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Attorneys for Plaintiffs and the Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

TERESA BOND, JESSE ZAMARRIPA,
individually, and on behalf of other members of
the general public similarly situated; REYNEIRO
LARIOS, individually, and on behalf of other
aggrieved employees pursuant to the California
Private Attorneys General Act,

Plaintiff,

vs.

HANGER, INC., an unknown business entity;
HANGER ORTHOPEDIC GROUP, INC., an
unknown business entity; HANGER
PROSTHETICS & ORTHOTICS, INC., a
Delaware corporation; HANGER
PROSTHETICS & ORTHOTICS WEST, INC., a
California corporation; HANGER
FABRICATION NETWORK, LLC, an unknown
business entity; and DOES 2 through 100,
inclusive,

Defendants.

Case No: 34-202 1-00303204-CU-OE-GDS

Honorable Lauri A. Damrell
Department 22

CLASS ACTION

**DECLARATION OF JENNIFER
BELIVEAU REGARDING NOTICE AND
SETTLEMENT ADMINISTRATION**

Date: April 19, 2024
Time: 9:00 a.m.
Department: 22

Complaint Filed: June 23, 2020
FAC Filed: December 27, 2022
Trial Date: None Set

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1. I am employed as a Project Manager by Simpluris, Inc. (“Simpluris”), the claims administrator in the above-entitled action. Our Corporate Office address is 3194-C Airport Loop Dr., Costa Mesa, CA 92626. My telephone number is (502) 414-1543. I am over twenty-one years of age and authorized to make this declaration on behalf of Simpluris and myself.

3. Simpluris was approved by counsel for Plaintiffs Teresa Bond, Reyneiro Larios, and Jesse Zamarripa (collectively, “Plaintiffs”) and Defendants Hanger, Inc., Hanger Orthopedic Group, Inc., Hanger Prosthetics & Orthotics, Inc., Hanger Prosthetics & Orthotics West, Inc., and Hanger Fabrication Network, LLC (collectively, “Defendants”) (collectively with Plaintiffs, the “Parties”), to provide settlement administration services in the *Reyneiro Larios, et al. v. Hanger, 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 Plaintiffs, Class Counsel, Settlement Class Members, and PAGA Group Members; (d) printing and mailing the Notice of Class Action Settlement (“Class Notice”) to Class Members in English and Spanish; (e) receiving and validating Requests for Exclusion, Notices of Objections, and disputes to Workweeks submitted by Class Members and PAGA Group Members; (f) calculating the employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) and providing appropriate forms and calculations to Defendants; (g) mailing Individual Settlement Payment checks to Settlement Class Members and Individual PAGA Payment checks to PAGA Group Members, (h) providing counsel with weekly reports; and (i) other tasks as the Parties mutually agree or the Court orders Simpluris to perform.

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DECLARATION OF JENNIFER BELIVEAU REGARDING NOTICE AND SETTLEMENT ADMINISTRATION

1 **TOLL-FREE TELEPHONE HELPLINE**

2 4. A toll-free telephone number was included in the Class Notice for the purpose of allowing
3 the Class Members to call Simpluris and to make inquiries regarding the Settlement. The system is
4 accessible 24 hours a day, 7 days a week, and will remain in operation throughout the settlement process.
5 Callers have the option to speak with a live call center representative during normal business hours or to
6 leave a message and receive a return call during non-business hours. Spanish-speaking representatives
7 are available during normal business hours. The toll-free telephone number included in the Notice of
8 Class Action Settlement was (866) 603-1748 and was live on January 25, 2024.

9 **NOTIFICATION TO THE CLASS**

10 5. On October 26, 2023, Simpluris received the Court-approved Class Notice. The Class
11 Notice advised Class Members and PAGA Group Members of their right to request exclusion from the
12 Class Settlement, object to the Class Settlement, dispute Workweeks, do nothing, and the implications of
13 each such action. The Class Notice advised Class Members of applicable deadlines and other events,
14 including the Final Approval Hearing, and how Class Members could obtain additional information. The
15 Class Notice was pre-printed with the name and address of the Class Member and/or PAGA Group
16 Member, Workweeks used to calculate his/her estimated settlement share, and instructions for submitting
17 a dispute to Workweeks.
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19 6. On November 22, 2023, Defendant's counsel provided Simpluris a Class Data and List
20 containing each Class Member's and PAGA Group Member's last-known full name, mailing address,
21 telephone number, Social Security Number, dates worked as an hourly-paid, non-exempt employee of
22 Defendants in California during the Class Period and PAGA Period (if applicable), and such other
23 information as is necessary for the Settlement Administrator to calculate Workweeks during the Class
24 Period and PAGA Period ("Class Data and List"). The Class Data and List contained data for seven
25 hundred and sixty-five (765). Of the seven hundred and sixty-five (765) individuals, three (3) records
26 were removed as they were determined to be outside the class period, one (1) record was combined as
27 they were determined to be duplicative and three (3) were removed as they were determined to have zero
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(0) Workweeks. Ultimately, there are seven hundred and fifty-eight (758) records representing one hundred five thousand two hundred eighty-nine and thirty-five (105,289.35) Workweeks.

7. The mailing addresses contained in the Class Data and List were processed and updated utilizing the National Change of Address Database (“NCOA”) maintained by the U.S. Postal Service. The NCOA contains requested changes of address filed with the U.S. Postal Service. In the event that any individual had filed a U.S. Postal Service change of address request, the address listed with the NCOA would be utilized in connection with the mailing of the Class Notice. Simpluris was able to locate one hundred and forty-three (143) updated addresses using NCOA prior to the mailing of the Class Notice.

8. On January 25, 2024, the Class Notice was mailed to seven hundred and fifty-eight (758) individuals identified as Class Members. Of the seven hundred and fifty-eight (758) Class Members, five hundred and fifty (550) were identified as PAGA Group Members. The Class Notice was mailed via First Class in both English and Spanish. A copy of the Class Notice is attached hereto as “**Exhibit A.**”

9. A total of seventy-three (73) Class Notices were returned to Simpluris. Of these, nine (9) were returned with a forwarding address and Simpluris promptly re-mailed the Class Notice to the provided forwarding address. If a Class Member’s Class Notice was returned by the USPS as undeliverable and without a forwarding address, Simpluris performed an advanced address search (i.e. skip trace) on all of these addresses by using Accurant, a reputable research tool owned by Lexis-Nexis. Simpluris used the Class Member’s name and previous address to locate a current address. Through the advanced address searches, Simpluris was able to locate sixty (60) updated addresses and Simpluris promptly mailed a Class Notice to those updated addresses. Ultimately, there are four (4) Class Notices that remain undeliverable.

10. The Escalator Clause of the Joint Stipulation of Class Action and PAGA Settlement and Release indicates that “Defendants have represented that Class Members worked approximately 99,020 Workweeks during the period June 23, 2016 through April 21, 2022. If it is determined that the total number of Workweeks during the period June 23, 2016 through September 8, 2022 actually exceeds 108,922 (“Workweeks Threshold”), then the Gross Settlement Amount will increase on a proportional

1 basis to the extent the Workweeks Threshold is exceeded (e.g., if the number of the Workweeks during
2 the period June 23, 2016 through September 8, 2022 are actually 109,912, representing a one percent
3 (1% increase above the Workweeks Threshold), then the Gross Settlement Amount will increase by
4 one percent (1%)). In the alternative, if the Workweeks Threshold is exceeded, in its sole discretion,
5 Defendants may elect to end the Class Period on the earlier of September 8, 2022 or the date that the
6 Workweeks Threshold is exceeded.” The total number of Workweeks during this period was one
7 hundred five thousand two hundred eighty-nine and thirty-five (105,289.35), which does not exceed the
8 Workweeks Threshold. Therefore, the Escalator Clause is not triggered and the Gross Settlement
9 Amount remains \$2,250,000.00.

10 **REQUESTS FOR EXCLUSION, NOTICES OF OBJECTIONS AND WORKWEEKS DISPUTE**

11 11. The deadline for Class Members to submit a Request for Exclusion from the Class
12 Settlement, Notice of Objection to the Class Settlement, or dispute to Workweeks was March 25, 2024.

13 12. As of this date, Simpluris has received two (2) Requests for Exclusion from the Class
14 Settlement from Class Members Karen Sue Wilkinson and Bernard Asahina.

15 13. As of this date, Simpluris has not received any Notices of Objection to the Class
16 Settlement from Class Members.

17 14. As of this date, Simpluris has not received any dispute to Workweeks from Class Members
18 or PAGA Group Members.

19 **POTENTIAL CLASS MEMBER**

20 15. As of this date, Simpluris received one (1) request from a self-identifying individual.
21 Information regarding the self-identifying Class Member was forwarded to counsel for Defendant for
22 research to determine if they should be included as a Class Member. Defendants’ records were deemed
23 correct and it was determined that the individual should not be included because they did not fit within
24 the class criteria.

25 **CLASS MEMBER AWARDS**

26 16. As of this date, there are seven hundred and fifty-six (756) Class Members who did not
27 submit a timely and valid Request for Exclusion (“Settlement Class Members”), and who will be paid
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1 their portion of the Net Settlement Amount. Of the seven hundred and fifty-six (756) Settlement Class
2 Members, five hundred and fifty (550) are also Aggrieved Employees and will be paid out of the twenty-
3 five percent (25%) portion of the PAGA Allocation (“PAGA Group Member Amount”).

4 17. The Net Settlement Amount of \$970,005.00 available to pay Settlement Class Members
5 was determined by subtracting the Attorneys’ Fees (\$750,000.00), Attorneys’ Costs (\$40,000.00),
6 Incentive Awards (\$30,000.00), PAGA Allocation (\$450,000.00), and the Administration Fees
7 (\$9,995.00) from the Gross Settlement Amount of \$2,250,000.00.

8 18. The average estimated Individual Settlement Payment is \$1,283.08, the highest estimated
9 Individual Settlement Payment is \$2,998.84, and the lowest estimated Individual Settlement Payment is
10 \$1.30.

11 19. Pursuant to the Settlement Agreement, twenty-five percent (25%) of the PAGA Allocation
12 (\$112,500.00) (i.e., PAGA Group Member Amount) will be payable *pro rata* to PAGA Group Members
13 based on their Workweeks during the PAGA Period, regardless of whether he or she opts out of the Class
14 Settlement, and seventy-five percent (75%) of the PAGA Allocation (\$337,500.00) will be payable to the
15 Labor and Workforce Development Agency (“LWDA”) (“LWDA Payment”).

16 20. As of this date, there are five hundred and fifty (550) PAGA Group Members who will be
17 paid their portion of the PAGA Group Member Amount of \$112,500.00.

18 21. The average estimated Individual PAGA Payment is \$204.55, the highest estimated
19 Individual PAGA Payment is \$332.81, and the lowest estimated Individual PAGA Payment is \$0.37.

20 ADMINISTRATION COSTS

21 22. Simpluris’ total costs for services in connection with the administration of this Settlement,
22 including fees incurred and anticipated future costs for completion of the administration, are \$9,995.00.
23 Simpluris’ work in connection with this matter will continue with the calculation of the settlement checks,
24 issuance and mailing of those settlement checks, etc., and to do the necessary tax reporting on such
25 payments. A true and correct copy of the invoice from Simpluris is attached hereto as “**Exhibit B.**”
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1 I declare under penalty of perjury under the laws of the State of California that the foregoing is
2 true and correct. Executed this 27th day of March 2024, in Independence, Virginia.

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6 JENNIFER BELIVEAU
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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Reyneiro Larios, et al. v. Hanger Inc., et al.
Sacramento County Superior Court Case No. 34-2021-00303204-CU-OE-GDS

«IMb1ullBarcodeEncoded»

«FirstName» «LastName» «BusinessName»
«Address1» «Address2»
«City», «State» «Zip»

SIMID
«SIMID»
«Barcode_182791»

THIS IS A COURT-AUTHORIZED NOTICE. PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced matter.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Reyneiro Larios, Teresa Bond, and Jesse Zamarripa (together, "Plaintiffs") and Defendants Hanger, Inc., Hanger Orthopedic Group, Inc., Hanger Prosthetics & Orthotics, Inc., Hanger Prosthetics & Orthotics West, Inc., and Hanger Fabrication Network, LLC (collectively, "Defendants") (Plaintiffs and Defendants are collectively referred to as the "Parties") in the case entitled *Reyneiro Larios, et al. v. Hanger Inc., et al.*, Sacramento County Superior Court, Case No. 34-2021-00303204-CU-OE-GDS (the "Action"), which may affect your legal rights. On October 23, 2023, the Court granted preliminary approval of the settlement and scheduled a hearing on March 8, 2024, at 9:00 a.m. ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the Settlement.

I. IMPORTANT DEFINITIONS

"Class" means all current and former hourly, non-exempt employees of Defendants in California at any time during the Class Period.

"Class Member" means a member of the Class.

"Class Period" means the period from June 23, 2016, through September 8, 2022.

"Class Settlement" means the settlement and resolution of all Released Class Claims. (Described in Section III.D. below).

"PAGA Group" means all current and former hourly, non-exempt employees of Defendants in California at any time during the PAGA Period.

"PAGA Group Member" means a member of the PAGA Group.

"PAGA Period" means the period from April 5, 2020, through September 8, 2022.

"PAGA Settlement" means the settlement and resolution of Released PAGA Claims. (Described in Section III.D. below).

II. BACKGROUND OF THE ACTION

On April 5, 2021, Plaintiff Reyneiro Larios provided written notice to the Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the California Labor Code that were alleged to be violated (“LWDA Notice”). On June 25, 2021, Plaintiff Reyneiro Larios commenced the Action by filing a Complaint for Enforcement Under the Private Attorneys General Act, Cal. Labor Code § 2698 Et Seq. in the Sacramento Superior Court, Case No. 34-2021-00303204-CU-OE-GDS. On December 27, 2022, Plaintiffs filed the First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Operative Complaint”), adding Teresa Bond and Jesse Zamarripa as named plaintiffs, adding class causes of action, and adding Hanger Fabrication Network, LLC as an additional defendant.

Plaintiffs allege that Defendants failed to properly pay minimum wages, failed to provide compliant meal breaks and associated premiums, failed to provide compliant rest breaks and associated premiums, failed to timely pay wages during employment and upon termination of employment and associated waiting-time penalties, failed to provide compliant wage statements, failed to maintain payroll records, failed to reimburse business expenses, and thereby, engaged in unfair business practices under the California Business and Professions Code section 17200, *et seq.* and conduct giving rise to civil penalties recoverable under California Labor Code sections 2698, *et seq.* (“PAGA”), with respect to Plaintiffs and other putative class members. Plaintiffs seek, among other things, recovery of unpaid wages and premiums, restitution, penalties, interest, attorneys’ fees, and costs.

Defendants deny all of the allegations in the Action and deny that they violated any law. The Court has not made a ruling on the merits of the case.

The Parties participated in a full-day mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”).

On October 23, 2023, the Court entered an order preliminarily approving the Settlement. The Court has preliminarily appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Reyneiro Larios, Teresa Bond, and Jesse Zamarripa as representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Edwin Aiwazian
Arby Aiwazian
Joanna Ghosh
Selena Matavosian
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment and Individual PAGA Payment (if eligible), but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to the Plaintiffs or to the Class Members. The Court has made no ruling on the merits asserted in the Action and has determined only that certification of the Class for settlement purposes only is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Breakdown of the Settlement

The gross settlement amount to be paid by Defendants is two million two hundred fifty thousand dollars (\$2,250,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount

less the following payments, which are subject to approval by the Court: (1) Attorneys' Fees and Costs, consisting of attorneys' fees in an amount not to exceed 35% of the Gross Settlement Amount (i.e., not to exceed \$787,500.00) and reimbursement of litigation costs and expenses in an amount not to exceed forty thousand dollars (\$40,000.00) to Class Counsel; (2) Incentive Awards in amounts up to ten thousand dollars (\$10,000.00) to each Plaintiff for their services in the Action; (3) Administration Fees in an amount not to exceed twelve thousand dollars (\$12,000.00); and (4) payment to the LWDA in the amount of three hundred thirty-seven thousand five hundred dollars (\$337,500.00) for its 75% portion of the PAGA Allocation. Note: A total of four hundred fifty thousand dollars (\$450,000.00) from the Gross Settlement Amount has been allocated toward penalties under the Private Attorneys General Act ("PAGA Allocation"), of which the LWDA will be paid 75% and the remaining 25% (i.e., \$112,500.00) will be distributed to PAGA Group Members ("PAGA Group Member Amount").

Class Members may be eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") based on the number of weeks each Class Member was employed by Defendants as an hourly, non-exempt employee in California during the Class Period ("Workweeks").

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiplied each Class Member's individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion ("Settlement Class Members") will be issued payment of their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) wages, which will be reported on an IRS Form W-2, and eighty percent (80%) penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, resulting in a net payment to the Settlement Class Member ("Individual Settlement Payment"). The employer's share of taxes and contributions in connection with the wages portion of Individual Settlement Shares ("Employer Taxes") will be paid by Defendants in addition to the Gross Settlement Amount.

PAGA Group Members are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Group Member Amount ("Individual PAGA Payment") based on their number of Workweeks during the PAGA Period.

The Settlement Administrator has divided the PAGA Group Member Amount by the Workweeks of all PAGA Group Members during the PAGA Period to yield the "PAGA Workweek Value," and multiplied each PAGA Group Member's individual Workweeks during the PAGA Period by the PAGA Workweek Value to yield his or her estimated Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported on IRS Form 1009 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Group Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must make sure to provide your correct mailing address to the Settlement Administrator in a timely fashion, to ensure receipt of payment.**

B. Your Workweeks Based on Defendants' Records

According to Defendants' records:

From June 23, 2016, through September 8, 2022 (i.e., Class Period), you are credited with «MERGED_WW_CALC» Workweeks.

From April 5, 2020, through September 8, 2022 (i.e., PAGA Period), you are credited with «MERGED_PAGAWW_CALC» Workweeks.

If you wish to dispute the Workweeks credited to you, you must timely submit a written letter to the Settlement Administrator, that: (a) contains the case name and number of the Action (*Reyneiro Larios, et al. v. Hanger Inc., et al.*, Case No. 34-2021-00303204-CU-OE-GDS); (b) contains your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) clearly states that you dispute the number of Workweeks credited to you during

the Class Period and/or PAGA Period and states what number(s) of Workweeks you contend should be credited to you for the Class Period and/or PAGA Period; (d) includes information and/or attaches documentation demonstrating that the number of Workweeks that you contend should be credited to you for the Class Period and/or PAGA Period; and (e) is returned by mail to the Settlement Administrator at the specified address listed in Section IV.V below, postmarked **on or before March 25, 2024**.

C. Your Estimated Individual Settlement Payment and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Payment is based on the number of Workweeks credited to you during the Class Period and your estimated Individual PAGA Payment (if applicable) is based on the number of Workweeks credited to you during the PAGA Period.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$«MERGED_Class_EstSettAmnt_CALC». The Individual Settlement Share is subject to reduction for employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$«MERGED_PAGAEstSettAmnt_CALC». The Individual PAGA Payment will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take several months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Notice are only estimates. Your actual Individual Settlement Share and Individual PAGA Payment (if applicable) may be higher or lower than estimated.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs and all Settlement Class Members (i.e., Class Members who do not submit a timely and valid Request for Exclusion) will release the Released Parties from the Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, the State of California with respect to all PAGA Group Members, and all PAGA Group Members, will release the Released Parties from the Released PAGA Claims.

“Released Class Claims” means any and all claims, actions, or cause of action alleged in the Operative Complaint or that could have been alleged based upon the facts alleged in the Operative Complaint, arising during the Class Period, including and not limited to, for failure to properly pay overtime, failure to pay minimum wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages upon termination, during employment and associated waiting-time penalties, failure to provide compliant wage statements, failure to keep requisite payroll records, failure to reimburse necessary business expenses, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802 and Industrial Welfare Commission Wage Orders (including, *inter alia*, Wage Order Nos. 1-2001, 4-2001, 5-2001, and 7-2001), and violation of California Business and Professions Code section 17200 *et seq.* based on the aforementioned.

“Released PAGA Claims” means any and all claims for civil penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* that were alleged in the Operative Complaint or that could have been alleged based upon the facts alleged in the Operative Complaint and/or in the LWDA Notice, arising during the PAGA Period, for failure to properly pay overtime, failure to pay minimum wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages upon termination, during employment and associated waiting-time penalties, failure to provide compliant wage statements, failure to keep requisite payroll records, and failure to reimburse necessary business expenses, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802 and Industrial Welfare Commission Wage Orders (including, *inter alia*, Wage Order Nos. 1-2001, 4-2001, 5-2001, and 7-2001).

“Released Parties” means Defendants and each and all of their past and present insurers, affiliates, parents, subsidiaries, and predecessors, and all of their respective employees, officers, directors, owners, general partners, partners, trustees,

representatives, shareholders, stockholders, and members.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount, which is seven hundred eight-seven thousand five hundred dollars (\$787,500.00) and reimbursement of litigation costs and expenses in an amount not to exceed forty thousand dollars (\$40,000.00) (collectively, "Attorneys' Fees and Costs") subject to approval by the Court. All Attorneys' Fees and Costs awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and PAGA Group Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Incentive Awards to Plaintiffs

Plaintiffs will seek the amount of ten thousand dollars (\$10,000.00) ("Incentive Award") each, in recognition of their services in connection with the Action. The Incentive Awards will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to their Individual Settlement Payments and Individual PAGA Payments that they are entitled to under the Settlement.

G. Administration Fees to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed twelve thousand dollars (\$12,000.00) ("Administration Fees") for the costs of the notice and settlement administration process, including but not limited to, the expense of notifying the Class Members and PAGA Group Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and disputes regarding Workweeks, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement. Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims described in Section III.D above.

If you are a PAGA Group Member, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims described in Section III.D above.

As a Class Member and PAGA Group Member (if applicable), you will not be separately responsible for the payment of attorneys' fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must submit a letter ("Request for Exclusion") to the Settlement Administrator, which must: (a) contain the case name and number of the Action (*Reyneiro Larios, et al. v. Hanger Inc., et al.*, Case No. 34-2021-00303204-CU-OE-GDS); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) clearly state you do not wish to be included in the Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address listed below, postmarked **on or before March 25, 2024**.

Simpluris, Inc.
P.O. Box 26170
Santa Ana, CA 92799

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims stated in Section III.D above), and will not have any right to object to, appeal, or comment on the

Class Settlement. Any Class Members who do not submit a valid and timely Request for Exclusion will be bound by all terms of the Class Settlement, including those pertaining to the release of claims stated in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

Notwithstanding the above, PAGA Group Members will receive their Individual PAGA Payment and will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above), irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection (“Notice of Objection”) to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

The Notice of Objection must include: (a) the case name and number of the Action (*Reyneiro Larios, et al. v. Hanger Inc., et al.*, Case No. 34-2021-00303204-CU-OE-GDS); (b) your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before March 25, 2024**.

You may still appear at the Final Approval Hearing to assert objections to the Class Settlement even if you have not submitted a proper written Notice of Objection as set forth above.

V. FINAL APPROVAL HEARING

The Court will hold a hearing in Department 22 of the Sacramento County Superior Court, located at Gordon D. Schaber Sacramento County Courthouse, 720 9th St, Sacramento, CA 95814, on March 8, 2024, at 9:00 a.m., to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve an award of Attorneys’ Fees and Costs to Class Counsel, Incentive Awards to Plaintiffs, and Administration Fees to the Settlement Administrator.

The hearing may be continued without further notice to the Class Members and PAGA Group Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to. Personal appearances and telephonic appearances are an option.

You can find information regarding the Court’s most current COVID-19 guidelines at: <https://www.saccourt.ca.gov/general/coronavirus.aspx>.

You can find information regarding appearing by Zoom or telephone online at: <https://www.cc-courts.org/calendars/court-calendars.aspx>.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Joint Stipulation of Class Action and PAGA Settlement and Release and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action by visiting the Civil Records Unit at Gordon D. Schaber Sacramento County Courthouse, Room 102, 720 9th St, Sacramento, CA 95814, during business hours, or online by visiting the following: <https://services.saccourt.ca.gov/PublicCaseAccess/Civil/SearchByCaseNumber>. Fees may apply for accessing and/or obtaining copies of documents from the Court in person or online. To look up and access documents and information on the Court’s systems, you will need to use the case number for the Action.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: (866) 603-1743, OR YOU MAY ALSO CONTACT CLASS COUNSEL.

NOTIFICACIÓN DE ACUERDO DE ACCIÓN DE CLASE

Reyneiro Larios, et al v. Hanger Inc., et al
Corte Superior del Condado de Sacramento, Caso No. 34-2021-00303204-CU-OE-GDS

«FirstName» «LastName» «BusinessName»

«Address1» «Address2»

SIMID «SIMID»
«Barcode_182791»

«City», «State» «Zip»

ESTA NOTIFICACIÓN FUE AUTORIZADA POR LA CORTE. POR FAVOR, LEA ATENTAMENTE ESTA NOTIFICACIÓN

Recibió esta Notificación porque los registros de los Demandados indican que usted podría ser elegible para participar en un acuerdo de acción de clase al que se llegó en el caso arriba mencionado.

No necesita tomar ninguna acción para recibir un pago del acuerdo.

Esta Notificación está diseñada para informarle sobre sus opciones y derechos con respecto al acuerdo, y cómo puede solicitar ser excluido del Acuerdo de Clase, oponerse al Acuerdo de Clase y/o disputar la cantidad de Semanas de Trabajo que se le acreditó, si así lo desea.

SE LE NOTIFICA QUE: Se ha llegado a un acuerdo de acción de clase y de representación entre los Demandantes Reyneiro Larios, Teresa Bond y Jesse Zamarripa (en conjunto, los “Demandantes”) y los Demandados Hanger, Inc., Hanger Orthopedic Group, Inc., Hanger Prosthetics & Orthotics, Inc., Hanger Prosthetics & Orthotics West, Inc., y Hanger Fabrication Network, LLC (en conjunto, los “Demandados”) (los Demandantes y Demandados se denominan colectivamente las “Partes”) en el caso titulado *Reyneiro Larios, et al. v. Hanger Inc., et al.*, Corte Superior del Condado de Sacramento, Caso No. 34-2021-00303204-CU-OE-GDS (la “Acción”), que puede afectar sus derechos legales. El 23 de octubre del 2023, la Corte otorgó la homologación preliminar del acuerdo y programó una audiencia el 8 de marzo del 2024, a las 9:00 a. m. (“Audiencia de Homologación Definitiva”) para determinar si la Corte debe conceder o no la homologación definitiva del Acuerdo.

I. DEFINICIONES IMPORTANTES

“**Clase**” significa todos los empleados actuales y ex empleados no exentos por hora de los Demandados en California en cualquier momento durante el Período de la Clase.

“**Miembro de la Clase**” significa un miembro de la Clase.

“**Período de la Clase**” significa el período comprendido entre el 23 de junio del 2016 y el 8 de septiembre del 2022.

“**Acuerdo de Clase**” significa el acuerdo y resolución de todos los Reclamos Exonerados de la Clase. (Se describe en la Sección III.D a continuación).

“**Grupo de la PAGA**” significa todos los empleados actuales y ex empleados no exentos por hora de los Demandados en California en cualquier momento durante el Período de la PAGA.

“**Miembro del Grupo de la PAGA**” significa un miembro del Grupo de la PAGA.

“**Período de la PAGA**” significa el período comprendido entre el 5 de abril del 2020 y el 8 de septiembre del 2022.

“**Acuerdo en virtud de la PAGA**” significa el acuerdo y resolución de los Reclamos Exonerados en virtud de la PAGA. (Se describe en la Sección III.D a continuación).

II. ANTECEDENTES DE LA ACCIÓN

El 5 de abril del 2021, el Demandante Reyneiro Larios proporcionó una notificación escrita a la Agencia de Trabajo y Desarrollo de la Fuerza Laboral (“LWDA”) y a los Demandados sobre las disposiciones específicas del Código Laboral de California que se alegaba que habían sido violadas (“Notificación de la LWDA”). El 25 de junio del 2021, el Demandante Reyneiro Larios comenzó la Acción presentando una Demanda de Cumplimiento conforme a la Ley de Procuraduría General Privada, Código Laboral de California, § 2698 et seq. en la Corte Superior de Sacramento, Caso No. 34-2021-00303204-CU-OE-GDS. El 27 de diciembre del 2022, los Demandantes presentaron la Primera Demanda de Acción de Clase Modificada por Daños y Cumplimiento conforme a la Ley de Procuraduría General Privada, Código Laboral de California, § 2698, et seq. (“Demanda Operativa”), agregando Teresa Bond y Jesse Zamarripa como Demandantes

Principales, agregando causas de acción de clase y agregando a Hanger Fabrication Network, LLC como Demandado adicional.

Los Demandantes alegan que los Demandados no pagaron adecuadamente los salarios mínimos, no brindaron períodos de comida y primas asociadas conformes, no brindaron períodos de descanso y primas asociadas conformes, no pagaron los salarios oportunos durante el empleo y al finalizar el empleo y las sanciones por mora intencional en el pago de los montos debidos después de la desvinculación asociadas, no proporcionaron talones de cheque conformes, no mantuvieron registros de nómina de pago, no reembolsaron gastos comerciales y, por lo tanto, participaron en prácticas comerciales desleales conforme al artículo 17200, *et seq.* del Código de Negocios y Profesiones de California y conducta que da lugar a sanciones civiles recuperables conforme a los artículos 2698, *et seq.* del Código Laboral de California (“PAGA”), con respecto a los Demandantes y otros miembros putativos de la clase. Los Demandantes buscan, entre otras cosas, la recuperación de salarios y primas impagos, restitución, sanciones, intereses, honorarios de abogados, y costos.

Los Demandados niegan todas las acusaciones en la Acción y niegan haber violado alguna ley. La Corte no ha tomado una decisión respecto del fondo del caso.

Las Partes participaron en una mediación de día completo con un respetado mediador de acción de clase, y como resultado, las Partes llegaron a un acuerdo. Desde entonces, las Partes han celebrado la Estipulación Conjunta del Acuerdo de Acción de Clase y el Acuerdo y Exoneración en virtud de la PAGA (el “Acuerdo”).

El 23 de octubre del 2023, la Corte dictó una orden que aprobaba de manera preliminar el Acuerdo. La Corte ha designado de manera preliminar a Simpluris, Inc. como administrador del Acuerdo (“Administrador del Acuerdo”), a los Demandantes Reyneiro Larios, Teresa Bond y Jesse Zamarripa como representantes de la Clase (“Representantes de la Clase”), y a los siguientes abogados de los Demandantes como abogados de la Clase (“Abogados de la Clase”):

Edwin Aiwazian
Arby Aiwazian
Joanna Ghosh
Selena Matavosian
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Teléfono: (818) 265-1020 / Fax: (818) 265-1021

Si usted es un Miembro de la Clase, no necesita tomar ninguna acción para recibir un Pago Individual del Acuerdo y un Pago Individual en virtud de la PAGA (si es elegible), pero tiene la oportunidad de solicitar la exclusión del Acuerdo de Clase (en cuyo caso no recibirá un Pago Individual del Acuerdo), oponerse al Acuerdo de Clase y/o disputar las Semanas de Trabajo que se le acreditaron, si así lo desea, como se explica más detalladamente en las Secciones III y IV a continuación.

El Acuerdo representa un compromiso y acuerdo de reclamos altamente disputados. Nada de lo contenido en el Acuerdo tiene la intención o será interpretado como una admisión por parte de los Demandados de que los reclamos en la Acción tienen fundamento o de que los Demandados tienen responsabilidad alguna frente a los Demandantes o los Miembros de la Clase. La Corte no ha tomado ninguna decisión sobre los méritos afirmados en la Acción y solo ha determinado que la certificación de la Clase a los fines del acuerdo solo es apropiada conforme a la ley de California.

III. RESUMEN DEL ACUERDO PROPUESTO

A. Desglose del Acuerdo

El importe bruto del acuerdo que deben pagar los Demandados es de dos millones doscientos cincuenta mil dólares (\$2,250,000.00) (el “Importe Bruto del Acuerdo”). La parte del Importe Bruto del Acuerdo que está disponible para el pago a los Miembros de la Clase se refiere como “Importe Neto del Acuerdo”. El Importe Neto del Acuerdo será el Importe Bruto del Acuerdo menos los siguientes pagos que están sujetos a la homologación de la Corte: (1) Honorarios y Costos de Abogados, que consisten en honorarios de abogados por un monto que no exceda el 35% del Importe Bruto del Acuerdo (es decir, que no exceda los \$787,500.00) y el reembolso de costos y gastos de litigio por un monto que no exceda los cuarenta mil dólares (\$40,000.00) a los Abogados de la Clase; (2) Aumentos en los Pagos por montos de hasta diez mil dólares (\$10,000.00) a cada Demandante por sus servicios en la Acción; (3) Honorarios de Administración por un monto que no exceda los doce mil dólares (\$12,000.00); y (4) pago a la LWDA por un monto de trescientos treinta y siete mil quinientos dólares (\$337,500.00) por su parte del 75% de la Asignación en virtud de la PAGA. Nota: Se ha asignado un total de cuatrocientos cincuenta mil dólares (\$450,000.00) del Importe Bruto del Acuerdo para sanciones en virtud de la Ley de

Procuraduría General Privada (“Asignación en virtud de la PAGA”), de los cuales se pagará un 75% a la LWDA y el 25% restante (es decir, \$112,500.00) se distribuirá a los Miembros del Grupo de la PAGA (“Importe para Miembros del Grupo de la PAGA”).

Los Miembros de la Clase pueden ser elegibles para recibir el pago en virtud del Acuerdo de Clase de su parte proporcional del Importe Neto del Acuerdo (“Parte Individual del Acuerdo”) en función de la cantidad de semanas que cada Miembro de la Clase fue empleado por los Demandados como un empleado por hora, no exento, en California durante el Período de la Clase (“Semanas de Trabajo”).

El Administrador del Acuerdo dividió el Importe Neto del Acuerdo por la cantidad total de Semanas de Trabajo de todos los Miembros de la Clase para llegar al “Valor Estimado de la Semana de Trabajo” y multiplicó las Semanas de Trabajo individuales de cada Miembro de la Clase por el Valor Estimado de Semana de Trabajo a fin de obtener su Parte Individual del Acuerdo estimado que podría ser elegible para recibir en virtud del Acuerdo de Clase (que se indica en la Sección III.C más abajo). Los Miembros de la Clase que no presenten una Solicitud de Exclusión válida y oportuna (“Miembros de la Clase del Acuerdo”) recibirán el pago de su Pago Individual del Acuerdo final.

Cada Parte Individual del Acuerdo se asignará como veinte por ciento (20%) salarios, que se informarán en un Formulario W-2 del IRS, y ochenta por ciento (80%) sanciones, intereses y daños no salariales, que se informarán en un Formulario 1099 del IRS (si corresponde). Cada Parte Individual del Acuerdo estará sujeta a reducción por la parte del empleado de impuestos y retenciones con respecto a la parte salarial de la Parte Individual del Acuerdo, lo que tendrá como resultado un pago neto al Miembro de la Clase del Acuerdo (“Pago Individual del Acuerdo”). La parte de impuestos y contribuciones del empleador en relación con la parte salarial de las Partes Individuales del Acuerdo (“Impuestos Correspondientes al Empleador”) será pagada por los Demandados además del Importe Bruto del Acuerdo.

Los Miembros del Grupo de la PAGA son elegibles para recibir el pago en virtud del Acuerdo de la PAGA de su parte prorrateada del Importe del Miembro del Grupo de la PAGA (“Pago Individual en virtud de la PAGA”) en función de su cantidad de semanas de trabajo durante el Período de la PAGA.

El Administrador del Acuerdo ha dividido el Importe de los Miembros del Grupo de la PAGA por las Semanas de Trabajo de todos los Miembros del Grupo de la PAGA durante el Período de la PAGA para obtener el “Valor de la Semana de Trabajo de LA PAGA”, y multiplicó las Semanas de Trabajo Individuales de cada Miembro del Grupo de la PAGA durante el Período de la PAGA por el Valor de la Semana de Trabajo de la PAGA para obtener su Pago Individual en virtud de la PAGA estimado que podría ser elegible para recibir en virtud del Acuerdo de la PAGA.

Cada Pago Individual en virtud de la PAGA se asignará como sanciones del cien por ciento (100%), que se informarán en el Formulario 1099 del IRS (si corresponde).

Si la Corte otorga la homologación definitiva del Acuerdo, los Pagos Individuales del Acuerdo se enviarán por correo a los Miembros de la Clase del Acuerdo y los Pagos Individuales en virtud de la PAGA se enviarán por correo a los Miembros del Grupo de la PAGA a la dirección que se encuentra en los registros del Administrador del Acuerdo. **Si la dirección a la que se envió esta Notificación no es correcta, o si se muda después de recibir esta Notificación, debe asegurarse de proporcionar su dirección postal correcta al Administrador del Acuerdo de manera oportuna, para garantizar la recepción del pago.**

B. Sus Semanas de Trabajo según los registros de los Demandados

De acuerdo con los registros de la nómina de pago de los Demandados:

Desde el 23 de junio del 2016 hasta el 8 de septiembre del 2022 (es decir, Período de la Clase), se le acreditan «MERGED_WW_CALC» Semanas de Trabajo.

Desde el 5 de abril del 2020 hasta el 8 de septiembre del 2022 (es decir, Período de la PAGA), se le acreditarán «MERGED_PAGAWW_CALC» Semanas de Trabajo.

Si desea disputar las Semanas de Trabajo que se le acreditaron, debe presentar oportunamente una carta por escrito al Administrador del Acuerdo, que: (a) Contenga el nombre y número de la Acción (*Reyneiro Larios, et al. v. Hanger Inc., et al*, Caso No. 34-2021-00303204-CU-OE-GDS); (b) contenga su nombre completo, firma, dirección, número de teléfono y los últimos cuatro (4) dígitos de su número de Seguro Social; (c) declare claramente que usted disputa la cantidad de Semanas de Trabajo acreditadas durante el Período de la Clase y/o el Período de la PAGA y establezca la cantidad de Semanas de Trabajo que usted sostiene que se le debe acreditar para el Período de la Clase y/o el Período de la PAGA; (d) Incluya información y/o adjunte documentación que demuestre que la cantidad de Semanas de Trabajo que usted sostiene debe ser acreditada para el Período de la Clase y/o el Período de la PAGA; y (e) se devuelva por correo al Administrador del Acuerdo a la dirección especificada que se indica en la Sección IV.V a continuación, con sello postal **del 22 de marzo del 2024 o antes.**

C. Su Pago Individual del Acuerdo estimado y Pago Individual en virtud de la PAGA (si corresponde)

Como se explicó anteriormente, su Pago Individual del Acuerdo estimado se basa en la cantidad de Semanas de Trabajo que se le acreditaron durante el Período de la Clase y su Pago Individual en virtud de la PAGA estimado (si corresponde) se basa en la cantidad de Semanas de Trabajo que se le acreditaron durante el Período de la PAGA.

Según los términos del Acuerdo, se estima que su Parte Individual del Acuerdo es \$«MERGED_Class_EstSettAmnt_CALC». La Parte Individual del Acuerdo está sujeta a una reducción por la parte de impuestos y retenciones del empleado con respecto a la parte salarial de la Parte Individual del Acuerdo y solo se distribuirá si la Corte aprueba el Acuerdo y después de que el Acuerdo entre en vigencia.

Según los términos del Acuerdo, se estima que su Pago Individual en virtud de la PAGA es \$«MERGED_PAGAEstSettAmnt_CALC». Los Pagos Individuales en virtud de la PAGA solamente se distribuirán si la Corte homologa el Acuerdo y después de que el Acuerdo entre en vigencia.

El proceso de homologación del acuerdo puede demorar varios meses. Su Parte Individual del Acuerdo y su Pago Individual en virtud de la PAGA (si corresponde) reflejados en esta Notificación son solo estimaciones. Su Parte Individual del Acuerdo y su Pago Individual en virtud de la PAGA (si corresponde) pueden ser mayores o menores de lo estimado.

D. Exoneración de Reclamos

Tras la Fecha de Entrada en Vigencia y la financiación completa del Importe Bruto del Acuerdo, los Demandantes y todos los Miembros de la Clase del Acuerdo (es decir, los Miembros de la Clase que no presenten una Solicitud de Exclusión oportuna y válida) exonerarán a las Partes Exoneradas de los Reclamos Exonerados de la Clase.

Tras la Fecha de Entrada en Vigencia y la financiación completa del Importe Bruto del Acuerdo, los Demandantes, el Estado de California con respecto a todos los Miembros del Grupo de la PAGA, y todos los Miembros del Grupo de la PAGA, exonerarán a las Partes Exoneradas de los Reclamos Exonerados en virtud de la PAGA.

“Reclamos Exonerados de la Clase” significa todos y cada uno de los reclamos, acciones o causas de acción alegados en la Demanda Vigente o que podrían haberse alegado sobre la base de los hechos alegados en la Demanda Vigente, que surjan durante el Período de la Clase, lo que incluye, entre otros, no pagar adecuadamente horas extra, no pagar los salarios mínimos, no proporcionar períodos de comida y primas asociadas conformes, no proporcionar períodos de descanso conformes y primas asociadas, no pagar los salarios oportunos al momento de la desvinculación, durante el empleo y las sanciones por mora intencional en el pago de los montos debidos después de la desvinculación, no proporcionar talones de cheque conformes, no mantener registros de nómina de pago requeridos, no reembolsar los gastos comerciales necesarios, en violación de los artículos 201, 202, 203, 204, 226(a) 226.7, 510, 512(a), 551, 552, 1174 d), 1194, 1197, 1197.1, 1198, 2800 y 2802 del Código Laboral de California y Órdenes Salariales de la Comisión de Bienestar Industrial (incluyendo, *entre otras cosas*, la Orden Salarial Nros. 1-2001, 4-2001, 5-2001 y 7-2001), y la violación del artículo 17200 *et seq.* del Código de Negocios y Profesiones de California sobre la base de lo anterior.

“Reclamos Exonerados en virtud de la PAGA” significa todos los reclamos por sanciones civiles conforme a la Ley de Procuraduría General Privada, Sección 2698, *et seq.* del Código Laboral de California que se alegaron en la Demanda Vigente o que podrían haberse alegado sobre la base de los hechos alegados en la Demanda Vigente y/o en la Notificación de la LWDA, que surgieron durante el Período de la PAGA, por no pagar adecuadamente las horas extra, no pagar los salarios mínimos, no brindar períodos de comida y primas asociadas que cumplan con los requisitos, no brindar períodos de descanso y primas asociadas que cumplan con los requisitos, no pagar los salarios oportunamente al momento de la desvinculación, durante el empleo y las sanciones por mora intencional en el pago de los montos debidos después de la desvinculación asociadas, no proporcionar talones de cheque que cumplan con los requisitos, no mantener registros de nómina de pago y no reembolsar los gastos comerciales necesarios, en violación de los artículos 201, 202, 203, 204, 226(a) , 226.7, 510, 512(a), 551, 552, 1174 (d), 1194, 1197, 1197.1, 1198, 2800 y 2802 del Código Laboral de California y Órdenes Salariales de la Comisión de Bienestar Industrial (incluidas, entre otras cosas, las Órdenes Salariales Nros. 1-2001, 4-2001, 5-2001 y 7-2001).

“Partes Exoneradas” significa los Demandados y todas y cada una de sus aseguradoras, afiliadas, matrices, subsidiarias y predecesores pasados y presentes, y todos sus respectivos empleados, funcionarios, directores, propietarios, socios colectivos, socios, fideicomisarios, representantes, accionistas y miembros.

E. Honorarios y costos de abogados para los Abogados de la Clase

Los Abogados de la Clase solicitarán honorarios de abogados por un monto de hasta el treinta y cinco por ciento (35%) del Importe Bruto del Acuerdo, que es setecientos ochenta y siete mil quinientos dólares (\$787,500.00) y el reembolso de los

costos y gastos de litigio por un monto que no exceda los cuarenta mil dólares (\$40,000.00) (en conjunto, “Honorarios y Costos de Abogados”) sujeto a la aprobación de la Corte. Todos los Honorarios y Costos de Abogados adjudicados por la Corte se pagarán del Importe Bruto del Acuerdo. Los Abogados de la Clase han estado llevando adelante la Acción en nombre de los Demandantes, Miembros de la Clase y Miembros del Grupo de la PAGA sobre la base de honorarios de contingencia (es decir, sin que se les pague dinero hasta la fecha) y han estado pagando todos los costos y gastos de litigio.

F. Aumentos en los Pagos a los Demandantes

Los Demandantes solicitarán la cantidad de diez mil dólares (\$10,000.00) (“Aumento en el Pago”) cada uno, en reconocimiento de sus servicios en relación con la Acción. Los Aumentos en los Pagos se pagarán del Importe Bruto del Acuerdo, sujeto a la aprobación de la Corte, y si se otorgan, se pagarán a los Demandantes además de sus Pagos Individuales del Acuerdo y los Pagos Individuales en virtud de la PAGA a los que tienen derecho en virtud del Acuerdo.

G. Honorarios de Administración al Administrador del Acuerdo

Se estima que el pago al Administrador del Acuerdo no excede los doce mil dólares (\$12,000.00) (“Honorarios de Administración”) por los costos del proceso de notificación y administración del acuerdo, lo que incluye, entre otros, el gasto de notificar a los Miembros de la Clase y a los Miembros del Grupo de la PAGA del Acuerdo, tramitar las Solicitudes de Exclusión, Notificaciones de Oposición y disputas con respecto a las Semanas de Trabajo, el cálculo de las Partes Individuales del Acuerdo, los Pagos Individuales del Acuerdo y los Pagos Individuales en virtud de la PAGA, y la distribución de pagos y formularios de impuestos en virtud del Acuerdo, y se pagarán del Importe Bruto del Acuerdo, sujeto a la aprobación de la Corte.

IV. ¿CUÁLES SON SUS DERECHOS Y OPCIONES COMO MIEMBRO DE LA CLASE?

A. Participar en el Acuerdo

Si desea recibir dinero del Acuerdo de Clase, no tiene que hacer nada. Usted será incluido automáticamente en el Acuerdo de Clase y recibirá su Pago Individual del Acuerdo a menos que decida excluirse del Acuerdo de Clase. A menos que elija excluirse del Acuerdo de Clase, quedará obligado por los términos del Acuerdo de Clase y cualquier sentencia que pueda dictar la Corte sobre la base de ello, y exonerará los Reclamos Exonerados de la Clase descritos en la Sección III.D anterior.

Si usted es un Miembro del Grupo de la PAGA, será incluido automáticamente en el Acuerdo de la PAGA y se le emitirá su Pago Individual en virtud de la PAGA. Esto significa que quedará obligado a los términos del Acuerdo en virtud de la PAGA y a la sentencia que pueda dictar la Corte con base en el mismo, y se considerará que usted ha exonerado los Reclamos Exonerados en virtud de la PAGA descritos en la Sección III.D más arriba.

Como Miembro de la Clase y Miembro del Grupo de la PAGA (si corresponde), usted no será responsable individualmente del pago de los honorarios de abogados o los costos y gastos de litigio, a menos que contrate a su propio abogado, en cuyo caso será responsable de los honorarios y gastos de su propio abogado.

B. Solicitud de Exclusión del Acuerdo de Clase

Si no desea participar en el Acuerdo de Clase, debe enviar una carta (“Solicitud de Exclusión”) al Administrador del Acuerdo, que debe: (a) contener el nombre del caso y el número de la Acción (*Reyneiro Larios, et al v. Hanger Inc., et al.*, Caso No. 34-2021-00303204-CU-OE-GDS); (b) contener su nombre completo, firma, dirección, número de teléfono y los últimos cuatro (4) dígitos de su número de Seguro Social; (c) indicar claramente que no desea ser incluido en el Acuerdo de Clase; y (d) ser enviada por correo al Administrador del Acuerdo a la dirección especificada que se indica a continuación, con sello postal **del 22 de marzo del 2024 o antes**.

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P.O. Box 26170
Santa Ana, CA 92799

Si la Corte otorga la homologación definitiva del Acuerdo, cualquier Miembro de la Clase que presente una Solicitud de Exclusión válida y oportuna no tendrá derecho a un Pago Individual del Acuerdo, no estará obligado por el Acuerdo de Clase (y la exoneración de los Reclamos Exonerados de la Clase establecidos en la Sección III.D anterior), y no tendrá ningún derecho a oponerse, apelar o comentar sobre el Acuerdo de Clase. Todos los Miembros de la Clase que no presenten

una Solicitud de Exclusión válida y oportuna estarán obligados por todos los términos del Acuerdo de Clase, incluidos los relacionados con la exoneración de los reclamos establecidos en la Sección III.D anterior, así como cualquier sentencia que pueda dictar la Corte sobre la base de la misma.

Sin perjuicio de lo anterior, los Miembros del Grupo de la PAGA recibirán su Pago Individual en virtud de la PAGA y estarán obligados al Acuerdo en virtud de la PAGA (y la exoneración de los Reclamos Exonerados en virtud de la PAGA descritos en la Sección III.D anterior), independientemente de si presentan una Solicitud de Exclusión.

C. Oponerse al Acuerdo de Clase

Puede oponerse a los términos del Acuerdo de Clase siempre y cuando no haya presentado una Solicitud de Exclusión, presentando una oposición por escrito (“Notificación de Oposición”) al Administrador del Acuerdo o presentando su oposición en la Audiencia de Homologación Definitiva.

La Notificación de Oposición debe contener: (a) Nombre y número de la Acción (*Reyneiro Larios, et al v. Hanger Inc., et al.*, Caso No. 34-2021-00303204-CU-OE-GDS); (b) su nombre completo, firma, dirección, número de teléfono y los últimos cuatro (4) dígitos de su número de Seguro Social; (c) una declaración escrita de todos los motivos de la oposición acompañada de cualquier respaldo legal para dicha oposición; (d) copias de cualquier documento, escrito u otros documentos en los que se base la oposición; y (e) se envíe por correo al Administrador del Acuerdo a la dirección especificada que se indica en la Sección IV.B anterior, con sello postal **del 22 de marzo del 2024 o antes**.

Aún puede comparecer en la Audiencia de Homologación Definitiva para hacer valer las oposiciones al Acuerdo de Clase, incluso si no ha presentado una Notificación de Oposición por escrito adecuada como se establece anteriormente.

V. AUDIENCIA DE HOMOLOGACIÓN DEFINITIVA

La Corte celebrará una audiencia en el Departamento 22 de la Corte Superior del Condado de Sacramento, ubicado en Gordon D. Schaber Sacramento County Courthouse, 720 9th St, Sacramento, CA 95814, el 8 de marzo del 2024, a las 9:00 a.m. determinar si el Acuerdo debe ser aprobado definitivamente como justo, razonable y adecuado. También se le pedirá a la Corte que apruebe una adjudicación de Honorarios y Costos de Abogados a los Abogados de la Clase, Aumentos en los Pagos a los Demandantes y Honorarios de Administración al Administrador del Acuerdo.

La audiencia podrá continuar sin previo aviso a los Miembros de la Clase y a los Miembros del Grupo de la PAGA. No es necesario que comparezca a la Audiencia de Homologación Definitiva, aunque puede hacerlo si así lo desea. Las comparecencias personales y l telefónicas son una opción.

Puede encontrar información sobre las pautas más actuales de la Corte sobre COVID-19 en: <https://www.saccourt.ca.gov/general/coronavirus.aspx>.

Puede encontrar información sobre cómo comparecer por Zoom o por teléfono en línea en: <https://www.cc-courts.org/calendars/court-calendars.aspx>.

VI. INFORMACIÓN ADICIONAL

Lo anterior es un resumen de los términos básicos del Acuerdo. Para conocer los términos y condiciones precisos del Acuerdo, debe revisar la Estipulación Conjunta del Acuerdo de Acción de Clase y el Acuerdo y Exoneración en virtud de la PAGA detallados y otros documentos que se encuentran en los archivos de la Corte.

Puede ver el Acuerdo y otros registros de la corte en la Acción visitando la Unidad de Registros Civiles en Gordon D. Schaber Sacramento County Courthouse, Room 102, 720 9th St, Sacramento, CA 95814, durante el horario comercial, o en línea visitando el siguiente enlace: <https://services.saccourt.ca.gov/PublicCaseAccess/Civil/SearchByCaseNumber>. Pueden aplicarse tarifas por acceder y/o obtener copias de documentos de la Corte en persona o en línea. Para buscar y acceder a documentos e información en los sistemas de la Corte, deberá usar el número de caso de la Acción.

POR FAVOR, NO LLAME POR TELÉFONO A LA CORTE NI A LA SECRETARÍA PARA OBTENER INFORMACIÓN SOBRE ESTE ACUERDO.

SI TIENE ALGUNA PREGUNTA, PUEDE LLAMAR AL ADMINISTRADOR DEL ACUERDO AL SIGUIENTE NÚMERO GRATUITO: (866) 603-1743, O TAMBIÉN PUEDE COMUNICARSE CON LOS ABOGADOS DE LA CLASE.

EXHIBIT B



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

Estimate #:	15307	Prepared By:	Michael Sutherland
Estimate Date:	10/11/2022	Direct Dial #	321.223.5067
		Email:	Msutherland@simpluris.com

Plaintiff Attorney		Defense Attorney	
Attorney/Client:	Janardana Burns	Attorney/Client:	
Firm:	Lawyers for Justice	Firm:	
Email:	<j.burns@calljustice.com>	Email:	<ovsanna@calljustice.com>

Case Name: RL-Hanger Prosthetics: Opt Out Settlement

Anticipated Total Cost*	\$10,064
Capped Fee*	\$9,995

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
- .2) Included is a 2021 Federal 1120 tax return to account for banking activity in 2022.

Total Possible Class Size:	820	Undeliverable Rate:	10%
Response Rate:	1%	Call Rate:	5%
Mailing Document Language:	English/Spanish	Fund Distribution:	Simpluris
Reminder Postcard:	Np	Redistribution:	No
Unclaimed Funds:	Escheat	State(s):	CA
		Tax Reporting Years	One

Case Setup

Data Compilation - Develop Case Specific Response Tracking - Error Reports

Category	Unit Value	# of Units	Total
Project Manager - Case Setup/Online Posting	\$125.00	7	\$875.00
Translation	\$0.25	3000	\$750.00
Database Manager - Initial Data Analysis	\$140.00	6	\$840.00
Total			\$2,465.00

Notification

Notice Packet: 5/6 pg Notice - Double Sided - English

Category	Unit Value	# of Units	Total
Mail Notice Packet	\$0.70	820	\$574.00
Postage	\$0.53	820	\$434.60
NCOA/CASS/LACS	\$0.02	820	\$16.40
Undeliverable Processing	\$0.25	82	\$20.50
Skip Trace RUM	\$1.00	82	\$82.00
Remail Notice Packet	\$1.00	70	\$69.70
Remail Postage	\$0.53	70	\$36.94
Mailing Supervisor	\$50.00	1	\$50.00
Total			\$1,284.14

Call Center

Establish Case Specific Toll Free Number

Category	Unit Value	# of Units	Total
Customer Service Reps/Call Center Support	\$75.00	2	\$150.00



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Administration

Process Mail, Opt-Outs or Objections

Category	Unit Value	# of Units	Total
Database Manager	\$140.00	2	\$280.00
Dispute/Deficiencies - Send One Cure Letter	\$3.50	4	\$14.35
Opt Out Processing	\$3.50	8	\$28.70
Data Entry	\$50.00	1	\$50.00
Project Manager	\$125.00	2	\$250.00
Weekly Reporting to Counsel	WAIVED	12 Wks of Reporting	\$0.00
Total			\$623.05

Distribution

Setup a Disbursement Account

Print & Mail Checks to Class Members: W2's / 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	\$750.00	1	\$750.00
Print & Mail Check/Specific language on reverse	\$1.50	820	\$1,230.00
Postage	\$0.53	820	\$434.60
Process Returned Checks	\$0.50	8	\$4.10
Skip Trace Search Undeliverable Checks	\$5.00	8	\$41.00
Remail Checks (Includes Postage)	\$4.00	8	\$32.80
Individual Federal/State Tax Reporting	\$350.00	1	\$350.00
QSF Reporting/Declaration	\$300.00	1	\$300.00
QSF Annual Tax Preparation Fee, 2022	\$1,350.00	1	\$1,350.00
Reissuing Checks/Mailing	\$3.00	8	\$24.60
Postage	\$0.57	8	\$4.67
Escheat management-State	\$300.00	1	\$300.00
Disbursement Manager	\$125.00	3	\$375.00
Total			\$5,691.77



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Case Wrap Up

Send Final Reports to Counsel

Category	Unit Value	# of Units	Total
Data Manager-Final Reporting	\$125.00	0	\$0.00
Clerical-Clean Up Any Misc	\$50.00	0	\$0.00
Project Manager-Wrap-up Final Issues	\$125.00	0	\$0.00
Total			\$0.00

Postage \$906.14

Total Case Costs

\$10,063.97

All administration services to be provided by Simpluris to Client, are provided subject to the following terms and conditions:

1. **Services.** Simpluris agrees to provide Client those services set forth in the Bid (the "Services") to which these terms and conditions are attached and which has been provided to Client. As compensation for such Services, Client agrees to pay the fees for Services outlined in the Bid. However, Client such fees for Services are estimated based on the requirements provided by Client and actual fees charged by Simpluris may be greater or less than such estimate and Client will be responsible for the payment of all such fees.
2. **Billing and Payment.** Simpluris will invoice Client on a regular basis unless a specific timeframe is otherwise set forth in the Bid. Client shall pay all invoices within 30 days of receipt. Amounts unpaid after thirty (30) days are subject to a service charge at the rate of 1.5% per month or, if less, the highest rate permitted by law. Services are not provided on a contingency basis and Client shall remain liable to Simpluris for all fees for the Services, regardless of any court decisions, and/or actions by the parties, including disapproval or withdrawal of a settlement.
3. **Retention of Documents.** Unless directed otherwise in writing by the Client, Simpluris will destroy all undeliverable mail (except for undeliverable checks) on the date that it is processed and retained in Simpluris' system. Simpluris will maintain records to establish that the subject mail is undeliverable. Simpluris will retain undeliverable checks until the Qualified Settlement Fund is closed. Simpluris will also retain all other class member and putative class member correspondence (including without limitation, claims forms and opt out forms) for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later. Lastly, Simpluris will retain bank & tax documents for such period of time as it determines is required to maintain compliance with various federal and state requirements.
4. **Limitation of Liability; Disclaimer of Warranties.** Simpluris warrants that it will perform the Services diligently, with competence and reasonable care. Simpluris' only obligation will be to correct any non-conformance with the foregoing warranty. In no event will Simpluris be liable for any lost profits/opportunities, business interruption or delay or, special, consequential, or incidental damages incurred by Client relating to the performance of the Services, regardless of whether Client's claim is for breach of contract, tort (including negligence and strict liability) or otherwise. Under no circumstances will Simpluris be liable to Client for any claims, losses, costs, penalties, fines, judgment or damages, including court costs and reasonable attorney's fees (collectively, "Losses"), whether direct or indirect, arising out of, related to, or in connection with Services in an amount in excess of the total fees charged or chargeable to Client for the particular portion of the Services affected by Simpluris' omission or error. THE WARRANTIES SET FORTH IN THIS SECTION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.
5. **Force Majeure.** To the extent performance by Simpluris of any of its obligations hereunder is substantially prevented by reason of any act of God or because of any other matter beyond Simpluris' reasonable control, then such performance shall be excused and this Agreement, at Simpluris' option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.
6. **Rights in Data.** Client agrees that it will not obtain, nor does Simpluris convey, any rights of ownership in the programs, system data, or materials provided or used by Simpluris in the performance of the Services.
7. **Electronic Communications.** During the provision of the Services the parties may wish to communicate electronically with each other at a business e-mail address. However, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly, each party agrees to use commercially reasonable procedures to check for the then most commonly known viruses and to check the integrity of data before sending information to the other electronically, but each party recognizes that such procedures cannot be a guarantee that transmissions will be virus free. It remains the responsibility of the party receiving an electronic communication from the other to carry out a virus check on any attachments before launching any documents whether received on disk or otherwise.
8. **Notice.** Any notice required or permitted hereunder shall be in writing and shall be delivered personally, by, or sent by registered mail, postage prepaid, or overnight courier and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service. Notice should be addressed to an officer or principal of Client and Simpluris, as the case may be.
9. **Waiver.** Failure or delay on the part of a party to exercise any right, power or privilege hereunder shall not operate as a waiver thereof or any of other subject, right, power or privilege.
10. **Termination.** Client may terminate the Services at anytime upon 30 days prior written notice to Simpluris. Termination of Services shall in no event relieve Client of its obligation make any payments due and payable to Simpluris in respect of Services rendered up to the effective date of Termination. Simpluris may terminate this Agreement (i) for any reason upon no less than 90 days prior written notice to the Client; or (ii) upon 15 calendar days' prior written notice, if the Client is not current in payment of fees.
11. **Jurisdiction.** The parties hereto irrevocably and unconditionally submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding in such Court.
12. **Survival.** Any remedies for breach of this Agreement, this Section and the following Sections will survive any expiration or termination of this Agreement: Section 4 - Limitation of Liability; Disclaimer of Warranties, Section 6 – Rights in Data, and Section 12- Jurisdiction, 14 -Confidentiality, and Section 15 – Indemnification.
13. **Entire Agreement.** These Terms and Conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.
14. **Confidentiality.** Simpluris maintains reasonable and appropriate safeguards to protect the confidentiality and security of data provided by Client to Simpluris in connection with the Services. If, pursuant to a court order or other proceeding, a third party requests that Simpluris to disclose any confidential data provided by or for Client, Simpluris will promptly notify the Client unless prohibited by applicable law. Client will then have the option to provide Simpluris with qualified legal representation at Client's expense to defend against such request. If, pursuant to a court order, Simpluris is required to disclose data, produce documents, or otherwise act in contravention of the obligation to maintain confidentiality set forth in these terms and conditions, Simpluris will not be liable for breach of said obligation.
15. **Indemnification.** Client will indemnify and hold Simpluris (and the officers, employees, affiliates and agents harmless against any Losses incurred by Simpluris, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by Simpluris in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by Simpluris pursuant to Client's instructions.
16. **Severability.** If any term or condition or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
17. **Database Administration.** Simpluris' database administration for Client assumes that Client will provide complete data that includes all information required to send notifications and calculate and mail settlement payments. Data must be provided in a complete, consistent, standardized electronic format. Simpluris' standardized format is Microsoft Excel, however, Simpluris may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by Simpluris on a time and materials basis according to Simpluris' Standard Rates.

Simpluris Security Summary – White Paper

Simpluris is committed to the security and overall protection of not only our data and information but our client's data and information, as well. As a demonstration of our commitment, we maintain SOC 2 Certification which requires strict adherence to policies and procedures surrounding information security, including processing and storage of confidential customer data. Simpluris supports a comprehensive, written Information Security Program that complies with all applicable laws and regulations (e.g. HIPAA, Gramm-Leach-Bliley Act, MA 201 CMR 17.00) and is designed to (a) ensure the security, privacy and confidentiality of Client and Class Member Information, (b) protect against any reasonably anticipated threats or hazards to the security or integrity of Client or Class Member Information, and (c) protect against unauthorized access to, use, deletion, or modification of Class Member Information. Simpluris has designated specific employees to be responsible for the administration of its Information Security Program. Also, Simpluris regularly and routinely monitors, tests, and updates our Information Security Program.

Simpluris uses Client and Class Member Information only for the purposes for which its' clients provide it, as described in any Agreements or Court Orders governing the provision of Simpluris' services in any particular case. Simpluris maintains a process for identifying, assessing, and mitigating the risks to Class Member Information in each relevant area of Simpluris' operations. At Simpluris, we continuously evaluate the effectiveness of the safeguards for controlling these risks to data and bank accounts. Simpluris restricts access to Class Member Information only to those employees, agents, or subcontractors who need to know the information to perform their jobs. Simpluris performs background checks of all its employees that will have access to Sensitive Personal Information, including a review of their references, employment eligibility, education, and criminal history to ensure they do not pose a risk to the security of Client or Class Member Information.

Simpluris adheres to the following industry best practices to safeguard its systems which process, store or transmit Client and Class Member Information:

- Identity and Access Management;
- Complex passwords are routinely and regularly changed;
- Role-based access control systems to limit individual employee access to network applications and systems based on their particular job role and function;
- Data Loss Prevention and Intrusion Prevention System software at multiple layers to prevent from internal and external threats of data leaks, malicious activity, and policy violations
- Encryption of Class Member Information if transmitted over public or wireless networks (e.g., via email, FTP, the Internet, etc.);
- Implementation of a Secure File Transfer system (using SSL encryption) for transmitting documents back and forth to clients;
- Encryption of servers, portable media, laptops, desktops, smartphones, mobile devices, and new technologies that store Class Member Information;
- Complex password authentication for remote access to Company's networks;
- Upon hire and annually after that, training of all employees with access to Class Member Information, (including any agents, and subcontractors with access to Class Member Information) about their obligations to implement the Information Security Program;
- Strict disciplinary measures for employees who violate the Information Security Program;
- Preventing terminated employees from accessing Class Member Information;
- Appropriately configured and updated firewall, antivirus, and spyware software;
- Prompt application of vendor-recommended security patches and updates to systems and other applications to avoid any adverse impact on Class Member Information;
- Separation of Duties;
- Infrastructure and Physical Security;
- Business Continuity Planning;
- Disaster Recovery Planning