of herein. Plaintiff and all
16 members of the putative class were non-exempt employees who were not paid minimum
17 and overtime wages, meal and rest period premiums, and reimbursements arising out of
18 Defendants' common course of conduct in violation of the law, as complained of herein.
19 Additionally, Defendants issued Plaintiff and all members of the putative class wage
20 statements that did not comply with Labor Code section 226. As a result, Plaintiff and
21 each member of the putative class have suffered the same type of harm and seek the same
22 type of recovery based on the same legal theories.

23 (d) Adequacy: Plaintiff will fairly and adequately protect the interests of the members of the
24 putative class. For all relevant times, Plaintiff resided in California and worked for
25 Defendants in California. Moreover, Plaintiff is an adequate representative of the
26 putative class as Plaintiff has no interests that are adverse to those of putative class
27 members. Additionally, Plaintiff has retained counsel who has substantial experience in
28 complex civil litigation and wage and hour matters.

1 (e) Superiority: A class action is superior to other available means for the fair and efficient
2 adjudication of the controversy since individual joinder of all members of the putative
3 class is impracticable. Class action treatment will permit a larger number of similarly
4 situated persons to prosecute their common claims in a single forum simultaneously,
5 efficiently, and without the unnecessary duplication of effort and expense that numerous
6 individual actions would engender. Further, as damages suffered by each individual
7 member of the class may be relatively small, the expenses and burden of the individual
8 litigation would make it difficult or impossible for individual members of the class to
9 redress the wrongs done to them, and an important public interest will be served by
10 addressing the matter as a class action. The cost to the court system of adjudication of
11 such individualized litigation would be substantial. Individualized litigation would also
12 present the potential for inconsistent or contradictory judgments.

13 15. Plaintiff is unaware of any difficulties that are likely to be encountered in the
14 management of this action that would preclude its maintenance as a class action.

15 GENERAL ALLEGATIONS

16 16. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 15 as though fully
17 set forth herein.

18 17. Plaintiff worked for Defendants from approximately September 2017 through March
19 2021, as a non-exempt appointment clerk and registration coordinator. Defendants operate a family
20 medical practice in twelve (12) different locations across California.

21 18. When Defendants first hired Plaintiff, she worked out of the Single Oak location in
22 Temecula, until she transferred to the Cal Oaks location in Murrieta. When Defendants terminated
23 Plaintiff in March 2021, she was making \$18.00 per hour, not including an additional bonus of .40 per
24 hour for being Spanish speaker and a productivity/shift lead bonus.

25 19. Similarly situated employees also worked for Defendants as non-exempt employees.
26 Plaintiff and similarly situated employees regularly worked over eight (8) hours in a day and/or forty
27 (40) hours in a week, incurring overtime. Plaintiff and similarly situated employees were also paid non-
28

1 discretionary remuneration, such as bonuses, for speaking Spanish and other types of merit and
2 productivity bonuses.

3 20. Due to Defendants' policies and staffing and workflow issues, Plaintiff and similarly
4 situated employees were not authorized and permitted to take all meal and rest periods they were entitled
5 to, being paid meal period premiums on occasions. Additionally, Defendants did not correctly
6 incorporate the value of the non-discretionary remuneration, such as bonuses, into Plaintiff and similarly
7 situated employees' regular rate of pay when calculating overtime, double time, meal and rest period
8 premiums, or sick leave pay.

9 21. With respect to sick leave pay, Plaintiff and similarly situated employees, like all
10 employees in California, had paid sick leave available to them under the Healthy Workplaces Healthy
11 Families Act of 2014. Plaintiff and similarly situated employees took sick days and used the paid sick
12 leave available to them. Plaintiff and similarly situated employees also earned nondiscretionary
13 remuneration, such as bonuses, from Defendants. During those instances where Defendants paid
14 Plaintiff nondiscretionary remuneration, such as bonuses, and Plaintiff and similarly situated employees
15 used paid sick leave, Defendants failed to pay the sick leave at the correct regular rate of pay.
16 Defendants failed to incorporate the value of nondiscretionary remuneration, such as bonuses, into
17 Plaintiff's and similarly situated employees' regular rates of pay for the purpose of paying paid sick
18 leave. As a result, Plaintiff and similarly situated employees were not paid all wages owed to them.

19 22. Defendants also failed to pay Plaintiff and similarly situated employees for all hours
20 worked. Plaintiff and similarly situated employees would often have to wait up to five (5) minutes after
21 they arrived at work for the computer to boot up and allow them to clock in. Plaintiff and similarly
22 situated employees were not paid for this time. As a result, Plaintiff and similarly situated employees
23 were not paid at least the minimum wage for each hour they worked. Defendants also failed to maintain
24 accurate records of the hours Plaintiff and similarly situated employees worked.

25 23. Defendants further failed to pay Plaintiff and similarly situated employees for use of their
26 personal cell phones for work purposes until approximately March 2021, when they started paying
27 employees \$15.00 per pay period for cell phone reimbursement.
28

24. Finally, Defendants failed to provide Plaintiff and similarly situated employees with legally compliant paystubs. The wage statements Defendants issued to Plaintiff and similarly situated employees did not state the correct amount of gross and net wages earned and all applicable hourly rates in effect. As a result, Plaintiff and similarly situated employees were not able to determine the total wages owed to them from their paystubs alone.

25. At the time of Plaintiff's and similarly situated employees' separation or termination, they had wages due and owing to them. To date, Defendants have not paid these wages to Plaintiff and similarly situated employees.

CAUSES OF ACTION

FIRST CAUSE OF ACTION
FAILURE TO PAY OVERTIME WAGES
(As to all Defendants)

26. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 25 as though fully set forth herein.

27. During the period Plaintiff was employed by Defendants, Defendants were required to compensate Plaintiff at one and one-half (1½) times the regular rate of pay for hours worked in excess of eight (8) hours per day and/or forty (40) hours per week, and two (2) times the regular rate of pay for hours worked in excess of twelve (12) hours per day. *See, e.g.*, IWC Wage Order No. 4, section (3)(A); Cal. Lab. Code §§ 510, 1194.

28. Plaintiff and similarly situated employees worked in excess of eight (8) hours per day and/or forty (40) hours per week on several occasions while employed by Defendants. However, Defendants failed to compensate Plaintiff and similarly situated employees for all overtime hours worked at their regular rate of pay.

29. Plaintiff and similarly situated employees were not exempt from overtime protections employees under the California Wage Orders and Labor Code.

30. As a proximate result of Defendants' conduct, Plaintiff and similarly situated employees have been damaged as stated in the section below entitled "DAMAGES," which is incorporated here to the extent pertinent as if set forth here in full.

//

SECOND CAUSE OF ACTION
FAILURE TO PAY MINIMUM WAGES
(As to all Defendants)

31. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 30 as though fully set forth herein.

32. For the period preceding the filing of this Complaint, Defendants were required to compensate Plaintiff and similarly situated employees with at least California's applicable minimum for every hour worked. *See* MW-Order 2019; IWC Wage Order, No. 4, section 4(A); Cal. Lab. Code § 1194.

33. Plaintiff was not exempt to the State's Minimum Wage Order. Defendants aware of their obligation to pay the minimum wage for each hour worked but failed to do so.

34. As a proximate result of Defendants' conduct, Plaintiff and similarly situated employees have been damaged as stated in the section below entitled "DAMAGES," which is incorporated here to the extent pertinent as if set forth here in full.

THIRD CAUSE OF ACTION
MEAL PERIOD VIOLATIONS
(As to all Defendants)

35. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 34 as though fully set forth herein.

36. An employer must provide an employee a meal period in accordance with the applicable Wage Order, and California Labor Code sections 226.7 and 512.

37. California Labor Code sections 226.7 and 512 and IWC Wage Order No. 4, section 11(A) require an employer to provide an uninterrupted meal period of not less than thirty (30) minutes for each work period of more than five (5) hours.

38. California Labor Code section 512 and Wage Order No. 4 section 11(B) further provide that employers may not employ employees for a work period for more than ten (10) hours per day without providing the employee with a second meal period of at least thirty (30) minutes. However, if the total hours worked is no more than twelve (12) hours, the second meal period may be waived so long as there was no waiver as to the first meal period. Employees are entitled to one (1) hour of pay at their regular rate of compensation for each meal period not provided.

39. Defendants employed Plaintiff and similarly situated employees for periods of more than five (5) hours without providing meal breaks of at least thirty (30) minutes or a second meal period of at least thirty (30) minutes when Plaintiff and similarly situated employees worked more than ten (10) hours in a day. Defendants also failed to allow Plaintiff and similarly situated employees to take their first meal period before the completion of their fifth hour of work and failed to allow Plaintiff and similarly situated employees to take their second meal period before the completion of their tenth hour of work. Plaintiff and similarly situated employees did not waive their rights to all meal periods throughout their employment.

40. Defendants further failed to pay Plaintiff and similarly situated employees the applicable meal period premiums for any such missed meal breaks.

41. As a proximate result of Defendants' conduct, Plaintiff and similarly situated employees have been damaged as stated in the section below entitled "DAMAGES," which is incorporated here to the extent pertinent as if set forth here in full.

FOURTH CAUSE OF ACTION
REST PERIOD VIOLATIONS
(As to all Defendants)

42. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 41 as though fully set forth herein.

43. An employer must provide an employee a rest period in accordance with the applicable Wage Order and California Labor Code section 226.7.

44. California Labor Code section 226.7 and Wage Order No. 4, section 12(A) require an employer to provide a rest period of not less than ten (10) minutes for each work period of more than four (4) hours or a major fraction thereof.

45. Plaintiff alleges that Defendants failed to authorize and permit Plaintiff and similarly situated employees to take paid rest periods of at least ten (10) minutes for each work period that they worked more than four (4) hours or a major fraction thereof.

46. Defendants further failed to pay Plaintiff and similarly situated employees the applicable rest period premiums for any such missed rest periods.

1 47. As a proximate result of Defendants' conduct, Plaintiff and similarly situated
2 employees have been damaged as stated in the section below entitled "DAMAGES," which is
3 incorporated here to the extent pertinent as if set forth here in full.

4
5 **FIFTH CAUSE OF ACTION**
6 **WAGE STATEMENT VIOLATIONS**
7 **(As to all Defendants)**

8 48. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 47 as though fully
9 set forth herein.

10 49. Pursuant to California Labor Code section 226(a), an employer must provide an itemized
11 statement to an employee, semimonthly or at the time of each payment of wages, showing:

12 *(1) gross wages earned, (2) total hours worked by the employee, except for*
13 *any employee whose compensation is solely based on a salary and who is*
14 *exempt from payment of overtime under subdivision (a) of Section 515 or*
15 *any applicable order of the Industrial Welfare Commission, (3) the*
16 *number of piece-rate units earned and any applicable piece rate if the*
17 *employee is paid on a piece-rate basis, (4) all deductions, provided that*
18 *all deductions made on written orders of the employee may be aggregated*
19 *and shown as one item, (5) net wages earned, (6) the inclusive dates of the*
20 *period for which the employee is paid, (7) the name of the employee and*
21 *the last four digits of his or her social security number or an employee*
22 *identification number other than a social security number, (8) the name*
23 *and address of the legal entity that is the employer and, if the employer is*
24 *a farm labor contractor, as defined in subdivision (b) of Section 1682, the*
25 *name and address of the legal entity that secured the services of the*
26 *employer, and (9) all applicable hourly rates in effect during the pay*
27 *period and the corresponding number of hours worked at each hourly rate*
28 *by the employee. The deductions made from payment of wages shall be*
recorded in ink or other indelible form, properly dated, showing the
month, day, and year, and a copy of the statement and the record of the
deductions shall be kept on file by the employer for at least three years at
the place of employment or at a central location within the State of
California.

50. Plaintiff alleges that Defendants intentionally and knowingly failed to provide an
itemized statement or failed to provide an accurate and complete itemized statement showing the
requirements set forth in California Labor Code section 226(a). Specifically, Defendants did not
accurately itemize all applicable hourly rates in effect during the pay period, all regular, overtime
and double time hours worked and corresponding rates of pay, and gross and net wages earned.
Plaintiff and similarly situated employees were not able to promptly and easily determine their total
hours worked from their paystubs alone. Additionally, Plaintiff and similarly situated employees

1 suffered confusion over whether they received all wages owed and were prevented from effectively
2 challenging information on their wage statements.

3 51. As a proximate result of Defendants' conduct, Plaintiff and similarly situated
4 employees have been damaged as stated in the section below entitled "DAMAGES," which is
5 incorporated here to the extent pertinent as if set forth here in full.

6 **SIXTH CAUSE OF ACTION**
7 **WAITING TIME PENALTIES**
8 **(As to all Defendants)**

9 52. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 51 as though fully
10 set forth herein.

11 53. An employer must pay an employee who is terminated all unpaid wages immediately
12 upon termination. *See* Cal. Lab. Code § 201.

13 54. An employer must pay an employee who resigns all unpaid wages within seventy-two
14 (72) hours of their resignation. *See* Cal. Lab. Code § 202.

15 55. Plaintiff and similarly situated employees did not receive all wages, including minimum
16 and overtime wages, meal and rest period premiums, or all sick leave pay owed at their termination or
17 within the required time after their separation from employment.

18 56. An employer who willfully fails to pay an employee wages in accordance with California
19 Labor Code sections 201 and/or 202 must pay the employee a waiting time penalty of up to thirty (30)
20 days. *See* Cal. Lab. Code § 203.

21 57. Defendants knew of their obligation to pay Plaintiff's and similarly situated employees'
22 their final wages when their employment terminated. Indeed, Defendants had knowledge that Plaintiff
23 and similarly situated employees were not paid for all regular and overtime hours, as they authorized the
24 practices and policies denying these wages. Such conduct shows Defendant had knowledge of earned,
25 but unpaid wages at the time of separation, yet Defendant still refused to pay the remaining wages owed.
26 Such conduct shows Defendants had knowledge of earned, but unpaid wages at the time of separation,
27 yet Defendants still refused to pay the remaining wages owed.

28 58. As a proximate result of Defendants' conduct, Plaintiff and similarly situated employees
have been damaged and deprived of their wages and thereby seek their daily rate of pay multiplied by

thirty (30) days for Defendants' failure to pay all wages due.

SEVENTH CAUSE OF ACTION
FAILURE TO REIMBURSE EXPENSES
(As to all Defendants)

59. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 58 as though fully set forth herein.

60. California Labor Code section 2802(a) states that "An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful."

61. Defendants required Plaintiff and similarly situated employees to use their personal cell phones for work purposes but failed to reimburse them for such use.

62. As a proximate result of Defendants' conduct, Plaintiff and similarly situated employees have been damaged as stated in the section below entitled "DAMAGES," which is incorporated here to the extent pertinent as if set forth here in full.

EIGHTH CAUSE OF ACTION
UNFAIR COMPETITION
(As to all Defendants)

63. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 62 as though fully set forth herein.

64. Unfair competition shall mean and include any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising and any act prohibited by Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code. *See* California Business and Professions ("B&P") Code § 17200.

65. Plaintiff and similarly situated employees were not paid all wages owed, including minimum and overtime wages, and meal and rest period premiums, paid sick leave, or reimbursed for business expenses, during their employment or any time thereafter.

66. Plaintiff further alleges that such actions and/or conduct constitute a violation of the California Unfair Competition Law ("UCL") (Business and Professions Code 17200 *et seq.*) pursuant to

1 *Cortez v. Purolator Air Filtration Products Co.*, 23 Cal. 4th 163 (2000).

2 67. As a direct and legal result of the Defendants' conduct, as alleged herein, pursuant to the
3 UCL (including B&P Code §17203), Plaintiff and similarly situated employees are entitled to
4 restitution, including, but not limited to, interest and penalties pursuant to Business & Professions Code
5 sections 17203, 17208, violations of California Labor Code sections 226.7, 510, 512, and 1194 all in an
6 amount as yet unascertained but subject to proof at trial, for four (4) years from the filing of this Action.

7 **NINTH CAUSE OF ACTION**
8 **PRIVATE ATTORNEYS GENERAL ACT**
9 **(As to all Defendants)**

10 68. Plaintiff incorporates by reference and re-alleges paragraphs 1 through 67 as though fully
11 set forth herein.

12 69. Plaintiff has alleged to the Labor Commissioner that Defendants have violated the
13 following provisions of the Labor Code in their dealings with her and other similarly situated current
14 and former employees:

- 15 • Violation of Labor Code §§ 510, 1194; IWC Wage Order 4, § 3 (Failure to Pay
16 Overtime Wages);
- 17 • Violation of Labor Code §§ 1194, 1197.1; IWC Wage Order 4, § 4 (Failure to Pay
18 Minimum Wages);
- 19 • Violation of Labor Code §§ 226.7, 512 and Wage Order No. 4, §§ 11(A) and 11(B)
20 (Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof);
- 21 • Violation of Labor Code § 226.7 and Wage Order No. 4, § 12(A) (Failure to Provide
22 Rest Periods or Pay Premiums in Lieu Thereof);
- 23 • Violation of Labor Code §§ 226, 226.3 (Failure to Provide Accurate Wage
24 Statements);
- 25 • Violation of Labor Code §§ 201-203, 256 (Failure to Pay Final Wages);
- 26 • Violation of Labor Code § 2802 (Failure to Pay Reimbursements for Expenses);
- 27 • Violation of Labor Code §§ 558, 558.1 (Provisions Regulating Hours and Days of
28 Work in Any Industrial Welfare Commission Order);
- Violation of Labor Code §§ 226.3, 1174 (Failure to Maintain Accurate Records); and

- Violation of Labor Code §§ 246, 246.5, 248.5 (Failure to Provide Paid Sick Leave).

70. Plaintiff seeks civil penalties against Defendants as provided in the Labor Code, or, if no civil penalty is provided, default penalties pursuant to Labor Code section 2699(f)(2).

71. Plaintiff seeks these civil penalties from Defendants pursuant to Labor Code sections 2699(a) and 2699.3.

DAMAGES

WHEREFORE Plaintiff requests relief as follows:

1. A jury trial;

2. As to the First Cause of Action:

a. Wages in an amount to be proven at trial;

b. Interest for the wages due pursuant to California Labor Code section 1194;

c. For reasonable attorney's fees and costs incurred pursuant to California Labor Code section 1194;

3. As to the Second Cause of Action:

a. Wages in an amount to be proven at trial;

b. Interest for the wages due pursuant to California Labor Code section 1194;

c. For reasonable attorney's fees and costs incurred pursuant to California Labor Code section 1194;

d. Liquidated damages pursuant to California Labor Code section 1194.2;

4. As to the Third Cause of Action:

a. Wages in an amount to be proven at trial;

b. Attorney's fees, costs and interest pursuant to California Code of Civil Procedure section 1021.5;

5. As to the Fourth Cause of Action:

a. Wages in an amount to be proven at trial;

b. Attorney's fees, costs and interest pursuant to California Code of Civil Procedure section 1021.5;

//

6. As to the Fifth Cause of Action:

- a. Penalties as provided for in Labor Code section 226, including the greater of all actual damages or fifty dollars (\$50.00) for the initial pay period in which the violation occurred and one hundred dollars (\$100.00) per employee for each violation in the subsequent pay periods, but not to exceed four thousand dollars (\$4,000.00);
- b. For reasonable attorney's fees and costs incurred pursuant to Labor Code section 226(e);

7. As to the Seventh Cause of Action:

- a. An amount to be proven at trial;
- b. For attorney's fees, interest, and costs pursuant to Labor Code section 2802(c);

8. As to the Ninth Cause of Action:

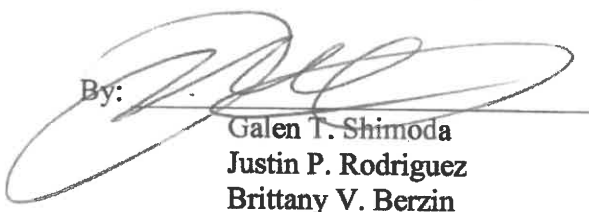
- a. For civil penalties as provided for in the Labor Code for each enumerated violation;
- b. For those Labor Code sections, the violation of which there is no civil penalty provided, the default penalty provided in Labor Code section 2699(f): for any initial violation, one hundred dollars (\$100) for each aggrieved employee per pay period; For any subsequent violation, two hundred dollars (\$200) for each aggrieved employee per pay period;
- c. Reasonable attorney's fees and costs pursuant to Labor Code section 2699;
- d. For any other remedies as allowed by law and/or deemed appropriate by the Court;

8. For such other and further relief as this Court may deem just and proper, including, but not limited to:

- a. Wages as proved at trial;
- b. Injunctive and Declaratory relief;
- c. Attorney's fees and costs as provided for by law; and
- d. Interest.

Dated: July 7, 2021

Shimoda Law Corp.

By: 

Galen T. Shimoda

Justin P. Rodriguez

Brittany V. Berzin

Jessica L. Hart

Attorneys for Plaintiff

1 *Franco v Rancho Family Medical Group, Inc., et al.*
2 *Riverside County Superior Court of California CVRI2102264*

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

5 I, Rylee K. Fonseca, 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 July 7, 2021, I served the following documents on the party below:

- 9 • First Amended Complaint

10 Marjorie Soto 11 Yesenia Gallegos 12 McDermott Will & Emery LLP 13 2049 Century Park East Suite 3200 14 Los Angeles, CA 90067 15 Phone: (310) 277-4110 16 Fax: (310) 277-4730 17 Email: mcsoto@mwe.com 18 Ygallegos@mwe.com 19 Kmay@mwe.com	
--	--

20 [XXX] [By Mail] I am familiar with my employer's practice for the collection and
21 processing of correspondence for mailing with the United States Postal
22 Service and that each day's mail is deposited with the United States Postal
23 Service that same day in the ordinary course of business. On the date set
24 forth above, I served the aforementioned document(s) on the parties in
25 said action by placing a true copy thereof enclosed in a sealed envelope
26 with postage thereon fully prepaid, for collection and mailing on this date,
27 following ordinary business practices, at Elk Grove, California, addressed
28 as set forth above.

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

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

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

26 I declare under penalty of perjury under the laws of the State of California that the foregoing
27 is true and correct, and that this declaration was executed on July 7, 2021, at Elk Grove, California.

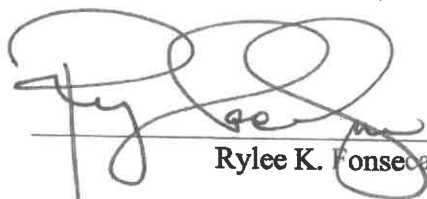
28 
Rylee K. Fonseca

EXHIBIT C



Shimoda Law Corp.
9401 East Stockton Blvd.
Suite #120
Elk Grove, CA 95624
Ph. (916) 525-0716
Fax (916) 760-3733
www.shimodalaw.com

April 29, 2021

For Online Filing:

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Franco v. Rancho Family Medical Group, Inc., et al*

Dear Labor Commissioner,

As counsel for Sara Franco ("Plaintiff"), I am writing to provide you and the following "employers" notice pursuant to California Labor Code section 2699.3:

Rancho Family Medical Group, Inc.
28780 Single Oak Drive, Ste. 260
Temecula, CA 92590

Rancho Health MSO, Inc.
28780 Single Oak Drive, Ste. 160
Temecula, CA 92590

We are setting forth the "facts and theories" to support each of the counts found within this complaint. Please notify us of your intent to investigate any or all of the claims alleged herein against Rancho Family Medical Group, Inc., and Rancho Health MSO, Inc. ("Defendants"). Should you decide not to investigate, we request that you allow us to bring the following action on behalf of Plaintiff and all Aggrieved Employees, pursuant to Labor Code section 2699(a). Specifically, Aggrieved Employees shall include, but are not limited to the following: all non-exempt employees who have or continue to work for Defendants in California. Plaintiff is clearly entitled to bring a Private Attorneys General Act ("PAGA") claim for civil penalties on behalf of these individuals pursuant to *Huff v. Securitas Security Services USA, Inc.*, 23 Cal.App.5th 745, 757 (2018) (finding a plaintiff has PAGA standing if affected by one of the alleged violations; the plaintiff need not have personally experienced all the violations pursued in PAGA action).

A. FACTS

Plaintiff worked for Defendants from approximately September 2017 through March 2021, as a non-exempt appointment clerk and registration coordinator. Defendants operate a family medical practice in twelve (12) different locations across California.



When Defendants first hired Plaintiff, she worked out of the Single Oak location in Temecula, until she transferred to the Cal Oaks location in Murrieta. When Defendants terminated Plaintiff in March 2021, she was making \$18.00 per hour, not including an additional bonus of .40 per hour for being Spanish speaker and a productivity/shift lead bonus.

Aggrieved Employees also worked for Defendants as non-exempt employees. Plaintiff and Aggrieved Employees regularly worked over eight (8) hours in a day and/or forty (40) hours in a week, incurring overtime. Plaintiff and Aggrieved Employees were also paid non-discretionary remuneration, such as bonuses, for speaking Spanish and other types of merit and productivity bonuses.

Due to Defendants' policies and staffing and workflow issues, Plaintiff and Aggrieved Employees were not authorized and permitted to take all meal and rest periods they were entitled to, being paid meal period premiums on occasions. Additionally, Defendants did not correctly incorporate the value of the non-discretionary remuneration, such as bonuses, into Plaintiff and Aggrieved Employees' regular rate of pay when calculating overtime, double time, meal and rest period premiums, or sick leave pay.

With respect to sick leave pay, Plaintiff and Aggrieved Employees, like all employees in California, had paid sick leave available to them under the Healthy Workplaces Healthy Families Act of 2014. Plaintiff and Aggrieved Employees took sick days and used the paid sick leave available to them. Plaintiff and Aggrieved Employees also earned nondiscretionary remuneration, such as bonuses, from Defendants. During those instances where Defendants paid Plaintiff nondiscretionary remuneration, such as bonuses, and Plaintiff and Aggrieved Employees used paid sick leave, Defendants failed to pay the sick leave at the correct regular rate of pay. Defendants failed to incorporate the value of nondiscretionary remuneration, such as bonuses, into Plaintiff's and Aggrieved Employees' regular rates of pay for the purpose of paying paid sick leave. As a result, Plaintiff and Aggrieved Employees were not paid all wages owed to them.

Defendants also failed to pay Plaintiff and Aggrieved Employees for all hours worked. Plaintiff and Aggrieved Employees would often have to wait up to five (5) minutes after they arrived at work for the computer to boot up and allow them to clock in. Plaintiff and Aggrieved Employees were not paid for this time. As a result, Plaintiff and Aggrieved Employees were not paid at least the minimum wage for each hour they worked. Defendants also failed to maintain accurate records of the hours Plaintiff and Aggrieved Employees worked.

Defendants further failed to pay Plaintiff and Aggrieved Employees for use of their personal cell phones for work purposes until approximately March 2021, when they started paying employees \$15.00 per pay period for cell phone reimbursement.



Finally, Defendants failed to provide Plaintiff and Aggrieved Employees with legally compliant paystubs. The wage statements Defendants issued to Plaintiff and Aggrieved Employees did not state the correct amount of gross and net wages earned and all applicable hourly rates in effect. As a result, Plaintiff and Aggrieved Employees were not able to determine the total wages owed to them from their paystubs alone.

At the time of Plaintiff's and Aggrieved Employees' separation or termination they had wages due and owing to them. To date, Defendants have not paid these wages to Plaintiff and Aggrieved Employees.

B. ALLEGATIONS AND CHARGES

Count 1 – Violation of Labor Code §§ 510, 1194; IWC Wage Order 4, § 3 (Failure to Pay Overtime Wages)

Labor Code sections 510 and 1194 require employers to pay employees 1 ½ times their regular rate of pay for any work in excess of eight (8) hours in one workday and any work in excess of forty (40) hours in any one workweek. Employers must also pay employees 1 ½ times their regular rate of pay for the first eight (8) hours worked on the seventh day of work in any one workweek. Finally, employers must pay employees 2 times their regular rate of pay for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh day of work in any one workweek. As stated above, Plaintiff and Aggrieved Employees worked over eight (8) hours per day and forty (40) hours per week and were not paid all overtime wages owed. Plaintiff and all Aggrieved Employees are entitled to recover all unpaid overtime wages. Failure to pay such wages is against the law.

Count 2 – Violation of Labor Code §§ 1194, 1197.1; IWC Wage Order 4, § 4 (Failure to Pay Minimum Wages)

During the period Plaintiff and Aggrieved Employees were employed by Defendants, they were entitled to be paid at least the State's minimum wage rate for each hour that they worked. *See, e.g.*, IWC Wage Order MW-2019; IWC Wage Order No. 4, § (4); Cal. Lab. Code §§ 1194, 1197.1. For the reasons stated above, Defendants did not pay Plaintiff and Aggrieved Employees for all hours worked. Thus, Plaintiff and Aggrieved Employees were not paid at least the applicable state minimum wage for those hours worked. This is against the law.

Count 3 - Violation 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)

Labor Code section 226.7 and Wage Order No. 4, section 11(A) require employers to provide employees meal periods of thirty (30) minutes per five (5) hours worked, which is to be taken before the completion of the fifth hour. Labor Code section 512 and Wage Order No. 4,



section 11(B) further provide that employers may not employ employees for a work period of more than ten (10) hours per day without providing the employee with a second meal period of thirty (30) minutes; however, if the total hours worked is no more than twelve (12) hours, the second meal period may be waived so long as there was no waiver as to the first meal period. For the reasons stated above, Plaintiff and Aggrieved Employees were not authorized and permitted to take legally compliant meal periods pursuant to California law. Defendants also failed to pay any meal period premiums for their failure to provide meal periods. This was in violation of the law.

Count 4 – Violation of Labor Code § 226.7 and Wage Order No. 4, § 12(A) (Failure to Provide Rest Periods or Pay Premiums in Lieu Thereof)

Labor Code section 226.7 and Wage Order No. 4, section 12(A) require employers to provide employees paid off-duty rest periods of ten (10) minutes per four (4) hours or major fraction thereof worked. For the reasons stated above, Plaintiff and Aggrieved Employees were not authorized and permitted to take legally compliant rest periods pursuant to California law. Defendants also failed to pay any rest period premiums for their failure to provide rest periods. This was in violation of the law.

Count 5 – Violation of Labor Code §§ 226, 226.3 (Failure to Provide Accurate Wage Statements)

Labor Code section 226 requires employers to furnish to employees with “an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, . . . (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer . . . and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee” For the reasons stated above, Defendants failed to comply with these requirements with respect to Plaintiff and Aggrieved Employees. This is in violation of the law.

Count 6 – Violation of Labor Code §§ 201-203, 256 (Failure to Pay Final Wages)

Labor Code sections 201-203 require that all wages, including minimum and overtime wages and meal and rest period premiums, be paid to employees upon separation and/or termination of employment. Here, for the reasons stated above, Plaintiff and Aggrieved Employees did not receive all final wages due and owing to them at the time of termination or



seventy-two (72) hours thereafter as required by Labor Code sections 201-203. This is in violation of the law.

Count 7 – Violation of Labor Code § 2802 (Failure to Pay Reimbursements for Expenses)

Labor Code section 2802(a) states that “An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.” Defendants failed to pay any reimbursements for cell phone use by Plaintiff and Aggrieved Employees. This was in violation of the law.

Count 8 – Violation of Labor Code §§ 558, 558.1 (Provisions Regulating Hours and Days of Work in Any Industrial Welfare Commission Order)

Labor Code section 558 states that it is unlawful for any employer, or other person acting on behalf of an employer, to violate or cause to be violated any of sections 500 to 558.1 of the Labor Code or any order of the Industrial Welfare Commission. Similarly, Labor Code section 558.1 states that it is unlawful for any employer or other person acting on behalf of an employer to violate, or cause to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, as well as Sections 203, 226, 226.7, 1193.6, 1194, or 2802 of the Labor Code. As described above, Defendants, by and through Defendants’ agents, violated Plaintiff and Aggrieved Employees’ rights provided for under Labor Code sections 558 and 558.1 as well as the incorporated Wage Orders and incorporated statutes therein. This is against the law.

Count 9 – Violation of Labor Code §§ 226.3, 1174 (Failure to Maintain Accurate Records)

Labor Code section 226.3 provides that any employer who fails to maintain records required by Labor Code section 226(a) or provide records required by 226(a) shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation. Labor Code section 1174(d) provides that employers must keep and maintain accurate payroll records showing the hours worked daily by, and the wages paid to, employees. Defendants failed to maintain the accurate records required by law and, instead, maintained incomplete, inaccurate records regarding Plaintiff and Aggrieved Employees’ wage records and hours worked. This was against the law.



Count 10 – Violation of Labor Code §§ 246, 246.5, 248.5 (Failure to Provide Paid Sick Leave)

Labor Code sections 246, *et seq.*, mandate that employers must provide California employees, who work thirty (30) or more days within a year for the employer, paid sick leave of at least one (1) hour for every thirty (30) hours worked that begins to accrue at the commencement of employment. An employer may use a different accrual method, other than providing one hour per every 30 hours worked, provided that the accrual is on a regular basis so that an employee has no less than twenty-four (24) hours of accrued sick leave or paid time off by the 120th calendar day of employment or each calendar year, or in each 12-month period. An employer may limit the use of sick leave to either twenty-four (24) hours or the equivalent of three (3) days, whichever is greater, during a year period. However, employers using an accrual method rather than a lump sum method must allow employees to accrue up to forty-eight (48) hours or the equivalent of six (6) days at any given time. Employers must authorize employees to take paid sick leave under the conditions set forth in the Healthy Workplaces, Healthy Families Act of 2014 (“HWHFA”) for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or an employee's family member. Any sick leave taken must be paid at the employee's regular rate of pay. As discussed above, Defendants failed to properly calculate the regular rate of pay by failing to incorporate the value of non-discretionary bonuses into their calculations. For the reasons state above, Defendants failed to provide Plaintiff and Aggrieved Employees with sick leave meeting the requirements set forth in HWHFA. Plaintiff will be seeking equitable, injunctive, and restitutionary relief to remedy these violations.

If you have any questions or require any further information regarding the facts and theories to support these claims, do not hesitate to contact our office.

Very truly yours,

Shimoda Law Corp.

By: _____


Galen T. Shimoda

GTS:jh

cc: Client via e-mail

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

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

4 I, Rylee K. Fonseca, declare that:

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

7 On April 29, 2021, I served the following documents on the party below:

- 8 • Private Attorney General Act Letter

9
10 Rancho Family Medical Group, Inc.
28780 Single Oak Drive, Ste. 260
11 Temecula, CA 92590

Rancho Health MSO, Inc.
28780 Single Oak Drive, Ste. 160
Temecula, CA 92590

12 [XXX] [By Certified Mail] I am familiar with my employer's practice for the collection
13 and processing of correspondence for mailing with the United States Postal
14 Service and that each day's mail is deposited with the United States Postal
15 Service that same day in the ordinary course of business. On the date set forth
16 above, I served the aforementioned document(s) on the parties in said action by
placing a true copy thereof enclosed in a sealed envelope 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.

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

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

20 I declare under penalty of perjury under the laws of the State of California that the foregoing
21 is true and correct, and that this declaration was executed on April 29, 2021, at Elk Grove,
22 California.

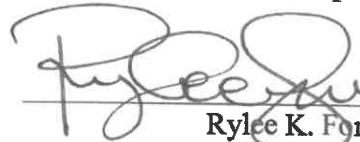
23 
24 Rylee K. Fonseca
25
26
27
28

EXHIBIT D

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

5 Attorneys for Plaintiff SARA FRANCO
individually and on behalf of similarly situated employees
6
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.
18
19

Case No. CVRI2102264

CLASS ACTION

**DECLARATION OF JUSTIN P. RODRIGUEZ
IN SUPPORT OF PLAINTIFF'S MOTION FOR
FINAL APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

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

*[Filed concurrently with Plaintiff's Motion for
Attorneys Fees' and Costs, Class Representative
Enhancement Payment, and Settlement Administrator
Fees]*

Date: April 28, 2022

Time: 8:30 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 declaration on behalf of the named Plaintiff, the putative class members, and in support of Plaintiff's
5 Motion for Final Approval of Class Action and PAGA Settlement ("Motion"). A true and correct copy
6 of the Joint Stipulation Regarding Class Action and PAGA Settlement and Release ("Agreement") in
7 this matter is filed with this Motion as Exhibit A.

8 2. This case was brought as a wage and hour class action based on Plaintiff's contention
9 that Defendants Rancho Family Medical Group, Inc., and Rancho Health MSO, Inc., ("Defendants") 1)
10 failed to pay overtime wages; 2) failed to pay minimum wages; 3) failed to provide legally compliant
11 meal periods or pay the appropriate meal period premiums in lieu thereof; 4) failed to provide legally
12 compliant rest periods or pay the appropriate rest period premiums in lieu thereof; 5) failed to provide
13 accurate, itemized wage statements; 6) failed to pay final wages owed in a timely manner; 7) failed to
14 pay reimbursement for all expenses incurred by employees; 8) failed to pay premium wages at the
15 correct regular rate of pay for overtime, paid sick leave, and meal and rest period premiums (*i.e.*
16 including within the regular rate of pay calculation shift differentials, pay stipends, and bonuses); and
17 9) engaged in unfair competition based on these alleged violations. Plaintiff also alleged liability for
18 civil penalties under the Private Attorneys General Act ("PAGA"). These claims were based
19 allegations that Defendants violated California law by 1) failing to correctly incorporate the value of the
20 non-discretionary remuneration, such as, but not limited to, shift differentials, pay stipends, and
21 bonuses into Class Member's and Aggrieved Employees' regular rate of pay when calculating
22 overtime, double time, meal and rest period premiums, or sick pay; 2) failing to provide meal and rest
23 periods in compliance with California law due to understaffing and workflow issues, or pay premiums
24 in lieu thereof; 3) failing to pay employees for all hours worked due their failure to pay for time
25 employees spent waiting to clock into work; 4) failing to pay reimbursements for business-related cell
26 phone use; and 5) failing to accurately itemize the hours and wages earned on paystubs issued to Class
27 Members and Aggrieved Employees. The PAGA, waiting time penalty, wage statement violation, and
28 unfair competition claims also derive from these violations.

1 3. Plaintiff is the only named representative in this matter. From our initial investigations
2 of Plaintiff's claims and documents, we believed these claims had merit and could be maintained as a
3 class action. We filed the action on or about May 10, 2021. Plaintiff exhausted administrative
4 remedies through the Labor and Workforce Development Agency ("LWDA") prior to amending the
5 Complaint to add a PAGA claim. Plaintiff filed a notice with the LWDA on April 29, 2021, setting
6 forth the facts and theories of liability. A true and correct copy of the notice filed with the LWDA is
7 being filed with this Motion as Exhibit C. A copy of the notice was also sent to Defendants via
8 certified mail and the \$75.00 filing fee was remitted to the LWDA at that time. There was no response
9 by the LWDA regarding its intent to investigate the claims alleged in Plaintiff's notice for more than 65
10 days. As such, Plaintiff became authorized to commence a civil action under the PAGA and filed a
11 First Amended Complaint on July 7, 2021. A true and correct copy of Plaintiff's operative Complaint
12 is filed with this Motion as Exhibit B. A copy of the complaint was uploaded to the LWDA on
13 September 29, 2021, after we received an endorsed copy back from Court.

14 4. Currently, there is no date set for a motion to certify the class and there is no trial date.

15 5. Defendants are represented in this matter by Yesenia Gallegos, Marjorie Soto, and Ariel
16 L. Beverly of McDermott Will & Emery LLP. From the beginning, Defendants have contested the
17 merits of this case, the suitability of the case for class action or representative treatment, the
18 manageability of the case at trial, and Plaintiff's ability to prove a violation in each pay period for each
19 employee among other defenses and contentions they made challenging the propriety of this action.
20 Defendants further contended that, even assuming there was a finding supporting the imposition of
21 PAGA penalties, the Court would likely exercise its discretion to substantially reduce any such
22 penalties owed based on evidence of good faith attempts to comply with Labor Code obligations by
23 Defendants. Notwithstanding its agreement to settle this matter, Defendants believe the practices
24 Plaintiff is contending are unlawful either do not exist or, to the extent they do exist, fully comply with
25 all state and federal employment laws with respect to Plaintiff and Class Members. Also, Defendants
26 have contended that this matter is not appropriate for class certification outside of this proposed class
27 settlement.
28

1 6. Based on the expected testimony from Plaintiff and Class Members, a review of
2 Defendants' policies and procedures and other documents relating to the alleged claims, information on
3 the number of Class Members, Class Members' dates of employment, and a representative sample of
4 Class Members' payroll data, the scope of the potential damages to Plaintiff and Class Members in light
5 of the claims alleged, the uncertainty in the law with regard to certification, and the negotiations that
6 have taken place, I am convinced that the proposed settlement is in the best interest of the class. The
7 length and risks of trial and other normal perils of litigation that impact the value of the claims were also
8 considered and weighed in reaching the Agreement. In addition, I carefully considered the prospect of
9 potential class certification issues as well as the uncertainty of class certification, the difficulties of
10 complex litigation, and the lengthy process of establishing specific damages and various possible delays
11 and appeals in agreeing to the proposed settlement. I further considered the fact that penalties under the
12 PAGA could be substantially cut at the discretion of the Court even if Plaintiff was successful on
13 proving those claims and there was risk that a Court could find no willfulness in the failure to pay wages
14 at separation, which would eliminate the value of the waiting time penalty entirely. Overall, I believe it
15 is more beneficial to secure a guaranteed benefit to the class now rather than to proceed with litigation
16 and potentially obtain zero funds to the class due to legal or factual issues in the case.

17 7. My office, including my partner, Galen T. Shimoda, my former associate, Jessica L. Hart,
18 my paralegals, and myself, along with Plaintiff's assistance, thoroughly investigated the merits of the
19 claims and potential damages for such claims. The parties engaged in informal discovery and exchange
20 of documents, including a representative sampling of employee data, such as timecards, paystubs,
21 payroll data and relevant policies for the entirety of the statute of limitations applicable to the alleged
22 claims. We also interviewed several Class Members. The discovery covered all aspects of the asserted
23 claims, including certification issues, merits issues, damages, the scope and configuration of Class
24 Members, the content and implementation of the wage and hour policies at issue, issues relating to
25 manageability concerns at trial, among other relevant areas. From this production we were able to
26 determine information critical to a reliable damages analysis such as the average hourly rate, average
27 daily hours worked, average number of workweeks and pay periods that had potential violations based
28 on the asserted claims, the frequency with which violations occurred in a given week and/or pay period,

1 and the number for former employees. This information allowed my office to assess both liability and
2 damages and create an accurate damages model. Plaintiff assisted in all aspects of this litigation
3 including providing factual information relating to Plaintiff's and similarly situated employees'
4 employment conditions, providing a substantial number of documents, identifying and contacting
5 witnesses, and answering questions regarding Defendants' factual contentions in this matter. This was
6 important because it is directly related to our ability to maintain this case as a class action and our ability
7 to obtain a favorable settlement for the class.

8 8. Throughout this litigation our office had numerous communications with Defendants'
9 Counsel discussing our respective positions. The parties engaged in mediation on September 8, 2021,
10 using an experienced mediator, Lisa Klerman, Esq. It was only after approximately six (6) months of
11 extensive, arm's length negotiations and litigation that the parties were able to reach a settlement, which
12 only occurred after a full-day mediation. The negotiations were at all times contentious and adversarial,
13 though still professional in nature.

14 9. There are 388 Class Members and 276 Aggrieved Employees. The parties reviewed and
15 analyzed substantial amounts of data regarding the class claims. Based on our investigation, analysis,
16 and review of all relevant documents, payroll and time records information for the putative class, the
17 number of putative Class Members, total number for workweeks and pay periods within the claim
18 periods, arguments made at mediation, and case law, determined that as of the time of mediation the
19 damages for the asserted class claims if Plaintiff was successful at certification and trial would be
20 approximately \$7,555,571.00, which includes all available civil penalties under the PAGA. Based on
21 our research, we did not find any prior Labor Commissioner or court decisions that stated Defendants'
22 practices and/or policies were improper. As such, a "subsequent violation" may not be found for
23 penalty calculation purposes and the exposure analysis here is based on an "initial violation" valuation
24 being adopted by any fact finder if this matter went to trial. Additionally, the \$7,555,571.00 damages
25 number is the recovery that could be had if Plaintiff were successful in certifying all claims, successful
26 in establishing liability on all claims, successful in establishing damages at the exact rates and number
27 of instances derived from the sample analysis, and Defendants are unsuccessful at proving any
28

1 affirmative defenses or offsets for the asserted claims. Of course, this is unlikely to happen in any
2 litigation, including this one. A more likely recovery on a claim-by-claim basis is set forth below:¹

- 3 a) Failure to Pay Overtime/Minimum Wages (Off the Clock): This claim was based on
4 Plaintiff's contention that Plaintiff and similarly situated employees went unpaid during
5 time spent waiting for their computer stations to boot up and the programs to load for
6 them to be able to clock in for work, which Plaintiff contends took approximately five (5)
7 minutes on average. Approximately 82% of the shifts in the sample were over eight (8)
8 hours. Based on the average rate of pay, the combined maximum unpaid overtime and
9 minimum wage calculation for this claim was \$294,600.00. It is likely, however, that the
10 actual amount of time it took each class member to log in would vary (assuming the
11 computer terminals were not left on from the day before) and would be less than the five
12 (5) minutes each time. I believe the potential range of value on this claim given the risks
13 of litigation and proving damages is more likely to be \$58,920.00 (an average log in time
14 of one (1) minute) to \$176,760.00 (an average log in time of three (3) minutes).
- 15 b) Unpaid Overtime (Regular Rate of Pay): This claim is based on Plaintiff's contention
16 that Defendants failed to incorporate the value of the non-discretionary remuneration,
17 such as, but not limited to, shift differentials, pay stipends, and bonuses into Class
18 Member's and Aggrieved Employees' regular rate of pay when calculating overtime.
19 Through the sample data, we found that Defendants began to incorporate the additional
20 remuneration into the regular rate of pay calculation around March 2021. Furthermore,
21 once Defendants began including these additional types of remuneration into the regular
22 rate of pay calculation, the formula they used actually resulted in overpayment, creating
23 an offset that would apply to this claim. Prior to any offset, the maximum unpaid
24 overtime calculation was \$118,308.00. I believe the potential of value on this claim
25 given the risks of litigation and potential offset is more likely to be approximately
26 \$88,500.00.

27
28

¹ All calculations include interest where applicable.

1 c) Failure to Provide Meal Periods: This claim is based on Plaintiff's contention that
2 Defendants failed to provide meal periods in compliance with California law due to
3 understaffing and workflow issues. Meal period claims that are not based on facially
4 invalid employer policies are notoriously difficult to get certified as they require
5 substantial evidence of scheduling policies that create a *de facto* non-compliant meal
6 period policy. Plaintiff faced substantial risk in being able to certify this claim and
7 maintaining certification through trial. Furthermore, the payroll records demonstrated
8 that Defendants paid approximately \$47,313 in meal period premiums, which would act
9 as a further offset to any damages award for this claim and may be viewed by a court as
10 evidence of compliant meal period policies and practices. While the maximum value of
11 the meal period premiums due for this claim was \$777,762.00, I believe the more likely
12 range of value for this claim is \$0.00 to 150,000.00.

13 d) Failure to Provide Rest Periods: This claim is based on Plaintiff's contention that
14 Defendants failed to provide rest periods in compliance with California law due to
15 understaffing and workflow issues. Additionally, Plaintiff believed an argument could be
16 made that Defendants' policy of requiring employees to record rest periods on their
17 timecards could be used in combination with the time records to show that little to no
18 compliant rest periods were provided. Rest period claims, like meal period claims, are
19 difficult to get certified when there is not a facially invalid policy at issue. Plaintiff faced
20 substantial risk in certifying this claim and maintaining certification through trial. It is
21 unclear whether a Court would accept Plaintiff's timekeeping theory to establish liability
22 for rest periods. To my knowledge, no Court has held that the absence of rest periods
23 recorded in time records in violation of an employers' own policy raises a presumption
24 that no valid rest periods were taken. This would be an extension of *Donohue v. AMN*
25 *Servs., LLC*, 11 Cal.5th 58, 74-78 (2021), which held that a rebuttable presumption of
26 meal period violations would occur where the time records indicated no such breaks took
27 place. The *Donohue* Court relied on the legal requirement for employers to record the
28 start and end times of meal periods to support the presumption, not the failure to follow

1 the employer's own policy. Additionally, this claim could be subject to further reduction
2 based on testimony that employees received their rest periods notwithstanding any time
3 clock data showing no rest periods were taken. While the maximum value of the rest
4 period premiums due for this claim was \$1,186,042.00, I believe the more likely range of
5 value for this claim is \$0.00 to \$150,000.00.

6 e) Underpaid Sick Leave and Meal Period Premiums (Regular Rate of Pay): This claim is
7 based on Plaintiff's contention that Defendants failed to incorporate the value of the non-
8 discretionary remuneration, such as, but not limited to, shift differentials, pay stipends,
9 and bonuses into Class Member's and Aggrieved Employees' regular rate of pay when
10 calculating meal period premiums and sick leave pay. Although I believe these are very
11 strong claims, the nature of the claims results in the amounts owed under these theories of
12 liability being very small. This is because the amount owed is only the difference
13 between what hourly rate was paid and the modified hourly rate owed, which usually is a
14 difference of only several dollars per pay period. I believe the likely total owed under
15 this claim will be very close to the maximum \$15,134.00 amount we calculated as owed.

16 f) Failure to Pay Reimbursement: This claim was based on Plaintiff's contention that
17 Defendants failed to reimburse employees for the use of their cell phones for work
18 purposes. There was substantial risk in certifying this claim and maintaining certification
19 through trial. If a Court found that sufficient alternative means existed for employees to
20 communicate without the use of their personal cell phones, this could eliminate the claim
21 entirely as such use would no longer be deemed "necessary," which is a requirement to
22 establish liability. While the maximum value of the reimbursements due for this claim
23 was \$183,336.00, I believe the more likely range of value for this claim is \$0.00 to
24 \$50,000.00.

25 g) Waiting Time Penalties: This claim was derivative of the other asserted claims and,
26 therefore, any risk associated with those claims would apply here as well. In addition, the
27 potential for a "good faith" defense based on any objectively tenable dispute would
28 completely eliminate the value associated with this claim. Defendants put forth several

arguments on the merits concerning all of Plaintiff's asserted claims, disputing whether off-the-clock even occurred or that Defendants should have been reasonably aware of it occurring giving their policies, practices, and purported lack of complaints, that it maintains compliant meal and rest period policies and practices, that several payments made to employees either did not qualify as non-discretionary remuneration, were already included in the overtime calculation, and/or that the calculation formula resulted in overpayment to employees. While I disagree with these merits arguments put forth by Defendants, a Court may give them credence and completely eliminate any waiting time penalty calculation. Furthermore, a recent California Appellate case, *Naranjo v. Spectrum Sec. Servs., Inc.*, 40 Cal.App.5th 444 (2019), had expressly held that unpaid meal period premiums cannot serve as the basis for a waiting time penalty claim. While our claims also involve rest period premiums, it is unlikely that a Court would find that as a sufficient basis to distinguish this case from *Naranjo*. Finally, due to the correction and overpayment of overtime from regular rate of pay calculations taking place after March 2021, the offset from these additionally paid wages may result in no net underpayment at the time of termination for a number of employees, further reducing the potential damages number. Therefore, I believe the likely value of Plaintiff's waiting time penalty claims range from \$0.00 to \$300,000.00.

h) Wage Statement Violations: This claim was derivative of the other asserted claims and, therefore, any risk associated with those claims would apply here as well. There is substantial risk that, because the wage statement claims are derivative, a Court may find there is no separate injury to support a claim based on *Maldonado v. Epsilon Plastics, Inc.*, 22 Cal.App.5th 1308, 1336 (2018). Furthermore, the *Naranjo* case also held that the failure to itemize break period premiums cannot serve as an independent basis for wage statement claims. Based on the sample records and policy documents I reviewed, as well as the information obtained from Plaintiff and case law, I believe that this claim has a likely value range of \$0.00 to \$215,600.00.

- 1 i) Derivative PAGA Penalties: This claim was derivative of the other asserted claims and,
2 therefore, any risk associated with those claims would apply here as well. The total
3 maximum calculation possible for the PAGA claims was approximately \$3,183,500.00.
4 PAGA penalties are regularly reduced in the discretion of the Court where a higher award
5 might produce results that are unjust, oppressive, or confiscatory. I believe it is highly
6 likely that a Court would substantially reduce any PAGA penalty award. *See Fleming v.*
7 *Covidien, Inc.*, 2011 U.S. DIST. LEXIS 154590, *9 (C.D. Cal. 2011) (82% reduction).
8 Factors Courts look to when determining whether an award under the PAGA would be
9 unjust, oppressive, or confiscatory include the extent of any actual injuries suffered by
10 employees as a result of the violation, whether employees complained about the
11 violations, the extent of the violations, and whether any good faith measures to prevent
12 the violations were taken. *See generally Fleming*, 2011 U.S. DIST. LEXIS 154590 (C.D.
13 Cal. 2011). In this case, the strongest claims (*i.e.* those based on regular rate of pay
14 calculations) resulted in likely damages of only \$103,634. There are significant disputes
15 regarding the remaining claims, including some which may be found by the Court to
16 represent a good faith dispute. Furthermore, the wage statement penalty and waiting time
17 penalty claims are already penalizing Defendants for the offending conduct. It may be
18 deemed unjust and confiscatory to impose a second, substantial penalty for the same
19 conduct. Defendants produced a substantial amount of policies aimed at wage and hour
20 compliance, including, but not limited to, an employee handbook, took corrective action
21 to start including additional remuneration when calculating the regular rate of pay for
22 overtime, and it did not appear that there was any widespread or significant complaints
23 lodged by employees during their tenure regarding Defendants' wage and hour practices.
24 As such, and anticipating the Court reducing available civil penalties, I believe this claim
25 has a potential value of \$46,980.00 to \$573,030.00.
- 26 j) Unfair competition. This claim is derivative of the other claims that have already been
27 valued under their direct cause of action. Accordingly, the damages available under this
28 cause of action were not independently valued.

10. Additional complicating factors affecting all claims included that Defendants had entered into 71 arbitration agreements and 121 settlement agreements with Class Members between April 2021 and July 2021 after litigation against them had been initiated. This further complicated the litigation and prospect of maintaining class certification of the group as a whole. Although I informed Defendants' Counsel that we intended to formally challenge the enforceability of the settlement and arbitration agreements, there is a significant risk that the Court would uphold the agreements. Furthermore, I have reviewed the case law and even in those cases where Courts have struck the waivers in such agreements and allowed putative class members to still participate in the litigation, the amounts paid to putative class members are considered as offsets to any amounts otherwise owed to them. *See, e.g., Cheverez v. Plains All Am. Pipeline, LP*, 2016 WL 861107, at *6 (C.D. Cal. 2016) ("Because double recovery is not permitted, the Court leaves open the possibility that Defendants' total damages amount will be credited for payments they have already made pursuant to the claims process"). Thus, we informed Defendants' counsel that while we would not agree to exclude any individual who signed such agreements from this litigation, we would consider the amounts paid as a potential offset of any amounts ultimately owed to them, consistent with the case law.

11. After considering the potential maximum value of the asserted claims, the risks and perils of continued litigation, and the likely value to be recovered if Plaintiff was successful at certification and trial, the \$650,000 Gross Settlement Amount represents a fair, reasonable, and adequate settlement. As laid out above, the upper end of the expected range of recovery would likely be approximately \$1,748,832.00. Thus, Plaintiff's proposed settlement secures approximately 37.2% of the likely recovery. After deducting from the Gross Settlement Amount the proposed allocations for attorneys' fees and costs, the Enhancement Payment to the Class Representative, Settlement Administrator Costs, and the PAGA Payment to the LWDA, the Net Settlement Amount (\$391,440.46) represents approximately 22.4% of the likely recovery in this matter. The average net award for Class Members is approximately \$986.49. The gross workweek value of this settlement is approximately \$22.42 and the net workweek value of this settlement is approximately \$13.38. The range of possible weeks worked by Class Members is one (1) to 234.71 (the entire Class Period). This translates to a estimated settlement payment range of \$13.38 (minimum) and \$3,139.27 (maximum). After deducting

1 the 75% share of the PAGA penalty allocation to account for payment to the LWDA pursuant to
2 California Labor Code § 2699(i), there is a net of \$3,750 to be distributed among the Aggrieved
3 Employees. Aggrieved Employees would receive an average of \$13.59 each. I believe the Agreement
4 represents a reasonable compromise of claims based on the legal and factual disputes in this case. The
5 ability to secure a guaranteed settlement now and ensure all Class Members receive some
6 compensation, rather than proceed to further litigation and potentially recover nothing, was a
7 motivating factor in reaching this Agreement.

8 12. Included within the Gross Settlement Amount is \$102,123.99 Defendants previously
9 paid in connection with individual settlements they entered into with 121 putative Class Members from
10 April 2021 to July 2021 while this litigation was pending. This payment covered approximately 15,616
11 workweeks and equates to a net workweek value of approximately \$6.66. There are several reasons
12 why we included this amount into calculating the Gross Settlement Amount: 1) I felt that the amounts
13 paid to the individuals under these agreements did not sufficiently compensate them for the injuries
14 sustained and the rights released, so I would not agree to exclude them from the litigation; 2) to the
15 extent these putative Class Members were still able to participate in the litigation and a favorable
16 judgment was received, any amounts previously paid to them under the individual settlements would be
17 offset against what they were actually owed; 3) in order to avoid the 121 putative Class Members from
18 receiving a windfall under the Agreement when compared to putative Class Members who did not enter
19 into individual settlements, the amounts previously paid to the 121 putative Class Members needed to
20 be credited against what they would otherwise receive under the Agreement; 4) I believe this lawsuit
21 was a catalyst for the individual settlements, which would make those payments part of the overall
22 common fund created by this litigation and require the costs of litigation, including attorneys' fees and
23 costs, be spread out amongst all beneficiaries, not just those putative Class Members who did not sign
24 individual settlement agreements. *See Graham v. DaimlerChrysler Corp.*, 34 Cal.4th 553, 566 (2004);
25 *Laffitte v. Robert Half Internat. Inc.*, 1 Cal.5th 480, 503 (2016). I have reviewed the estimated
26 disbursement calculation spreadsheet from the Settlement Administrator, which includes the amount of
27 the offset for each Class Member where applicable and their estimated share of the settlement. On
28 average, those individuals who entered into settlement agreements will be receiving an additional

1 \$1,065.20 as a result of this settlement. Pursuant the Court's December 15, 2021, Order granting
2 preliminary approval, I am filing a Motion for Attorneys' Fees and Costs, Class Representative
3 Enhancement Payment, and Settlement Administrator Costs to be heard concurrently with this Motion.
4 Any amounts not awarded as requested will be distributed to Class Members on a pro rata basis as part
5 of the Net Settlement Amount.

6 13. I am a shareholder at Shimoda & Rodriguez Law, PC. My law firm is a boutique law
7 practice that focuses primarily in employment litigation, emphasizing wage and hour litigation. I
8 attended and graduated college from U.C. Davis, receiving a Bachelor of Arts in Philosophy and the
9 Departmental Citation for Academic Achievement in the Philosophy program. I was one of only two
10 recipients of this award out of the entire Philosophy Department. After U.C. Davis, I attended the
11 University of the Pacific, McGeorge School of Law, graduating in 2011 and receiving a Juris
12 Doctorate. I graduated in the top 20% of my class and was a member of the Traynor Honor Society at
13 McGeorge. Other academic achievements of mine include receiving a Witkin Award (top grade) in my
14 legal research and writing course, a Witkin Award in complex civil litigation, being a member of the
15 Dean's List from 2008 to 2011, being a Legislative Staff Writer for the *McGeorge Law Review* from
16 2009–2010, being an Associate Comment Editor for the *Pacific McGeorge Global Business &*
17 *Development Law Journal* from 2010–2011, and being selected as a Sacramento County Bar
18 Association Diversity Fellow in 2009. I was also a member of the Employment and Labor Law Society
19 and an officer for the Latino Law Students Association from 2009 to 2010.

20 14. I have been practicing law since 2011. From 2011 to 2016, I worked with the Shimoda
21 Law Corp. as an Associate. I became a Shareholder/Partner in the firm in 2017. Shimoda Law Corp.
22 became Shimoda & Rodriguez Law, PC, in 2022. Since 2017, I have received an AV Preeminent
23 rating from Martindale-Hubbell for my legal ability and ethical standards. From 2018 to present, I have
24 been recognized as a Super Lawyer (Rising Star). In September 2018, I was a panel speaker for the
25 Sacramento County Bar Association Labor and Employment Law Section's presentation of "*Epic*
26 *Systems*, PAGA, and the Future of Employment Arbitration in California." In July 2020, I was a panel
27 speaker for the Association of Defense Counsel of Northern California & Nevada presentation of
28 "Class Actions and PAGA Claims." My practice focuses on complex civil litigation, including wage

1 and hour class actions, PAGA claims, and Fair Labor Standards Act (“FLSA”) claims. I am actively
2 involved in most all of the complex litigation handled by our firm. Class and/or PAGA actions I have
3 litigated or am currently litigating, including the instant case, includes, but is not limited to, the
4 following:

- 5 • *Aanerud v. Neumann Ltd., et al.*, Case No. 34-2014-00169324 (Sac. Sup. Ct.);
- 6 • *Adams-Angway v. Placer Title Company, et al.*, Case No. SCV0040845 (Placer Sup. Ct.);
- 7 • *Adewumi v. GHS Interactive Security, LLC*, Case No. 34-2017-00210768 (Sac. Sup. Ct.);
- 8 • *Arrington v. Capital Express Lines, Inc., et al.*, Case No. 34-2012-00134195 (Sac. Sup. Ct.);
- 9 • *Aslam v. American Custom Private Security, Inc.*, Case No. STK-CV-UOE-2018-0012080
10 (San Joaquin Sup. Ct.);
- 11 • *Aslam v. Cypress Security, LLC*, Case No. 34-2017-00220143 (Sac. Sup. Ct.);
- 12 • *Aslam v. Surveillance, Security, Inc.*, Case No. 34-2017-00220142 (Sac. Sup. Ct.);
- 13 • *Azzolino v. Brake Masters of Sacramento, LLC, et al.*, Case No. 34-2017-00218293 (Sac.
14 Sup. Ct.);
- 15 • *Barkhausen v. Bank of Stockton*, Case No. STK-CV-UOE-2019-17145 (San Joaquin Sup.
16 Ct.);
- 17 • *Benak v. MDStat Urgent Care, Inc.*, Case No. 34-2015-00188181 (Sac. Sup. Ct.);
- 18 • *Bigornia v. Quest Diagnostics Clinical Laboratories, Inc., et al.*, Case No. 34-2019-
19 00271174 (Sac. Sup. Ct.);
- 20 • *Blig v. Medical Management International, Inc.*, Case No. 34-2017-00213906 (Sac. Sup.
21 Ct.);
- 22 • *Caguioa, et al. v. Fortune Senior Enterprises, et al.*, Case No. 34-2014-00171831 (Sac. Sup.
23 Ct.);
- 24 • *Camacho, et al. v. Z Street, Inc., d.b.a. Tower Café, et al.*, Case No. 34-2014-00163880 (Sac.
25 Sup. Ct.);
- 26 • *Castorena v. Flowmaster, Inc.*, Case No. CV18-2191 (Yolo Sup. Ct.);
- 27 • *Cannon v. Miller Event Management, Inc., et al.*, Case No. 34-2014-00168103 (Sac. Sup.
28 Ct.);

- 1 • *Carr, et al. v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
- 2 • *Chace v. Daisy Holdings, LLC, dba Pine Creek Care Center, et al.*, Case No. 34-2017-
- 3 00209613 (Sac. Sup. Ct.);
- 4 • *Clamens-Hollenback v. Atterro, Inc.*, Case No. 17-CV-305535 (Santa Clara Sup. Ct.);
- 5 • *Cress, et al. v. Mitsubishi Chemical Carbon Fiber and Composites, Inc.*, Case No. 34-2017-
- 6 00222101 (Sac. Sup. Ct.);
- 7 • *De Arcos v. Amware Pallet Services, LLC*, Case No. CV-17-629 (Yolo Sup. Ct.);
- 8 • *Ferreyra v. Point Digital Finance, Inc., et al.*, Case No. 20CV373776 (Santa Clara Sup. Ct.);
- 9 • *Foye v. The Golden 1 Credit Union*, Case No. 34-2018-00235003 (Sac. Sup. Ct.);
- 10 • *Garcia v. A-L Financial Corp.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
- 11 • *Garcia v. Royal Plywood Company, LLC, et al.*, Case No. 34-2017-00221627 (Sac. Sup. Ct.);
- 12 • *Gomes v. Progressive Casualty Insurance Company*, Case No. 34-2018-00241979 (Sac. Sup.
- 13 Ct.);
- 14 • *Gomez v. Mayflower Farms Incorporated, et al.*, Case No. CV24157 (Colusa Sup. Ct.);
- 15 • *Gilliam v. Matrix Energy Services, Inc.* Case No. RG 11592345 (Alameda Sup. Court);
- 16 • *Gonzalez v. Northcentral Pizza, LLC, et al.*, Case No. 34-2019-00252018 (Sac Sup. Ct.);
- 17 • *Gordon, et al. v. Hospice Source, LLC, et al.*, Case No. 34-2019-00250022 (Sac. Sup. Ct.);
- 18 • *Gotts v. John L. Sullivan Chevrolet, Inc.*, Case No. 34-2018-00231576 (Sac Sup. Ct.);
- 19 • *Hartwell v. Techforce Telecom, Inc.*, Case No. 39-2014-00307197 (San Joaquin Sup. Ct.);
- 20 • *Hellum v. A1 Protective Services, LLC, et al.*, Case No. 34-2018-00234449 (Sac. Sup. Ct.);
- 21 • *Hercules v. Maximus Services, LLC, et al.*, Case No. 34-2019-00268385 (Sac Sup. Ct.);
- 22 • *Hernandez v. Snyir, Inc.*, Case No. 34-2017-00207641 (Sac. Sup. Ct.);
- 23 • *Heinz v. Wright Tree Services*, Case No. 34-2012-00131949 (Sac. Sup. Ct.);
- 24 • *Hoover v. Mom365*, Case No. 2:17-cv-01328-TLN-CKD (E.D. Cal.);
- 25 • *Insixiengmay v. Hyatt Corporation, et al.*, Case No. 2:18-cv-02993-TLN-DB (E.D. Cal.);
- 26 • *Josol v. Dial Medical Corp.*, Case No. 34-2008-00010040 (Sac. Sup. Ct.);
- 27 • *McMahon v. Airco Mechanical, Inc.*, Case No. 34-2019-00259269 (Sac. Sup. Ct.);
- 28 • *Muhieddine v. KBA Docusys, Inc.*, Case No. 34-2014-00164720 (Sac. Sup. Ct.);

- *Nguyen v. Cardinal Health Pharmacy Services, LLC, et al.*, Case No. 2:19-cv-01939-KJM-EFB (E.D. Cal.);
- *Prasad v. D. G. Smith Enterprises, Inc.*, Case No. 34-2017-00215046 (Sac. Sup. Ct.);
- *Ralston v. JMJ Incorporated, Inc. et al.*, Case No. 34-2017-00217047 (Sac. Sup. Ct.);
- *Roberts v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
- *Robinson v. West of Chicago Restaurants, Inc., dba Chicago Fire*, Case No. 34-2010-00082201 (Sac Sup. Ct.);
- *Salas, et al. v. Joint Ventures, LLC, et al.*, Case No. 34-2018-00227493 (Sac. Sup. Ct.);
- *Salmon v. Ovarions Fanfare, L.P., et al.*, Case No. 34-2018-00244749 (Sac. Sup. Ct.) ;
- *Scarano v. J.R. Putman, Inc.*, Case No. 34-2018-00244753 (Sac. Sup. Ct.) ;
- *Smith v. Greyhound Lines, Inc.*, Case No. 34-2017-00219188 (Sac. Sup. Ct.);
- *Sullivan v. National Response Corporation*, Case No. 34-2018-00244757 (Sac. Sup. Ct.);
- *Talent v. Leslie's Poolmart, Inc.*, Case No. 34-2012-00128539 (Sac. Sup. Ct.);
- *Thornton v. McConnell Jones Lanier & Murphy LLP*, Case No. No. 34-2017-00211553 (Sac. Sup. Ct.);
- *Watson v. Quarter At A Time, LLC*, Case No. 34-2017-00217570 (Sac. Sup. Ct.); and
- *Willis v. Premier Pools, Incorporated*, Case No. 34-2017-00211710 (Sac. Sup. Ct.).

15. The preceding list does not include those cases where, for various reasons, the case was filed as a class action and/or PAGA action, but did not maintain that status through the end of the case.

16. My partner, Galen T. Shimoda, Esq., worked with me on this matter and was critical in assisting with all aspects of the litigation of this case. Mr. Shimoda and I are some of only a handful of plaintiff attorneys located in Sacramento who handle wage and hour class actions. Mr. Shimoda attended and graduated from the University of Utah in 2000 with a B.S. in Business Management and a B.A. in Asian Studies, with a minor in Japanese language. He then attended and graduated from the University of the Pacific, McGeorge School of Law and received his J.D. degree in 2003. He graduated from McGeorge in the top 5% of his class and was a member of the Order of the Coif and Traynor Honor Society. Since graduating from McGeorge, Mr. Shimoda has authored a number of employment law articles for journals and our firm regularly publishes articles on our firm's website.

1 Mr. Shimoda has been a regular panel speaker for the CEB (Continuing Education of the Bar)
2 Employment Review seminars from 2014 to the present. His speaking engagements include the
3 following: 1) Lorman Military Leave Law Speaker; 2) Restaurant Association Speaker at Annual
4 Seminar (Los Angeles); 3) Federal Bar Association, Sacramento Chapter: 2015 Amendments to the
5 Federal Rules of Civil Procedure (Mar. 30, 2016); 4) CEB – Employment Law Practice: 2016 Year in
6 Review (Jan. 20, 2017); 5) CEB – Employment Law Practice: 2015 Year in Review (Jan. 22, 2016); 6)
7 CEB – Employment Law Practice: Year in Review (2014) (Jan. 9, 2015); 7) CEB - Employment Law
8 Practice: Year in Review (2013) (Jan. 10, 2014); 8) Sacramento County Bar Association - Class
9 Actions from the Trenches: Real World Experiences from the Plaintiff and Defense Bar (Feb. 21,
10 2012); 9) Sacramento Employer Advisory Council – Wage and Hour Workshop: Going Beyond the
11 Exemption Discussion (Apr. 7, 2016); 10) Sacramento Employer Advisory Council - Wage & Hour
12 Panel and AB 1825 Training: Updates on California’s New Wage Laws and Manager Compliance
13 Training (Apr. 25, 2017); 11) Sacramento County Bar Association, Labor and Employment Section –
14 PAGA Representative Litigation: Emerging Trends and Issues (May 17, 2016); 12) Sacramento
15 Business Journal Panel – Overtime Rules (Jun. 23, 2016); 13) Association of Defense Counsel of
16 Norther California & Nevada - Employment Law Update – Do the Math: Calculation Exposure and
17 Damages in Wage and Hour Cases (Aug. 12, 2016); 14) California Employment Lawyers Association -
18 PAGA Today and PAGA Tomorrow: Moderate-Advanced Issues In PAGA Litigation (Oct. 20, 2017);
19 15) California Employment Lawyers Association Advanced Wage and Hour Seminar – Better Know a
20 Venue Roundup (May 17, 2019). Mr. Shimoda has been AV rated by Martindale Hubbell since 2013,
21 was recognized as a Super Lawyer (Rising Star) from approximately 2009 to 2013 and was recognized
22 as a Super Lawyer from 2014 to present.

23 17. Mr. Shimoda has practiced law in California since being admitted to the State Bar in
24 2003, litigating wage and hour class actions and individual wage and hour litigation among other cases.
25 Mr. Shimoda began practicing class action law on the defense side at the firm of Orrick, Herrington &
26 Sutcliffe LLP. He then switched to plaintiff class action work in 2005. His class action experience is
27 in wage and hour law. Mr. Shimoda has litigated several class action cases in California State and
28 Federal Courts, including up to certification, settlement, preliminary and final approval, and

1 disbursement of monies, and has been found to be satisfy the adequacy requirements for class counsel.
2 Some of the class action and/or PAGA cases he is litigating and/or has litigated as lead or co-counsel
3 include the following:

- 4 • *Aanerud v. Neumann Ltd., et al.*, Case No. 34-2014-00169324 (Sac. Sup. Ct.);
- 5 • *Acosta v. Acosta Sales, LLC, et al.*, Case No. 2:11-CV-01796 (C.D. Cal.);
- 6 • *Atchley v. Blaggs Food Service, LLC*, 34-2017-0215930 (Sac. Sup. Ct.);
- 7 • *Adewumi v. GHS Interactive Security, LLC*, Case No. 34-2017-00210768 (Sac. Sup. Ct.);
- 8 • *Arnall v. North American Merchandising Service Inc.*, Case No. 06AS01439 (Sac. Sup. Ct.);
- 9 • *Arrington v. Capital Express Lines, Inc., et al.*, Case No. 34-2012-00134195 (Sac. Sup. Ct.);
- 10 • *Aslam v. Cypress Security, LLC*, Case No. 34-2017-00220143 (Sac. Sup. Ct.);
- 11 • *Aslam v. Surveillance, Security, Inc.*, Case No. 34-2017-00220142 (Sac. Sup. Ct.);
- 12 • *Azzolino v. Brake Masters of Sacramento, LLC, et al.*, Case No. 34-2017-00218293 (Sac.
13 Sup. Ct.);
- 14 • *Benak v. MDStat Urgent Care, Inc.*, No. 34-2015-00188181 (Sac. Sup. Ct.);
- 15 • *Blig v. Medical Management International, Inc.*, Case No. 34-2017-00213906 (Sac. Sup.
16 Ct.);
- 17 • *Caguioa, et al. v. Fortune Senior Enterprises, et al.*, Case No. 34-2014-00171831 (Sac. Sup.
18 Ct.);
- 19 • *Camacho, et al. v. Z Street, Inc., d.b.a. Tower Café, et al.*, Case No. 34-2014-00163880 (Sac.
20 Sup. Ct.);
- 21 • *Carlos v. Abel Mendoza, Inc., et al.*, Case No. 34-2016-00195806 (Sac. Sup. Ct.);
- 22 • *Cannon v. Miller Event Management, Inc., et al.*, Case No. 34-2014-00168103 (Sac. Sup.
23 Ct.);
- 24 • *Carr et al. v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
- 25 • *Chace v. Daisy Holdings, LLC, dba Pine Creek Care Center, et al.*, Case No. 34-2017-
26 00209613 (Sac. Sup. Ct.);
- 27 • *Clamens-Hollenback v. Atterro, Inc.*, Case No. 17-CV-305535 (Santa Clara Sup. Ct.);
- 28 • *Colbert v. American Home Craft Inc.*, Case No. 05AS05012 (Sac. Sup. Ct.);

- *De Arcos v. Amware Pallet Services, LLC*, Case No. CV-17-629 (Yolo Sup. Ct.)
- *Diosdado v. Nor-Cal Venture Group, Inc., et al.*, Case No. STK-CV-UOE-2020-0008242 (San Joaquin Sup. Ct.);
- *Dugue v. Sierra Forever Families, et al.*, Case No. 34-2017-00210770 (Sac. Sup. Ct.);
- *Fadhl v. Siemens Healthcare Diagnostics, Inc., et al.*, Case No. 34-2017-00209518 (Sac. Sup. Ct.);
- *Fujimoto v. Nabe-Ya, Inc., et al.*, Case No. 20CV01255 (Butte Sup. Ct.);
- *Garcia v. A-L Financial Corp.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
- *Gerard v. Les Schwab Tires Center of California, Inc.*, Case No. 34-2007-30000003 (Sac. Sup. Ct.);
- *Gomez v. Mayflower Farms Incorporated, et al.*, Case No. CV24157 (Colusa Sup. Ct.);
- *Gilliam v. Matrix Energy Services, Inc.* Case No. RG 11592345 (Alameda Sup. Court);
- *Hartwell v. Techforce Telecom, Inc.*, Case No. 39-2014-00307197 (San Joaquin Sup. Ct.);
- *Hernandez et al. v. MP Nexlevel, LLC et al.*, Case No. 3 :16-cv-03015-JCS (N.D. Cal.);
- *Hernandez v. Snyir, Inc.*, Case No. 34-2017-00207641 (Sac Sup. Ct.);
- *Heinz v. Wright Tree Services*, Case No. 34-2012-00131949 (Sac. Sup. Ct.);
- *Hoover v. Mom365*, Case No. 2:17-cv-01328-TLN-CKD (E.D. Cal.);
- *James v. Language World Services, Inc., et al.*, Case No. 34-2020-00279929 (Sac. Sup. Ct.);
- *Josol v. Dial Medical Corp.*, Case No. 34-2008-00010040 (Sac. Sup. Ct.);
- *Koretsky v. Furniture USA, Inc.*, Case No. 34-2014-00172142 (Sac. Sup. Ct.);
- *Muhieddine v. KBA Docusys, Inc.*, Case No. 34-2014-00164720 (Sac. Sup. Ct.);
- *Massey v. V3 Electric, Inc., et al.*, Case No. 34-2019-00263666 (Sac. Sup. Ct.);
- *Miller v. Caldwell Transportation Company, LLC, et al.*, Case No. 34-2018-00234954 (Sac. Sup. Ct.);
- *Miller v. Leaders in Community Alternatives*, Case No. FCSO47249 (Solano Sup. Ct.);
- *Pickens v. Elica Health Centers*, Case No. 34-2016-00200382 (Sac. Sup. Ct.);
- *Prasad v. D. G. Smith Enterprises, Inc.*, Case No. 34-2017-00215046 (Sac. Sup. Ct.);
- *Ralston v. JMJ Incorporated, Inc. et al.*, Case No. 34-2017-00217047 (Sac. Sup. Ct.);

- *Rickwalt v. Direct Reconditioning, LLC, et al.*, Case No. 34-2015-00175642 (Sac. Sup. Ct.);
- *Robinson v. West of Chicago Restaurants, Inc., dba Chicago Fire*, Case No. 34-2010-00082201 (Sac Sup. Ct.);
- *Rogers v. Les Scwhab Tires Center of California, Inc.*, Case No. 34-2009-00066320 (Sac. Sup. Ct.);
- *Schechter et al. v. Isys Solutions, Inc.*, Case No. RG10550517 (Alameda Sup. Ct.);
- *Smith v. Greyhound Lines, Inc.*, Case No. 34-2017-00219188 (Sac. Sup. Ct.);
- *Talent v. Leslie's Poolmart, Inc.*, Case No. 34-2012-00128539 (Sac. Sup. Ct.);
- *Thornton v. McConnell Jones Lanier & Murphy LLP*, Case No. No. 34-2017-00211553 (Sac. Sup. Ct.);
- *Valencia v. Lowbrau Bier Garten, LLC, et al.*, Case No. 34-2019-00258038 (Sac Sup. Ct.);
- *Watson v. Quarter At A Time, LLC*, Case No. 34-2017-00217570 (Sac. Sup. Ct.);
- *Williams v. Civic Development Group*, Case No. 06AS00267 (Sac. Sup. Ct.); and
- *Willis v. Premier Pools, Incorporated*, Case No. 34-2017-00211710 (Sac. Sup. Ct.).

18. The preceding list of cases does not include those where, for a variety of reasons, the case was initially filed as a class and/or PAGA action, but did not maintain that status through the end of the case.

19. My former associate, Jessica L. Hart, Esq., also worked with me on this matter and was critical in assisting with all aspects of the litigation of this case. Ms. Hart graduated from the University of California Davis School of Law. Prior to joining Shimoda Law Corp., Ms. Hart worked alongside a number of attorneys in the Sacramento area focusing almost exclusively on plaintiff's side litigation and employment law. While with my firm, Ms. Hart worked on a variety of individual, class action, and Private Attorneys General Act cases involving wage and hour claims. As an associate, some of the class action and/or PAGA cases Ms. Hart litigated include the following:

- *Afoa v. Milestone Retirement Communities, LLC., et al.*, Case No. 34-2020-00282555 (Sac. Sup. Ct.);
- *Cota v. Milestone Management (CA) – Meadows, LLC.*, Case No. 34-2020-00280648 (Sac. Sup. Ct.);

- 1 • *Coy v. Southern Home Care Services, Inc., et al.*, Case. No. 2:21-CV-00067-JAM-CKD
2 (E.D. Cal.);
- 3 • *Dreyer v. Automation Anywhere, Inc.* Case. No 20CV372730 (Santa Clara Sup. Ct.);
- 4 • *Diosdado v. Nor-Cal Venture Group, Inc., et al.*, Case No. STK-CV-UOE-2020-0008242
5 (San Joaquin Sup. Ct.);
- 6 • *Fang v. Interpress Technologies, Inc.* Case. No. 34-2021-00292937 (Sac. Sup. Ct.);
- 7 • *Fujimoto v. Nabe-Ya, Inc., et al.*, Case No. 20CV01255 (Butte Sup. Ct.);
- 8 • *Garcia v. Aquality Water Management, Inc.* Case No. 34-2021-00292794 (Sac. Sup.
9 Ct.);
- 10 • *Hawkins v. Twitch Interactive, Inc.*, Case No. 34-2020-00281761 (Sac. Sup. Ct.);
- 11 • *Hussaini v. Integrated Resources, Inc, et al.*, Case. No. 34-2021-00297152 (Sac. Sup.
12 Ct.);
- 13 • *Kee, et al. v. Dr. Jeffrey A. Saladin, Dental Corporation, et al.*, Case. No.34-2020-
14 00290072 (Sac. Sup. Ct.);
- 15 • *Leon v Golden Bay Fence Plus Iron Works, Inc., et al.*, Case No. STK-CV-UOE-2021-
16 0000543 (San Joaquin Sup. Ct.);
- 17 • *Massey v. V3 Electric, Inc., et al.*, Case No. 34-2019-00263666 (Sac. Sup. Ct.);
- 18 • *Miller v. Caldwell Transportation Company, LLC, et al.*, Case No. 34-2018-00234954
19 (Sac. Sup. Ct.);
- 20 • *Madrigal Vargas v. Mary Ann's Baking Co., Inc.*, Case No. 2:21-CV-00320-JAM-JDP
21 (E.D. Cal.);
- 22 • *Pek, et al v. Varris Management, Inc.*, Case No. STK-CV-UOE-2020-3954 (San Joaquin
23 Sup. Ct.).
- 24 • *Perez v. Too Infinity Management, LLC, et al.*, Case No. 34-2020-00285276 (Sac. Sup.
25 Ct.);
- 26 • *Valencia v. Lowbrau Bier Garten, LLC, et al.*, Case No. 34-2019-00258038 (Sac Sup.
27 Ct.);
- 28 • *Valentin v Sacramento Laundry Company, Inc.* Case.No. 34-2019-00270987 (Sac. Sup.
Ct.); and

- *Whiteside v. SPSG Partners, et al.*, Case. No. 2:20-cv-01643-TLN-DMC (Sac. Sup. Ct.);

20. The preceding list of cases does not include those where, for a variety of reasons, the case was initially filed as a class and/or PAGA action, but did not maintain that status through the end of the case.

21. I have used several class action administrator companies in the wage and hour class actions I have resolved in the past and believe Simpluris, Inc. will continue to provide the best service to administer the class settlement. I believe the Court should confirm their appointment as Settlement Administrator.

22. A copy of the Agreement and the entire Motion was submitted to the LWDA for review at the same time the Motion was submitted to the Court pursuant to California Labor Code section 2699(1)(2). A true and correct copy of documents demonstrating the settlement documents were provided to the LWDA and that the LWDA has confirmed receipt are being filed with this Motion as Exhibit D.

23. I believe that Capital Pro Bono, Inc., and the Center for Workers' Rights would be excellent choices for *cy pres* beneficiaries in this matter. I have volunteered for both organizations numerous times over the past several years, either directly in the advice clinics or by presenting seminars on wage and hour laws for law students seeking to also volunteer at advice clinics. I have also volunteered by sitting on Capital Pro Bono, Inc.'s advisory committee. I have witnessed firsthand the quality service and attention these entities provide to individuals in need of employment law advice and representation at the California Labor Commissioner. I believe the services they provide directly support and promoted the purposes underlying this lawsuit. I do not receive any compensation, whether direct or indirect, for my time spent volunteering for these entities or for designating them as *cy pres* beneficiaries.

24. I have spoken with every other attorney at my firm to determine whether they have any relationship with either of the proposed *cy pres* beneficiaries. Galen T. Shimoda, my partner, has volunteered for both organizations on and off over the past several years through either presenting wage and hour seminars to law students who staff the free advice clinics or helping at the advice clinics themselves. However, Mr. Shimoda has not performed any volunteer work with either organization

1 since approximately March 2020. Mr. Shimoda has never received payment or compensation of any
2 kind in connection with any work he's done with either of the proposed *cy pres* beneficiaries.

3 25. Brittany V. Berzin, an associate attorney at my firm, has never done any work, volunteer
4 or otherwise with Capital Pro Bono, Inc. During law school, Ms. Berzin was a student volunteer for the
5 Center for Workers Rights for two summers. Since graduating law school, she has volunteered for the
6 Center for Workers Rights approximately one to two times per year, assisting in the advice clinic. She
7 recently began a new volunteer position with the Center for Workers sitting on its Board of Directors.
8 Ms. Berzin has never received payment or compensation of any kind in connection with any work she's
9 done with the Center for Workers' Rights.

10 26. Jessica L. Hart, a former associate attorney at my firm, has volunteered for both Capital
11 Pro Bono, Inc., and the Center for Workers Rights on occasion over the past few years. In September
12 2021, Ms. Hart presented a wage and hour seminar for law students who staff the free advice clinic with
13 the Center for Workers Rights. Ms. Hart also sits on Capital Pro Bono, Inc.'s advisory committee and
14 assists with intakes for Capital Pro Bono, Inc., approximately once a month. Ms. Hart has never
15 received payment or compensation of any kind in connection with any work she's done with the Center
16 for Workers Rights' or Capital Pro Bono, Inc.

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

1 28. In the present case, I believe there is a very high likelihood that there will not be any
2 substantial amount of residual funds left after the check cashing deadline. Over forty percent (40%) of
3 Class Members are current employees and there is a very low turnover rate of less than 10% per year.
4 This will make it easier to get current address information (from current employees) and makes it more
5 likely that the employee address information is accurate (less turnover generally translates to less
6 moving between residences). There was nothing in the state of the personnel documents that indicated
7 they were inaccurate or not well kept, there is a substantial average class recovery of \$986.49, and the
8 notice method utilizes a USPS national change of address database search as well as a more advanced
9 skip trace search for any initial mailings returned as undeliverable.

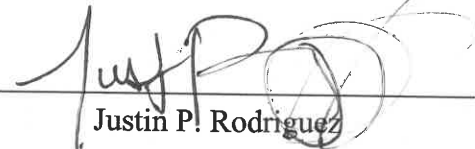
10 29. In other cases I have litigated over the past year with Class Member and Aggrieved
11 Employee populations and statistics similar to those in this case, the range of residual funds has been
12 from \$1,276.64 to \$3,832.10. This is important as the current bid for administration from Simpluris,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

26 30. I am not aware of any other litigation involving Defendants other than this case and the
27 two cases identified in Defendants' filed Notice of Related Cases: *Beck v. Rancho Family Medical*
28 *Group, Inc., et al.* (Riverside Case No. CVR12102912), and *Beck v. Rancho Family Medical Group,*

1 *Inc., et al.* (Riverside Case No. CVSW2105916). Prior to filing this Motion, I have again searched the
2 LWDA's Online PAGA Case Search system and the *Beck* case is the only one identified other than this
3 case. I have inquired with members of my firm and as far as we are aware these and our case represent
4 the entire universe of cases currently pending against Defendants.

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6 I declare under penalty of perjury under the laws of the State of California that the foregoing is
7 true and correct. Executed this 4th day of April 2022 in Elk Grove, California.

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Justin P. Rodriguez

Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
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Attorneys for Plaintiff SARA FRANCO
individually and on behalf of similarly situated employees

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

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

Plaintiff,

vs.

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

Defendants.

Case No. CVRI2102264

CLASS ACTION

**DECLARATION OF SARA FRANCO IN
SUPPORT OF PLAINTIFF'S MOTION FOR
FINAL APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

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

*[Filed concurrently with Plaintiff's Motion for
Attorneys Fees' and Costs, Class Representative
Enhancement Payment, and Settlement
Administrator Costs]*

Date: April 28, 2022

Time: 8:30 a.m.

Dept.: 6

Judge: Hon. Sunshine Sykes

Filed: May 10, 2021

FAC Filed: July 7, 2021

Trial Date: None Set

1 I, Sara Franco, 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 myself, as a named plaintiff, and in support
4 of Plaintiff's Motion for Final Approval of Class Action and PAGA Settlement.

5 2. I worked for Defendants Rancho Family Medical Group, Inc., and Rancho Health MSO,
6 Inc., ("Defendants") from approximately September 2017 to March 11, 2021, as a non-exempt
7 employee receiving an hourly wage. I was subject to all of Defendants' policies and practices that have
8 been alleged as unlawful in the Complaint and the notice sent to the Labor and Workforce
9 Development Agency, including the failure to pay overtime, failure to pay minimum wages, failure to
10 provide accurate wage statements, failure to timely pay final wages, failure to provide meal and rest
11 periods or pay premiums in lieu thereof, and violation of Labor Code section 558.

12 3. I have actively participated in the litigation of this case. I have given a detailed account
13 of all the facts related to my employment and the claims asserted in the Complaint. I provided
14 extensive documentation in support of the claims brought against Defendants including paystubs,
15 Defendants' policies, and other documents related to my work with Defendants and to the claims
16 brought in the class action. I met with and assisted my attorneys in understanding the documents and
17 providing context for Defendants' payroll process as it applied to me and how I believed it applied to
18 Defendants' other employees.

19 4. My attorneys explained to me the risks and benefits of bringing a class action and a
20 claim under the Private Attorneys General Act. I understood that I took on the risk, both professionally
21 and financially, in pursuing the case as a class and representative action rather than pursuing my claims
22 individually. I understood that pursuing the case as a class action meant that it would take substantially
23 longer than pursuing a claim with the California Labor Commissioner and that I risked getting nothing
24 in the end, but I believed it was important to make sure that Defendants followed the law for everyone.

25 5. I maintained communication with my attorneys throughout the litigation, discussing the
26 facts and policies at issue in the case with them. I asked questions when I needed clarification about
27 various aspects of this case to make sure there were continually steps taken to advance the interests of
28 the class. I also understood that the recovery in this case was for the benefit of my fellow coworkers,

1 not just for me. When my attorneys contacted me asking about more information or documents related
2 to the case, I made myself available and tried to give or obtain any additional information I could. I
3 participated in the negotiations and settlement discussions in this case, including participating in
4 mediation by phone, speaking with my attorney to answer questions, provide any additional
5 information needed to assist the negotiations, and discussing the potential terms of the Agreement to
6 evaluate its adequacy.

7 6. I have reviewed the final Joint Stipulation of Class Action and PAGA Settlement and
8 Release, discussed the terms with my attorney, and asked my attorney any questions I had. I believe
9 the settlement terms and allocations are fair and reasonable given the facts of the case.

10 7. I understand that any Class Representative Enhancement Payment I may receive is for
11 my participation as a Class Representative and it is not contingent on my support or approval of the
12 Agreement. I do not believe I have any conflicts with any Class Members.

13 I declare under penalty of perjury under the laws of the State of California that the foregoing is
14 true and correct. Executed April 3, 2022, in Murrieta, California.

DocuSigned by:

Sara Franco

CFAF83C0B477497
Sara Franco

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

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

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

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

12 Plaintiff,

13 vs.

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

16 Defendants.
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Case No. CVRI2102264

CLASS ACTION

**DECLARATION OF LINDSAY KLINE
REGARDING NOTICE AND
SETTLEMENT ADMINISTRATION**

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

*[Filed concurrently with Plaintiff's Motion for
Attorneys Fees' and Costs, Class
Representative Enhancement Payment, and
Settlement Administrator Costs]*

Date: April 28, 2022

Time: 8:30 a.m.

Dept.: 6

Judge: Hon. Sunshine Sykes

Filed: May 10, 2021

FAC Filed: July 7, 2021

Trial Date: None Set

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1. I am employed as a Case Manager by Simpluris, Inc. (“Simpluris”), the Settlement Administrator in the above-entitled action. Our Corporate Office address is 3194-C Airport Loop Dr., Costa Mesa, CA 92626. My telephone number is (714) 640-5635. I am over twenty-one years of age and authorized to make this declaration on behalf of Simpluris and myself.

3. Simpluris was selected by Counsel for Sara Franco (“Plaintiff”), and Rancho Family Medical Group, Inc. and Rancho Health MSO, Inc (“Defendants”), (collectively the “Parties”), and approved by the Court to provide settlement administration services in the *Franco v. Rancho Family Medical Group, Inc., et al.* case (“Settlement”). In this capacity, Simpluris was charged with (a) establishing and maintaining a related settlement fund account; (b) establishing and maintaining a calendar of administrative deadlines and responsibilities; (c) processing and mailing payments to the Plaintiff, Class Counsel and Class Members; (d) printing and mailing the Notice of Settlement, Request for Exclusion Form and Objection Form (collectively referred to as “Notice Packet”) to Class Members; (e) receiving and validating Requests for Exclusion, Objections or Disputes of work weeks submitted by Class Members; (f) calculating Employer Payroll Taxes and providing appropriate forms and calculations to Defendants; (g) mailing settlement checks, (h) providing counsel with weekly reports; (i) maintaining a web address where Class Members could access a copy of the Complaint, the settlement agreement and the preliminary approval motion filings; and (j) other tasks as the Parties mutually agree or the Court orders Simpluris to perform.

4. A toll-free telephone number was included in the Notice of Settlement, Exclusion Form and Objection Form for the purpose of allowing the Class Members to call Simpluris and to make inquiries regarding the Settlement. The system is accessible 24 hours a day, 7 days a week, and will

1 remain in operation throughout the settlement process. Callers have the option to speak with a live call
2 center representative during normal business hours or to leave a message and receive a return call during
3 non-business hours. Spanish-speaking representatives are available during normal business hours. The
4 toll-free telephone number included was (888) 369-3780 and was live on January 12, 2022.

5 **NOTIFICATION TO THE CLASS**

6 5. On December 16, 2021, Simpluris received the Court approved Notice Packet. The Notice
7 Packet advised Class Members of their right to request exclusion from the Settlement, object to the
8 Settlement, dispute work weeks, do nothing, and the implications of each such action. The Notice Packet
9 advised Class Members of applicable deadlines and other events, including the Final Approval Hearing,
10 and how Class Members could obtain additional information.

11 6. On December 29, 2021, Defense Counsel provided Simpluris with a mailing list (“Class
12 List”) containing Class Members’ names, most recent mailing address, Social Security numbers and dates
13 of employment for each Class Member during the Class Period. The Class List contained data for three
14 hundred and ninety-six (396) Class Members. Of these, two hundred and seventy-six were also
15 considered Aggrieved Employees and would receive a portion of the PAGA Payment as outlined in the
16 settlement agreement.

17 7. The mailing addresses contained in the Class List were processed and updated utilizing
18 the National Change of Address Database (“NCOA”) maintained by the U.S. Postal Service. The NCOA
19 contains requested changes of address filed with the U.S. Postal Service. In the event that any individual
20 had filed a U.S. Postal Service change of address request, the address listed with the NCOA would be
21 utilized in connection with the mailing of the Notice Packet. Simpluris was able to locate sixty-six (66)
22 updated addresses using NCOA prior to the mailing of the Notice Packet.

23 8. On January 12, 2022, a Notice Packet was mailed to one hundred and twenty (120) Class
24 Members who were not also Aggrieved Employees, with addresses contained in the Class List via First
25 Class mail or updated via the NCOA search and a separate Notice Packet was mailed to the two hundred
26 and seventy-six Class Members who are also Aggrieved Employees. A true and correct copy of the
27 Notice Packet sent to Class Members who were not also Aggrieved Employees is attached hereto as
28

1 **Exhibit A.** A true and correct copy of the Notice Packet sent to Class Members who are also Aggrieved
2 Employees is attached hereto as **Exhibit B.**

3 9. A total of sixteen (16) Notice Packets were returned to Simpluris. Of these, six (6) were
4 returned with a forwarding address. If a Class Member's Class Notice Packet was returned by the USPS
5 as undeliverable and without a forwarding address, Simpluris performed an advanced address search (i.e.
6 skip trace) on all of these addresses by using Accurant, a reputable research tool owned by Lexis-Nexis.
7 Simpluris used the Class Member's name and previous address to locate a current address. Through the
8 advanced address searches, Simpluris was able to locate thirteen (13) updated addresses and Simpluris
9 promptly mailed a Notice Packet to those updated addresses. Ultimately, there were three (3) Notice
10 Packets that were undeliverable.

11 **REQUESTS FOR EXCLUSION, OBJECTIONS AND DISPUTES**

12 10. The deadline for Class Members to submit a Request for Exclusion, Object to the
13 Settlement or Dispute work weeks was February 26, 2022.

14 11. As of this date, Simpluris has received eight (8) Requests for Exclusion from a Class
15 Member, including Peggy Gulserian, Diocelina Acosta, Cheryl Joslin, Nichole Ghandour, Krystle
16 Jocelyn Parnala, Andrea Hubby, Elexus Paylor and Hannah Park. True and correct copies of the Requests
17 for Exclusion Simpluris received are attached hereto as **Exhibit C.**

18 12. As of this date, Simpluris has received one (1) Objection Form from a Class Member,
19 Jessica Salinas. A true and correct copy of this Objection Form is attached hereto as **Exhibit D.** Ms.
20 Salinas' stated objection does not address the settlement, but is regarding paid family leave and being
21 denied unemployment benefits.

22 13. As of this date, Simpluris has not received any disputes regarding work weeks from Class
23 Members.

24 **CLASS MEMBER AND AGGRIEVED EMPLOYEE AWARDS**

25 14. As of this date, there are three hundred and eighty-eight (388) Class Members who will
26 be paid their portion of the Net Settlement Fund. Of the eight (8) Class Members who submitted Requests
27 for Exclusion Forms, five (5) will still receive their share of the PAGA Payments as they are still
28

considered Aggrieved Employees. There are a total of two-hundred and seventy-six (276) Aggrieved Employees.

15. The Net Settlement Fund of \$391,440.46 available to pay Class Members was determined by subtracting the Class Counsel's Fees (\$216,666.67), Class Counsel's Litigation Costs (\$14,642.87), Class Representative Enhancement Payment (\$7,500.00), PAGA LWDA payment (\$15,000.00), and the Settlement Administrator Costs (\$8,500.00) from the Maximum Settlement Amount (\$650,000.00). The portion of the PAGA Payment available to pay Aggrieved Employees is \$3,750.00, which is twenty-five percent (25%) of the PAGA payment as required by California Labor Code section 2699(i). Aggrieved Employees will receive an average of \$13.59 each.

16. The range of possible weeks worked by Class Members is one (1) to 234.71. This translates to an estimated settlement payment of \$13.38 (minimum) to \$3,139.27 (maximum), which is exclusive of the PAGA Payment. The average estimated payment to Class Members, exclusive of the PAGA Payment, is \$986.49.

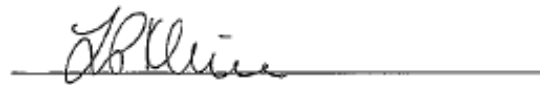
17. The estimated settlement payment for Sara Franco is \$2,415.14.

SETTLEMENT ADMINISTRATOR COSTS

18. As of this date, Simpluris has completed the initial notice and reporting process which included thorough review of the Class List, NCOA Database search for all Class Member addresses and mailing the Notice Packet to all Class Members, receiving and responding to inquiries from Class Members, and maintaining a web address for Class Members to easily access relevant Court and settlement documents. Simpluris has completed response processing, which included access for Class Members to contact our Call Center, skip tracing and remailing any returned Notice Packets, and reviewing, processing and resolving responses to the Settlement. Simpluris' work in connection with this matter will continue with the calculation of the settlement checks, issuance and mailing of those settlement checks, etc., continued Class Member access to our Call Center and to do the necessary tax reporting on settlement payments. A detailed capped-fee invoice showing the work Simpluris has completed and expects to complete through final distribution and completion of the administration is attached to this declaration as **Exhibit E**. Simpluris' total costs for services in connection with the

1 administration of this Settlement, including fees incurred and anticipated future costs for completion of
2 the administration, are \$8,500.00.

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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 3rd day of April 2022, in Costa Mesa, CA.

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9 Lindsay Kline
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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 November 7, 2021 (“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 November 7, 2021 (“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 December 15, 2021, 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 November 7, 2021 (“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 «MERGED_WW_CALC» workweeks during the Class Period, which means your share of the Settlement proceeds as a Class Member is estimated to be \$«MERGED_ClassAmnt_CALC». The range of possible total recoveries under the Settlement is \$13.09 to \$3,097.29, 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 November 7, 2021.

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 November 7, 2021.

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 121 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 February 26, 2022. 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 **February 26, 2022**. The Settlement Administrator's mailing address for the Request for Exclusion Form is as follows:

Franco v. Rancho Family Medical Group, Inc., et al.
c/o Settlement Administrator
P.O. Box 26170
Santa Ana, CA 92799

If you submit a Request for Exclusion Form which is not postmarked by February 26, 2022 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 February 26, 2022 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 April 28, 2022 at 8:30 a.m. 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: www.simpluris.com/case-information. 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 J to the document entitled "Supplemental Exhibit List and Supplemental Exhibits in Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement," filed on December 8, 2021. 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
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 (888) 369-3780.

BY ORDER OF THE COURT

OBJECTION FORM

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

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 Franco v. Rancho Family Medical Center, Inc., c/o Settlement Administrator, P.O. Box 26170, Santa Ana, CA 92799 by February 26, 2022. 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)

Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT

«IMbFullBarcodeEncoded»

«FirstName» «LastName» «BusinessName»

«Address1» «Address2»

«City», «State» «Zip»-«ZipDPC3»

Please provide current address (if different)
here:

SIMID «SIMID»
«State_Included»

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 FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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 B

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 November 7, 2021 (“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 November 7, 2021 (“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 December 15, 2021, 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 November 7, 2021 (“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 «MERGED_WW_CALC» workweeks during the Class Period, which means your share of the Settlement proceeds as a Class Member is estimated to be \$«MERGED_ClassAmnt_CALC». Defendant’s records also indicate you worked for Defendants as non-exempt employee at some time between April 29, 2020 and November 7, 2021 (“PAGA Claim Period”), and, therefore, are also what is called an Aggrieved Employee. Defendants’ records indicate that you worked «MERGED_PAGAWW_CALC» workweeks during the PAGA Claim Period, which means your share of the Settlement Proceeds as an Aggrieved Employee is estimated to be \$«MERGED_PAGAAmnt_CALC». The range of possible total recoveries under the Settlement is \$13.09 to \$3,097.29, 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 November 7, 2021.

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 November 7, 2021.

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 121 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 February 26, 2022. 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 **February 26, 2022**. The Settlement Administrator's mailing address for the Request for Exclusion Form is as follows:

Franco v. Rancho Family Medical Group, Inc., et al.
c/o Settlement Administrator
P.O. Box 26170
Santa Ana, CA 92799

If you submit a Request for Exclusion Form which is not postmarked by February 26, 2022 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 February 26, 2022 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 April 28, 2022 at 8:30 a.m. 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: www.simpluris.com/case-information. 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 J to the document entitled "Supplemental Exhibit List and Supplemental Exhibits in Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement," filed on December 8, 2021. 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
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 (888) 369-3780.

BY ORDER OF THE COURT

OBJECTION FORM

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

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 Franco v. Rancho Family Medical Center, Inc., c/o Settlement Administrator, P.O. Box 26170, Santa Ana, CA 92799 by February 26, 2022. 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)

Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT

«IMbFullBarcodeEncoded»

«FirstName» «LastName» «BusinessName»

«Address1» «Address2»

«City», «State» «Zip»-«ZipDPC3»

Please provide current address (if different)
here:

SIMID «SIMID»
«State_Included»

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 FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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

REQUEST FOR EXCLUSION FROM SETTLEMENT



Hannah Park
26200 LONG ST
LOMA LINDA, CA 92354-6557-004

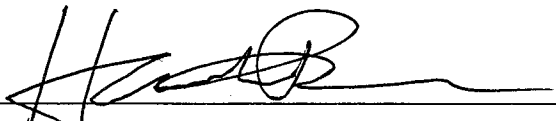
Please provide current address
(if different) here:

11050 Mesquite Ave
LOMA LINDA CA 92354

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 FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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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

2-1-22
Date

HANNAH PARK
First Name, Middle Initial, Last Name



Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT

Peggy Gulserian
31348 ARABASCA CIR
TEMECULA, CA 92592-5709-480

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 FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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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.

Peggy A. Gulserian
Signature

1.25.22
Date

Peggy A. Gulserian
First Name, Middle Initial, Last Name



Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT

Cheryl Joslin
32137 CAMINITO OSUNA
TEMECULA, CA 92592-1210-1379

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 FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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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.

Cheryl L. Joslin
Signature

1/23/2022
Date

Cheryl L. Joslin
First Name, Middle Initial, Last Name



Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT



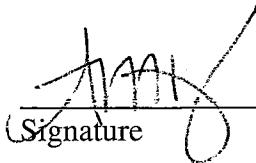
Andrea Hubby
42264 WILDWOOD LN
MURRIETA, CA 92562-3469-'644

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 FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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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

02/17/22

Date

ANDREA N. HUBBY

First Name, Middle Initial, Last Name



Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT

Nichole Ghandour
42975 CALLE REVA
TEMECULA, CA 92592-3077-754

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 FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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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.

Nichole Ghandour
Signature

2/1/22
Date

Nichole m. Ghandour
First Name, Middle Initial, Last Name



Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT



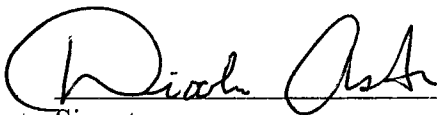
Diocelina Acosta
933 VANITA ST
FALLBROOK, CA 92028-1554-338

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 FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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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

2/1/22
Date

Diocelina Acosta
First Name, Middle Initial, Last Name



Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT



Krystle Jocelyn Parnala
29280 STARRING LN
MENIFEE, CA 92584-6942-'803

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 FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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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.

Krystle Parnala
Signature

2-21-22
Date

Krystle Jocelyn C Parnala
First Name, Middle Initial, Last Name



Franco v. Rancho Family Medical Group, Inc.

Riverside County Superior Court, Case No. CVRI2102264

REQUEST FOR EXCLUSION FROM SETTLEMENT



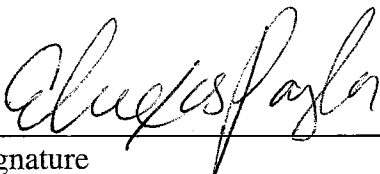
Elexus Paylor
26963 MIRABELLA CT
MENIFEE, CA 92584-2707-637

Please provide current address
(if different) here:

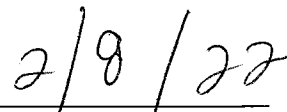
IF YOU DO NOT WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST COMPLETE THIS FORM AND RETURN IT TO THE SETTLEMENT ADMINISTRATOR AS OUTLINED IN THE NOTICE OF SETTLEMENT BY FEBRUARY 26, 2022. YOU MAY MAIL THIS FORM TO FRANCO V. RANCHO FAMILY MEDICAL CENTER, INC., c/o SETTLEMENT ADMINISTRATOR, P.O. BOX 26170, SANTA ANA, CA 92799.

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 D

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.**

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 Franco v. Rancho Family Medical Center, Inc., c/o Settlement Administrator, P.O. Box 26170, Santa Ana, CA 92799 by February 26, 2022. Please provide the following information to support your objection:

1) Name: Jessica Salinas

2) Dates of Employment: Dec 2017 - JULY 2019

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:

My daughter was diagnosed with
cancer June 2019. The hospital and
case manager told me I could apply for
paid family leave I believe it was called
but rancho denied me on everything
didn't give me options resulting to me quitting.
I was told from EDD and the hospital that
I qualified but because of rancho I got denied.

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.

2-22-22
(Date)

[Signature]
(Signature)



EXHIBIT E



3194-C Airport Loop Drive
Costa Mesa, CA 92626
800-779-2104 www.simpluris.com

Estimate #:	13792	Prepared By:	Michael Sutherland
Estimate Date:	9/1/2021	Direct Dial #	321-223-5067
		Email:	msutherland@simpluris.com

Plaintiff Attorney
Attorney/Client: **Justin Rodriguez**
Firm: Shimoda Law

Defense Attorney
Attorney/Client:
Firm:

Case Name: Franco v. Rancho Family Medical Group, Inc.: All In Settlement

Capped Fee* **\$8,500**

Terms:

1) Capped Fees assume that Simpluris will receive data in a Single Excel file with no substantial change in class size or response rate.

Total Possible Class Size:	392	Undeliverable Rate:	10%
Response Rate:	1%	Call Rate:	10%
Mailing Document Language:	English	Fund Distribution:	Simpluris
Reminder Postcard:	No	Redistribution:	No
Unclaimed Funds:	Cy Pres	State(s):	Single
		Tax Year	One

Case Setup

Data Compilation: Develop Case Specific Response Tracking - Error Reports

Category	Unit Value	# of Units	Total
Project Manager - Case Setup	\$125.00	6	\$750.00
Database Manager - Initial Data Analysis	\$140.00	6	\$840.00
Total			\$1,590.00

Notification

Notice Packet: 5 pg Notice, - Double Sided - English

Category	Unit Value	# of Units	Total
Mail Notice Packet	\$1.25	392	\$443.75
Postage	\$0.58	392	\$205.90
NCOA/CASS/LACS	\$75.00	1	\$75.00
Undeliverable Processing	\$0.25	36	\$8.88
Skip Trace RUM	\$2.00	36	\$71.00
Remail Notice	\$1.50	30	\$45.26
Remail Postage	\$0.58	30	\$17.50
Mailing Supervisor	\$50.00	1	\$50.00
Total			\$917.29

Call Center

Establish Case Specific Toll Free Number

Category	Unit Value	# of Units	Total
Customer Service Reps/Call Center Support	\$75.00	3	\$225.00
800 # Charges	\$0.10	180	\$18.00
Total			\$225.00



3194-C Airport Loop Drive
Costa Mesa, CA 92626
800-779-2104 www.simpluris.com

Administration

Process Mail, Opt-Outs or Objections

Category	Unit Value	# of Units	Total
Database Manager	\$125.00	1	\$125.00
Resolving Mismatched TINs	\$75.00	2	\$150.00
Dispute/Deficiencies - Send One Cure Letter	\$1.50	2	\$3.00
Opt Out Processing	\$1.50	4	\$5.33
Data Entry	\$50.00	1	\$50.00
Project Manager	\$125.00	1	\$125.00
Weekly Reporting to Counsel	WAIVED	12 Wks of Reporting	\$0.00
Total			\$458.33

Distribution

Setup a Disbursement Account

Print & Mail Checks to Class Members: W2, 1099's - File Reports with Appropriate Federal & State Taxing Authorities

Account Management & Reconciliation

Category	Unit Value	# of Units	Total
Disbursement Data Preparation	\$140.00	3	\$420.00
Disbursement Manager - Data Validation	\$75.00	1	\$75.00
Setup Banking Account/QSF	\$300.00	1	\$300.00
Print & Mail Check	\$3.00	392	\$1,176.00
Postage	\$0.58	392	\$227.36
Process Returned Checks	\$0.50	4	\$1.78
Skip Trace Search Undeliverable Checks	\$3.00	4	\$10.65
Remail Checks (Includes Postage)	\$3.00	4	\$10.65
QSF Account Reconciliation	\$250.00	1	\$250.00
Individual Federal/State Tax Reporting	\$500.00	1	\$500.00
QSF Reporting/Declaration	\$500.00	1	\$500.00
QSF Annual Tax Preparation Fee	\$1,000.00	1	\$1,000.00
Reissuing Checks/1099's	\$5.00	5	\$26.63
Postage	\$0.58	5	\$3.09
Responding to IRS, State, Agency Inquiries	\$75.00	1	\$75.00
Disbursement Manager	\$125.00	2	\$250.00
Total			\$4,826.15



3194-C Airport Loop Drive
Costa Mesa, CA 92626
800-779-2104 www.simpluris.com

Case Wrap Up

Send Final Reports to Counsel

Category	Unit Value	# of Units	Total
Data Manager-Final Reporting	\$125.00	2	\$250.00
Clerical-Clean Up Any Misc	\$50.00	2	\$100.00
Project Manager-Wrap-up Final Issues	\$125.00	2	\$250.00
Total			\$600.00

Postage \$226.49

Total Case Cost:

\$8,616.76

YESENIA GALLEGOS (SBN: 231852)
ygallegos@mwe.com

MARJORIE SOTO (SBN: 313290)
mcsoto@mwe.com

ARIEL L. BEVERLY (SBN: 324656)
abevery@mwe.com

MCDERMOTT WILL & EMERLY LLP

2049 Century Park East, Suite 3200

Los Angeles, CA 90067-3206

Telephone: +1 310 277 4110

Facsimile: +1 310 277 4730

Attorneys for Defendants

RANCHO FAMILY MEDICAL GROUP, INC.

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

CLASS ACTION

**DECLARATION OF YESENIA GALLEGOS
REGARDING PLAINTIFF'S MOTION FOR
FINAL APPROVAL OF CLASS ACTION
AND PAGA SETTLEMENT**

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

*[Filed concurrently with Plaintiff's Motion for
Attorneys Fees' and Costs, Class Representative
Enhancement Payment, and Settlement
Administrator Costs]*

Date: April 28, 2022

Time: 8:30 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:

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 Defendants Rancho Family Medical Group, Inc. and Rancho
4 Health MSO, Inc. (“Defendants”) herein. I am making this declaration on behalf of the named
5 Defendants.

6
7 **CMO ¶G.3.b. – Other Similar Class, Representative, or Other Actions Pending Against**
8 **Defendants**

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

12 3. The first case, *Beck v. Rancho Family Medical Group, Inc., et al.* (Riverside Case No.
13 CVR12102912), was filed on July 12, 2021, by her attorney Edwin Aiwazian. In it, Plaintiff alleges a
14 single claim for penalties pursuant to the Private Attorneys General Act. Plaintiff Beck, on behalf of
15 the State of California, seeks civil penalties for violations of the California Labor Code allegedly
16 suffered by Beck and all other hourly-paid or non-exempt employees who worked for Rancho Family
17 Medical Group, Inc. or Rancho Health MSO, Inc. from May 8, 2020, through the present (“Beck’s
18 PAGA Representative Action”). Beck’s PAGA Representative Action is related to this case and her
19 separately filed class action (noted below). Further, Beck’s PAGA Representative Action and
20 separately filed class action (noted below) are both absorbed by this first-filed class and representative
21 action which settled on September 8, 2021.

22 4. The second case, *Beck v. Rancho Family Medical Group, Inc., et al.* (Riverside Case No.
23 CVSW2105916) was filed on June 24, 2021, by her attorney Edwin Aiwazian. In Beck’s class case,
24 she is alleging claims for (1) unpaid overtime; (2) unpaid meal period premiums; (3) unpaid rest period
25 premiums; (4) unpaid minimum wages; (5) untimely payment of final wages; (6) untimely payment of
26 wages during employment; (7) non-compliant wage statements; (8) failure to maintain requisite payroll
27 records; (9) unreimbursed business expenses; and (10) violation of California Business and Professions
28 Code §§ 17200, *et seq.* (“Beck’s Class Action”). Beck’s Class Action is also pending before this Court,

1 Hon. Sunshine Sykes in Department 6 of the Riverside County Superior Court, Case No CVR12102912.
2 Beck's Class Action involves the same Plaintiff, the same Defendants, and the same allegedly
3 aggrieved employees at issue in Beck's PAGA Representative Action. Accordingly, Becks PAGA
4 Representative Action is related to Beck's Class Action, which are both related to this first-filed case.

5 5. On September 14, 2021, the Defendants filed a Notice of Related Case in Beck's PAGA
6 Representation Action asserting that her claims have been absorbed by the instant, first-filed *Franco v.*
7 *Rancho Family Medical Group, Inc., et al.* class action ("Franco Class Action"), which settled in
8 September 2021 and was pending preliminarily approved on December 15, 2021. On September 16,
9 2021, Defendants also filed a Notice of Related Case in Beck's Class Action asserting that her claims
10 had been absorbed by the related, first-filed Franco Class Action and were also related to Beck's PAGA
11 Representation Action.

12 6. The Beck cases are set for initial Case Management Conferences on May 10, 2022.

13 7. In the meantime, counsel for Beck in both Beck's PAGA Representative Action and
14 Beck's Class action, Lawyers for Justice, PC, have been communicating with Defendants about Beck's
15 desire to enter into a private settlement agreement with Defendants and dismiss her class claims. We
16 anticipate that Defendants will reach a private settlement with Beck by early April 2022.

17 I declare under penalty of perjury under the laws of the State of California that the foregoing is
18 true and correct. Executed this 1st day of April 2022 in Los Angeles, California.

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Yesenia Gallegos

Galen T. Shimoda (Cal. State Bar No. 226752)
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Attorneys for Plaintiff SARA FRANCO
individually and on behalf of similarly situated employees

SUPERIOR COURT OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

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

Plaintiff,

vs.

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

Defendants.

Case No. CVRI2102264

CLASS ACTION

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

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

*[Filed concurrently with Plaintiff's Motion for
Attorneys Fees' and Costs, Class Representative
Enhancement Payment, and Settlement
Administrator Costs]*

Date: April 28, 2022

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 Final Approval of Class Action and PAGA Settlement (“Motion”) in the above
3 referenced case came before this Court, on April 28, 2022, at 8:30 a.m., in Department 6 before the
4 Honorable Sunshine Sykes, presiding. Named Plaintiff Sara Franco (“Plaintiff”) filed this putative
5 class action on May 10, 2021. The operative Complaint alleges that Defendants Rancho Family
6 Medical Group, Inc., and Rancho Health MSO, Inc., (“Defendants”) violated California law by 1)
7 failing to pay overtime wages; 2) failing to pay minimum wages; 3) failing to provide legally
8 compliant meal periods or pay the appropriate meal period premiums in lieu thereof; 4) failing to
9 provide legally compliant rest periods or pay the appropriate rest period premiums in lieu thereof; 5)
10 failing to provide accurate, itemized wage statements; 6) failing to pay final wages owed in a timely
11 manner; 7) failing to pay reimbursement for all expenses incurred by employees; 8) failing to pay
12 premium wages at the correct regular rate of pay for overtime, paid sick leave, and meal and rest
13 period premiums (*i.e.* including within the regular rate of pay calculation shift differentials, pay
14 stipends, and bonuses); and 9) engaging in unfair competition based on these alleged violations.
15 Plaintiff has also alleged Defendants are liable for a civil penalties under the Private Attorneys General
16 Act (“PAGA”) based on these violations. Plaintiff sought attorneys’ fees and costs as part of this
17 Action. Defendants denied all of Plaintiff’s claims and denied that this case was appropriate for class
18 treatment. No class has been certified. The class settlement was preliminarily approved by this Court
19 on December 15, 2021.

20 The parties have agreed to settle the class and PAGA claims. Defendants will provide
21 monetary consideration in exchange for a release of claims consistent with the terms of the proposed
22 settlement as set forth in the Joint Stipulation Regarding Class Action and PAGA Settlement and
23 Release (“Agreement”), which was attached to Plaintiff’s Exhibit List and Exhibits in Support of
24 Plaintiff’s Motion for Final Approval of Class Action and PAGA Settlement as Exhibit A and filed on
25 April 4, 2022. 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 Final Approval of Class
27 Action and PAGA Settlement, the declarations in support, the Agreement, the Notice of Settlement,
28

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

**1. CERTIFYING A SETTLEMENT CLASS; APPOINTMENT OF CLASS
REPRESENTATIVE; 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. There were eight (8) individuals who timely opted out of the settlement and shall not be
considered Class Members, including Peggy Gulserian, Diocelina Acosta, Cheryl Joslin, Nichole
Ghandour, Krystle Jocelyn Parnala, Andrea Hubby, Elexus Paylor and Hannah Park. However, these
individuals are still Aggrieved Employees under the Agreement as there is no ability to opt out of a
PAGA settlement.

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

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

The Court finds that Plaintiff Sara Franco and Plaintiff's counsel, Galen T. Shimoda and Justin P. Rodriguez of Shimoda & Rodriguez Law, PC, to be adequate representatives of the settlement class. The Court appoints them as Class Representative and Class Counsel, respectively.

2. APPROVING CLASS ACTION AND PAGA SETTLEMENT

The Court has reviewed the Agreement. The Court finds that final approval is warranted as the Agreement falls within the range of reasonableness and is fair, reasonable, and adequate for Class Members. The Court also acknowledges that Class Members were able to object to the settlement through the administration process and at a fairness hearing. Only one Objection Form was submitted, but it did not address the Agreement or the settlement. Instead, it addressed paid family leave and unemployment benefits, which are outside the scope of the Agreement and not affected by the settlement in any way. Because the objection did not take issue with the Agreement in general or any specific terms therein, it is overruled. Additionally, only eight (8) Class Members (2% of the class) opted out of the settlement. The lack of objections related to the settlement and low opt out rate provide strong evidence that the Agreement is fair, reasonable, and adequate.

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

The Court also approves of the Fifteen Thousand Dollars (\$15,000) PAGA Payment, which shall be paid from the Gross Settlement Amount, not in addition to the Gross Settlement Amount, to

1 resolve the alleged PAGA claims. Seventy-Five percent (75%) of the PAGA Payment will be paid to the
2 Labor and Workforce Development Agency (“LWDA”) and Twenty-Five percent (25%) will be paid to
3 Aggrieved Employees on a pro rata basis as described in the Agreement. The Court finds that the
4 Agreement provides a recovery that creates an effective, substantial deterrent to any potential future
5 non-compliance, furthering the purpose of the Labor Code and LWDA. Furthermore, a substantial
6 reduction of any available PAGA civil penalties awarded at trial would likely take place given that the
7 claims are entirely derivative of Plaintiff’s class claims and a full award of civil penalties in addition to
8 recovery on the non-PAGA claims may be deemed unjust, arbitrary and oppressive, or confiscatory.

9 The Court approves of the identified *cy pres* beneficiaries and distribution plan wherein any
10 checks issued to Qualified Claimants and/or Aggrieved Employees that are not cashed by the deadline to
11 do so shall be paid out 50/50 to Capital Pro Bono, Inc., at 1860 Howe Ave #130, Sacramento,
12 California, 95825, and the Center for Workers’ Rights at 2741 Fruitridge Road, Suite 5, Sacramento,
13 California, 95820. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

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

17 A Motion for Attorneys’ Fees and Costs, Class Representative Enhancement Payment, and
18 Settlement Administrator Costs was heard concurrently with this Motion. Class Counsel’s request for
19 \$216,666.67 for attorneys’ fees, \$14,642.87 in costs, \$7,500 as a Class Representative Enhancement
20 Payment, and \$8,500 for Settlement Administrator Costs is granted. The Court’s findings regarding
21 Plaintiff’s Motion for Attorneys’ Fees and Costs, Class Representative Enhancement Payment, and
22 Settlement Administrator Costs are incorporated by reference as if stated here in full.

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

26 The Court finds that the Notice of Settlement, Objection Form, and Request for Exclusion Form,
27 which were filed with Plaintiff’s Motion as Exhibits A and B to the Declaration of Lindsay Kline, fairly
28 and adequately advised Class Members of the terms of the Agreement, the rights being waived, their

1 right to opt out, the ability to dispute the number of weeks worked during the Class Period, their pro rata
2 share of the Net Settlement Amount, how to participate in the settlement, how to file documentation in
3 opposition to the settlement, and when to appear at the fairness hearing.

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

11 The Court confirms the appointment of Simpluris, Inc. to act as the Settlement Administrator in
12 this case and carry out the remaining duties of settlement administration as set forth in the Agreement.
13 Any envelope transmitting a settlement distribution to a Class Member and/or Aggrieved Employee
14 shall bear the notation, "YOUR CLASS ACTION SETTLEMENT CHECK IS ENCLOSED." The
15 check shall be negotiable for at least ninety (90) days, but not more than one hundred and eighty (180)
16 days from the date of mailing. The Settlement Administrator shall mail a reminder postcard to any Class
17 Member whose settlement distribution check has not been negotiated within sixty (60) days after the
18 date of mailing. If any of the Class Members are current employees of Defendants, the distribution
19 mailed to those employees is returned to the Settlement Administrator as undeliverable, and the
20 Settlement Administrator is unable to locate a valid mailing address, then the Settlement Administrator
21 shall arrange with the Defendants to have those distributions delivered to the employees at their place of
22 employment.

23 **4. IMPLEMENTATION SCHEDULE**

24 Accordingly, with good cause shown, the Court hereby approves and orders that the following
25 implementation schedule be adhered to:
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1 2 3 4 5	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
6 7	Last day for Defendants to fund settlement	Within 21 calendar days after the Final Approval Date
8 9 10 11	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
12 13 14	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
15 16 17	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
18 19	Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

IT IS FURTHER ORDERED that this final approval order is effective as a judgment with each party to bear its own fees and costs outside of what has been ordered herein. Class Counsel shall file a Notice of Entry of Judgment (Judicial Council Form CIV-130) attaching this Order as well as posting the filing online at the following address: <https://www.simpluris.com/case-information>. The Court finds that this will adequately inform Class Members of this Judgment as Class Members were previously instructed through the Notice of Settlement that relevant case documents and settlement documents could be accessed there.

A Final Report (Non-Appearance) Hearing shall be set for January 12, 2023, at 8:30 a.m. in Department 6. At least five Court days prior to this hearing, Class Counsel shall file a declaration that

1 confirms compliance with the Court's order and reports on the information required in paragraph I of the
2 Court's Class Action Case Management Order #1.

3 This matter is subject to the Court's continuing jurisdiction to monitor and enforce the terms of
4 this Order and the approved Agreement.

5
6 **IT IS SO ORDERED.**

7
8 Date: _____

By: _____

Hon. Sunshine Sykes

1 Galen T. Shimoda (Cal. State Bar No. 226752)
Justin P. Rodriguez (Cal. State Bar No. 278275)
2 **Shimoda & Rodriguez Law, PC**
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3 Elk Grove, CA 95624
Telephone: (916) 525-0716
4 Facsimile: (916) 760-3733

5 Attorneys for Plaintiff SARA FRANCO
individually and on behalf of similarly situated employees
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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.
18

Case No. CVRI2102264

CLASS ACTION

**PROOF OF SERVICE OF PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF
CLASS ACTION AND PAGA SETTLEMENT**

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

*[Filed concurrently with Plaintiff's Motion for
Attorneys Fees' and Costs, Class Representative
Enhancement Payment, and Settlement
Administrator Costs]*

Date: April 28, 2022

Time: 8:30 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 April 4, 2022, I served the following documents on the party below:

- 9 • PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF
- 10 • CLASS ACTION AND PAGA SETTLEMENT
- 11 • MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT OF PLAINTIFF'S
- 12 • MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT
- 13 • EXHIBIT LIST AND EXHIBITS IN SUPPORT OF PLAINTIFF'S MOTION FOR FINAL
- 14 • APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT
- 15 • DECLARATION OF JUSTIN P. RODRIGUEZ IN SUPPORT OF PLAINTIFF'S MOTION
- 16 • FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT
- 17 • DECLARATION OF SARA FRANCO IN SUPPORT OF PLAINTIFF'S MOTION FOR
- 18 • FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT
- 19 • DECLARATION OF YESENIA GALLEGOS REGARDING PLAINTIFF'S MOTION FOR
- 20 • FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT
- 21 • DECLARATION OF LINDSAY KLINE REGARDING NOTICE AND SETTLEMENT
- 22 • ADMINISTRATION
- 23 • [PROPOSED] ORDER GRANTING PLAINTIFF'S MOTION FOR FINAL APPROVAL
- 24 • OF CLASS ACTION AND PAGA SETTLEMENT AND JUDGMENT

25 Marjorie Soto (SBN: 313290) 26 Yesenia Gallegos (SBN: 231852) 27 Cindy Liu 28 McDermott Will & Emery LLP 2049 Century Park East Suite 3200 Los Angeles, CA 90067 Phone: (310) 277-4110 Fax: (310) 277-4730 Email: mcsoto@mwe.com Ygallegos@mwe.com Cliu@mwe.com Kmay@mwe.com abeveryly@mwe.com	
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25 [] [By Mail] I am familiar with my employer's practice for the collection and
26 processing of correspondence for mailing with the United States Postal
27 Service and that each day's mail is deposited with the United States Postal
28 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
said action by placing a true copy thereof enclosed in a sealed envelope
with postage thereon fully prepaid, for collection and mailing on this date,

1 following ordinary business practices, at Elk Grove, California, addressed
2 as set forth above.

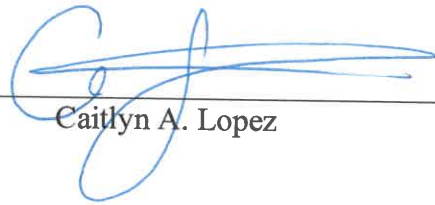
3 [] [By Personal Service] By personally delivering a true copy thereof to the
4 office of the addressee above.

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

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

9 I declare under penalty of perjury under the laws of the State of California that the foregoing
10 is true and correct, and that this declaration was executed on April 4, 2022, at Elk Grove,
11 California.

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Caitlyn A. Lopez