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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES—SPRING STREET COURTHOUSE

KATHERINE FRANK, individually, and on behalf of other members of the general public similarly situated and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act;

Plaintiff,

vs.

CORE ANALYTICS LABORATORY, INC., a California corporation; CERF DIAGNOSTICS, INC., an unknown business entity; and DOES 1 through 100, inclusive,

Defendant.

Case No. 21STCV31386

Honorable Stuart M. Rice
Department 1

CLASS ACTION

DECLARATION OF ELIZABETH PARKER-FAWLEY IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

Date: December 30, 2024
Time: 10:30 a.m.
Department: 1

Complaint Filed: August 25, 2021
FAC Filed: June 28, 2024
Trial Date: None Set

DECLARATION OF ELIZABETH PARKER-FAWLEY

I, Elizabeth Parker-Fawley, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Katherine Frank (“Plaintiff”). The facts set forth in this declaration are within my personal knowledge or based on information and belief and, if called as a witness, I could and would competently testify thereto.

LITIGATION AND REPRESENTATIVE AND CLASS ACTION EXPERIENCE

2. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment representatives and class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is the attorney of record in dozens of employment-related putative class actions and representative actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California.

3. Edwin Aiwarzian is a Managing Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From approximately June 2002 to approximately August 2002, he served as a Judicial

Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In December of 2004, he obtained a license to practice law from the California State Bar. For over a decade, through his work at Lawyers *for* Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions. While employed by Lawyers *for* Justice PC, he has argued over one hundred (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the firm, and in some cases in conjunction with co-counsel, he has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Under his supervision, Lawyers *for* Justice, PC has successfully obtained class certification by contested motion practice in approximately fifteen (15) cases in the last decade and litigated over 1,000 class action or representative action cases.

4. Arby Aiwazian is a Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. From approximately August 2008 to approximately December 2008, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before all courts of the State of California and all United States District Courts in the State of California. He has worked on many wage-and-hour class action and representative action cases, taking the lead in taking and defending depositions, arguing motions, and attending mediations. He has played an integral role in preparing matters for class certification, including and not limited to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No. BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County

Superior Court Case No. RG13680477). Under his supervision, dozens of class action or representative cases have resulted in settlements that have been granted court approval, including and not limited to, those listed in paragraph 6 herein. He has handled over one hundred and fifty (150) mediations and worked on over two hundred and fifty (250) class action or representative action cases which have resulted in settlement.

5. Joanna Ghosh is a Managing Member of Lawyers for Justice, PC. She received a Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010) and in New York (since 2013), and she is admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of depositions and successfully handled motion practice in class action cases regarding discovery (including and not limited to, regarding class contact information), class certification (both contested class certification and stipulated class certification), arbitration agreements, coordination, and intervention. She has successfully handled briefing and oral argument on appeal and obtained notable decisions regarding the Private Attorneys General Act and employer efforts to compel arbitration, e.g., *Betancourt v. Prudential Overall Supply*, 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019). She has significant experience with class actions, including and not limited to working on cases to obtain class certification through contested motion practice and working on cases in the post-certification stage (e.g., post-certification discovery, appeal, statistical sampling and pilot study, and trial preparation in conjunction with co-counsel in a case involving a certified class consisting of approximately 2,600 individuals). She also has extensive experience with class action and/or representative action settlements, and she has handled this process in over three hundred (300) cases. Under her, Edwin Aiwarzian and Arby Aiwarzian, Lawyers for Justice, PC has handled the class certification and court approval process for hundreds of class action

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1 and/or representative action matters that have successfully resolved. She is a member of the
2 California Employment Lawyers Association.

3 6. I am the Director of Legal Operations at Lawyers for Justice, PC. I earned my
4 Bachelor of Arts in History at Chapman University in 2011 and my Juris Doctor from the UCLA
5 School of Law in 2014. In December 2014, I obtained a license to practice law from the
6 California State Bar. I am admitted to practice in all courts in the State of California, as well as
7 the Central, Southern, Northern, and Eastern District Courts of California and the Ninth Circuit
8 Court of Appeal. Since December 2014, I have worked at Lawyers for Justice, PC, and my
9 practice has almost exclusively focused on the prosecution of employment class actions and
10 representative actions, handling cases in all stages of litigation from initial pleadings to assisting
11 with class action trial matters, attending mediations, and preparing class action settlements.
12 Previously, I was in the role of Manager of Litigation, in which I oversaw approximately twenty-
13 five attorneys working on hundreds of employment class actions and representative actions and
14 provided internal training for our litigation practice group and post-bar law clerks. In my current
15 role, I oversee the legal operations of the firm, review and advise attorneys on work product and
16 practices, provide training, and supervise cases from their inception to final accounting. I am a
17 member of the California Lawyers Association Labor & Employment Group and the California
18 Employment Lawyers Association.

19 **THE SETTLEMENT REACHED IN THE ACTION**

20 8. Marked and attached hereto as “**EXHIBIT 1**” is a true and correct copy of the
21 fully executed Joint Stipulation of Class Action and PAGA Settlement (“Settlement”,
22 “Agreement” or “Settlement Agreement”) entered into by and between Plaintiff Katherine Frank,
23 individually and on behalf of all others similarly situated and other aggrieved employees, on the
24 one hand, and Defendant Core Analytics Laboratory (formerly known as CERF Diagnostics,
25 Inc.) (“Defendant”), on the other hand (together, the “Parties”). The Parties and their counsel
26 have approved the proposed Notice of Class Action and PAGA Settlement (“Class Notice”),
27 which is attached to the Settlement Agreement as “Exhibit A,” and respectfully request that the
28 Court approve it as well.

9. Based on information provided by Defendant, as of September 5, 2024, the Class is estimated to consist of approximately 439 individuals.

10. The effectiveness of Lawyers *for* Justice, PC (“Class Counsel”) in prosecuting this matter has translated into tangible monetary benefits in the following respects: (1) Class Members, the State of California, and PAGA Employees recover over a reasonably short period of time as opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result that compares favorably with other similar complex wage-and-hour class action and/or representative action settlements of this type, given the strengths and weaknesses of the case; and (3) significant savings in attorneys’ fees and/or costs that would have only increased substantially had the case progressed through certification, trial, and/or appeals.

11. Class Counsel has litigated the case for three years and was actively preparing the matter for class certification and trial. The Parties have engaged in extensive settlement negotiations and participated in a formal, full-day mediation on January 16, 2023, conducted by the late Jeffery Krivis, Esq., a well-respected mediator experienced in mediating complex labor and employment matters. Prior to and during the mediation and settlement discussions, the Parties exchanged extensive information and engaged in discussions regarding their evaluations of the case and various aspects of the case, including but not limited to, the risks and delays of further litigation, the risks to the Parties of proceeding with class certification and/or representative adjudication, the law relating to off-the-clock theory, meal and rest periods, arbitration agreements, PAGA representative actions, and wage-and-hour law and enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among other things. During all settlement discussions, the Parties conducted their negotiations at arm’s length in an adversarial position. Arriving at a settlement that was acceptable to both Parties was not easy. Defendant and its counsel felt strongly about its ability to prevail on the merits and at certification, and Plaintiff and Class Counsel believed that they would be able to obtain class certification and prevail at trial. After conducting extensive investigations, informal discovery, exchange of information, and extensive settlement negotiations, the Parties have agreed that the matter is well-suited for settlement given the legal issues relating to Plaintiff’s principal claims,

as well as the costs and risks to both sides that would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of the Released Class Claims of Plaintiff and Settlement Class Members, and of the Released PAGA Claims of Plaintiff, the PAGA Employees and the State of California, against the Released Parties.

12. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength, and scope of the claims, and were preparing the matter for class certification and trial. Class Counsel conducted significant investigation and informal discovery regarding the facts of the case, including and not limited to, the exchange, review, and analysis of a large volume of information, documents, and data obtained from Defendant, Plaintiff, and other sources. The volume of data and documents that Class Counsel reviewed and analyzed included and was not limited to: Plaintiff's employment records, Plaintiff's time and pay data, time and pay data for a sampling of other Class Members, Defendant's Employee Handbook, company policy acknowledgments, forms, procedures and policies (including, but not limited to, Mutual Agreement to Arbitrate Claims, Final Termination Checklist, Notice to Employee of Change of in Employment Status) among other information and documents. Class Counsel had the opportunity to interview Plaintiff and other Class Members to gather facts and to identify potential witnesses. Counsel for the Parties met and conferred on numerous occasions, e.g., to discuss issues relating to the pleadings, informal discovery, and the production of documents and data prior to the mediation. Class Counsel also drafted Plaintiff's pleadings and mediation brief and prepared for and attended court proceedings, settlement negotiations, and the mediation, among other tasks.

13. Counsel for the Parties have also invested time researching and investigating the applicable law, which is constantly evolving as it relates to certification, representative PAGA claims, off-the-clock theory, meal and rest periods, arbitration agreements, wage-and-hour law and enforcement, Plaintiff's claims and damages, and Defendant's defenses thereto, as well as facts discovered. Based on Class Counsel's analysis, the result achieved in this litigation is fair, adequate, and reasonable.

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14. The Settlement provides for a Total Settlement Amount of \$525,000.00 on a non-reversionary basis. The Net Settlement Amount is the Total Settlement Amount less the following amounts, subject to approval by the Court: Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, Settlement Administration Costs to the Settlement Administrator, and the PAGA Amount to the LWDA and PAGA Employees. Assuming that the amounts allocated under the Settlement toward these payments are awarded by the Court, the Net Settlement Amount that will be available for distribution to the Settlement Class Members is currently estimated to be \$198,750.00. Additionally, 75% of the PAGA Amount (i.e., the LWDA Payment), which is \$75,000.00, will be distributed to the Labor and Workforce Development Agency ("LWDA") and 25% of the PAGA Amount, which is \$25,000.00 ("PAGA Employee Amount"), will be distributed to PAGA Employees on a *pro rata* basis. The Net Settlement Amount will be fully distributed in accordance with the terms of the Settlement, and there is no reversion to Defendant.

15. The Parties have agreed to retain Phoenix Settlement Administrators ("Phoenix" or "Settlement Administrator") to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint Phoenix to handle these procedures and serve as the Settlement Administrator. Defendant will provide the Settlement Administrator with the Class List. The Settlement Administrator will calculate each Class Member's estimated *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") and each PAGA Employee's estimated *pro rata* share of the PAGA Employee Amount ("Individual PAGA Payment"). The Settlement Administrator will be responsible for the following: translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other documents for this settlement; calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances; providing necessary reports and declarations; and other duties and responsibilities as set forth in the Settlement. Settlement Administration Costs are currently estimated not to exceed \$10,000.00 and will be paid out of the Maximum Settlement Amount, subject to approval of the Court.

1 16. Based on investigation and information discovered, Class Counsel believes that
2 there is sufficient evidence to support the allegations made in the lawsuit, including the
3 allegations that Defendant, with respect to Plaintiff and the Class Members, *inter alia*, failed to
4 properly pay overtime and minimum wages, failed to provide compliant meal and rest periods
5 and to pay associated premium pay, failed to timely pay wages during employment and upon
6 termination of employment, failed to provide compliant wage statements, failed to maintain
7 requisite payroll records, and failed to reimburse necessary business expenses, and thereby
8 engaged in unfair business practices in violation of California Business and Professions Code
9 section 17200, *et seq.* and conduct giving rise to penalties recoverable under the Private
10 Attorneys General Act of 2004 (California Labor Code sections 2698, *et seq.*). Plaintiff also
11 asserted that she and the other Class Members and PAGA Employees were expected to perform
12 similar job duties and were subject to the same or similar operations and employment policies,
13 practices, and procedures. Plaintiff also contends that Defendant's payroll and recordkeeping
14 practices with respect to Plaintiff, the Class Members, and PAGA Employees were substantially
15 the same during the time period at issue. As a result of the alleged uniform practices, Plaintiff
16 claims that she and the Class Members and PAGA Employees were uniformly not paid all
17 compensation due to them from Defendant during the time period at issue. Thus, in Class
18 Counsel's view, it is clear that the outcome of this litigation would be determined by Defendant's
19 uniform operations and employment practices, policies, and procedures that Plaintiff alleges
20 applied across its hourly-paid or non-exempt employees in California during the relevant time
21 period.

22 17. Class Counsel is aware of the defenses and position of Defendant but believes that
23 Plaintiff could potentially obtain class certification despite many obstacles. Class Counsel has
24 also taken into account the uncertainty and risk of the outcome of further litigation, and the
25 difficulties and delays inherent in such litigation, including those involved in class certification
26 and/or representative adjudication. Class Counsel further recognizes the burdens of proof
27 necessary to establish liability, Defendant's defenses, and the difficulties in establishing
28 entitlement to monetary recovery. Class Counsel has also considered the Parties' settlement

discussions, as well as the evaluations of the mediator, who is experienced and well-regarded in complex labor and employment matters.

18. Defendant, on the other hand, denied and continues to deny any liability and wrongdoing of any kind associated with the claims alleged in the lawsuit, and further deny that the lawsuit is appropriate for class treatment or representative adjudication for any purpose other than this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides have also had the opportunity to conduct investigations and gather documents and information relating to Plaintiff's, Class Members', and PAGA Employees' employment with Defendant, and Defendant's operations and employment policies, practices, and procedures. Counsel for the Parties also reviewed and analyzed a large volume of information, documents and data, including but not limited to a sampling of Class Members' time and pay information, to determine the potential value and strength of the claims. The available information enabled Class Counsel to assess the value of the class and PAGA claims and prepare violation, damages, and penalties analyses and models. Accordingly, counsel for the Parties have conducted adequate investigation and discovery to be sufficiently informed of the nature and extent of the class and PAGA claims, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded at certification, trial, and/or appeals.

19. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to 35% of the Total Settlement Amount (i.e., \$183,750.00), and reimbursement of litigation costs and expenses in an amount not to exceed \$25,000.00, which will be paid out of the Total Settlement Amount, subject to approval by the Court. It should be noted that Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

20. The Settlement Agreement provides for payment of up to \$7,500.00 to Plaintiff as an Enhancement Payment to be paid out of the Total Settlement Amount subject to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents and past

1 employment records and to provide the facts and evidence necessary to attempt to prove the
2 allegations. Plaintiff was available whenever Class Counsel needed her and actively tried to
3 obtain information and documents that would facilitate the prosecution of this matter.
4 Accordingly, it is appropriate and just for Plaintiff to receive an Enhancement Payment, in
5 addition to her individual settlement payment, for services performed in this matter on behalf of
6 the Class, State of California, and PAGA Employees.

7 **ESTIMATE OF THE VALUE OF THE CLAIMS**

8 21. By way of the above captioned action, Plaintiff alleges that Defendant has
9 violated the California Labor Code and Industrial Welfare Commission Wage Orders by
10 engaging in a uniform policy and systematic scheme of wage abuse against Plaintiff and the
11 putative class members, including *inter alia*, failing to properly compensate overtime and
12 minimum wages, failing to provide compliant meal and rest periods and associated premiums,
13 failing to timely pay wages during employment, failing to timely pay wages upon termination
14 and associated waiting-time penalties, failing to provide compliant wage statements, failing to
15 maintain requisite payroll records, and failing to reimburse necessary business expenses.
16 Plaintiff further contends that Defendant's aforementioned conduct constitutes unfair business
17 practices (under the California Business and Professions Code ("UCL") and gives rise to civil
18 penalties recoverable under PAGA.

19 22. Plaintiff contends that Defendant required putative class members to perform
20 work duties off-the-clock (before clocking-in and after clocking-out of their scheduled shifts and
21 during meal periods). Plaintiff also contends that meal and rest periods were regularly missed,
22 later, shortened, and/or interrupted, that putative class members were required to remain on
23 premises during rest breaks, readily available to assist with work tasks, and that Defendant failed
24 to properly pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiff
25 alleged that Defendant intentionally and willfully failed to pay Plaintiff and putative class
26 members all wages due to them while they were employed by Defendant, within the time period
27 permissible under California law, and that Defendant failed to pay all wages due upon
28 termination, within the time period permissible under California law, thereby triggering waiting-

time penalties under California Labor Code section 203. Plaintiff contended that, based on the violations described herein, the wage statements provided by Defendant and the payroll records kept by Defendant were inaccurate. Finally, Plaintiff contended that Defendant failed to reimburse Plaintiff and the other putative class members for necessary business expenses, including, but not limited to, the costs associated with the usage of personal cell phones for work duties, the use of personal cars, and the scrubs worn to work.

23. Class Counsel considered defense arguments, e.g., that the employer's practices, policies, and procedures complied with the law, that Defendant paid putative class members over the California minimum wage for all hours worked, that Defendant correctly paid overtime for all overtime hours worked, that no waiting-time penalties were due because waiting-time penalties only arise from "willful" failure to pay wages due and owing at the time of termination or resignation, that Plaintiff and putative class members suffered no actual injury from the alleged wage statement violations and that this alleged violation and the alleged recordkeeping violation are entirely derivative of the other causes of action, and that a policy and practice of reimbursing employees for necessary business-related expenses exists. Class Counsel also considered the meal waivers that Defendant obtained from putative class members. Class Counsel also conducted a meal analysis, and it was observed that 89% of shifts analyzed were eligible for a meal period, of which approximately 33% had a recorded violation and approximately 67% did not have a recorded violation (with approximately 68% of shifts eligible for a meal period, showing a precisely 30-minute or 60-minute recorded meal period). Class Counsel also considered the likelihood of Plaintiff's success in establishing that any of provisions of the California Labor Code, on which the civil penalties under PAGA and the UCL claim are predicated, were violated and that such violations were injurious and/or warranted imposition of civil penalties. Class Counsel also considered that trial courts have wide discretion when assessing penalties under PAGA, and that it could be determined that individual liability issues predominate (e.g., due to purported variation in shifts, locations, job duties, and other circumstances which could raise individualized questions of fact) and could pose challenges to certification, manageability, and the merits of Plaintiff's claims.

24. Class Counsel considered information, data, and documents obtained from Plaintiff, Defendant, and other sources, and created violation, damages, and penalties valuations and models prior to reaching the Settlement. Based thereon, Plaintiff calculated the potential value of the claims. However, the potential value of each claim assumed an exposure based on the above-captioned action having been certified and Plaintiff having proven all elements of the claims and entitlement to monetary recovery in the above-captioned action (on a class-wide and a representative basis), despite risks associated with obtaining and maintaining certification and demonstrating manageability, risks to establishing liability and any underlying California Labor Code and IWC Wage Order violations and damages, and significant additional costs that would have to be incurred in order to certify the above captioned action and establish liability, damages, and penalties amounts in the cases. Plaintiff faced the risk of the Court finding that individualized issues predominate, such that the cases are not suitable for class treatment. While Class Counsel disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and realities of the cases, applicable case law and regulations, the extensive time and pay records produced by Defendant, the costs and expenses of further litigation and certification, and risks to recovery, and applied appropriate discounts for them.

25. Based on data provided by Defendant and extrapolated by Plaintiff, the total number of putative class members during the period from August 25, 2017 to April 18, 2023, the Class is estimated to be approximately 439 individuals who worked an estimated total of 26,994 workweeks with an average hourly rate of pay of twenty-one dollars and seventy cents (\$21.70). Counsel calculated the potential and realistic values of each claim as follows:

- a. Failure to Pay Overtime Wages: The potential value of this claim was estimated to be \$1,757,309.40 (26,994 workweeks x 2 hours of unpaid overtime wages x overtime hourly rate of \$32.55, which is based on the average hourly rate of \$21.70). At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$615,058.29), a discount of 80% was applied to account for the risks associated with the purported arbitration agreements, succeeding on the

merits, and establishing liability (bringing the value of this claim closer to \$123,011.66), and a discount of 75% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$30,752.92).

b. Failure to Pay Minimum Wages: The potential value of this claim was estimated to be \$585,769.80 (26,994 workweeks x 1 hour of unpaid minimum wages x average hourly rate of \$21.70). At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$205,019.43), a discount of 80% was applied to account for the risks associated with the purported arbitration agreements, succeeding on the merits, and establishing liability (bringing the value of this claim closer to \$41,003.89), and a discount of 75% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$10,250.97).

c. Failure to Provide Compliant Meal Periods and Associated Premiums: The potential value of this claim was estimated to be \$1,757,309.40 (26,994 workweeks x 3 meal period premium x average hourly rate of \$21.70). At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$615,058.29), a discount of 80% was applied to account for the risks associated with the purported arbitration agreements, succeeding on the merits, and establishing liability (bringing the value of this claim closer to \$123,011.66), and a discount of 75% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$30,752.92).

d. Failure to Provide Compliant Rest Periods and Associated Premiums: The potential value of this claim was estimated to be \$1,757,309.40 (26,994 workweeks x 3 rest period premiums x average hourly rate of \$21.70). At this

1 juncture, a discount of 65% was applied to account for the risks associated with
2 obtaining and maintaining class certification (bringing the value of this claim
3 closer to \$615,058.29), a discount of 80% was applied to account for the risks
4 associated with the purported arbitration agreements, succeeding on the merits,
5 and establishing liability (bringing the value of this claim closer to \$123,011.66),
6 and a discount of 75% was applied to account for the risks associated with
7 proving the extent of damages and obtaining an award thereof (bringing the value
8 of this claim closer to \$30,752.92).

9 e. Failure to Timely Pay Wages During Employment: The value of this claim is
10 considered as a part of the valuation of the PAGA claim contained *infra*.

11 f. Failure to Timely Pay Wages After Termination (and Waiting-Time Penalties):
12 Based on information and data provided by Defendant, it was estimated that
13 approximately 205 putative class members had been terminated during the three-
14 year statute of limitations (i.e., from August 25, 2018). Assuming that these
15 individuals were not timely paid all wages due to them upon termination, the
16 potential value of waiting-time penalties was estimated to be \$1,067,640.00
17 collectively (205 individuals x [30 days x hourly rate of \$21.70 x 8 hours]), or
18 approximately \$5,208.00 per individual. At this juncture, a discount of 70% was
19 applied to account for the risks associated with obtaining and maintaining class
20 certification (bringing the value of this claim closer to \$320,292.00), a discount of
21 80% was applied to account for the risks associated with the purported arbitration
22 agreements, succeeding on the merits, and establishing liability (bringing the
23 value of this claim closer to \$64,058.40), and a discount of 80% was applied to
24 account for the risks associated with proving the extent of damages and obtaining
25 an award thereof (bringing the value of this claim closer to \$12,811.68).

26 g. Failure to Provide Compliant Wage Statements: The potential value of this claim
27 was calculated to be \$887,250.00 ([413 initial violations x \$50 statutory penalty]
28 + [8,666 subsequent violations x \$100 statutory penalty]). At this juncture, a

discount of 70% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$266,175.00), a discount of 80% was applied to account for the risks associated with the purported arbitration agreements, succeeding on the merits, and establishing liability (bringing the value of this claim closer to \$53,235.00), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$10,647.00).

h. Failure to Maintain Payroll Records: Arguably, civil penalties would only be recoverable by the Labor Commissioner, therefore, the value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.

i. Failure to Reimburse Necessary Business Expenses: The potential value of this claim was estimated to be \$205,154.00 (26,994 workweeks x \$7.60 unreimbursed business expenses). At this juncture, a discount of 75% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$51,288.60), a discount of 80% was applied to account for the risks associated with the purported arbitration agreements, succeeding on the merits, and establishing liability (bringing the value of this claim closer to \$10,257.72), and a discount of 75% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$2,564.43).

j. PAGA Penalties: The amount of civil penalties at issue, which the Court could determine whether or not to assess and whether or not to reduce based on the facts and circumstances of the case (to avoid an award that is unjust, arbitrary and oppressive, or confiscatory, pursuant to California Labor Code section 2699(e)(2)), were estimated to be approximately \$722,750.00 (413 aggrieved employees estimated to have worked during one-year statutory period x \$1,750 civil penalties). At this juncture, a discount of 40% was applied to account for the

risks associated with possible bifurcation of discovery and/or trial (bringing the value of this claim closer to \$433,650.00), a discount of 55% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$195,142.50), and a discount of 50% was applied to account for the risks associated with the Court's discretion to reduce civil penalties and obtaining an award of civil penalties (bringing the value of this claim closer to \$97,571.25).

26. The foregoing discussion confirms that the amount of the Settlement is adequate in light of Plaintiff's allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to certification, manageability, merits, and monetary recovery. The conclusion to be drawn from the foregoing analysis is that neither class certification, manageability, liability, nor the ability to adjudicate and/or recover monetary relief on a class-wide or representative basis is clear-cut, which is why the Parties elected to settle this matter. Class Counsel also recognized that additional discounts could be made to the risk-adjusted value to account for the costs and expenses associated with further litigation and the present value of obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future after further litigation. Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, and risks to recovery and applied appropriate discounts.

27. On July 15, 2021, Plaintiff provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant of her intent to pursue civil penalties under California Labor Code section 2698, et seq. for Defendant's alleged violations of the California Labor Code ("PAGA Notice). A true and correct copy of the PAGA Notice is attached hereto as "**EXHIBIT 2.**"

28. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of Plaintiff, Class Members, PAGA Employees, and the State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the case, the inherent costs and risks

1 of further litigation, and the costs and risks associated with class certification, representative
2 adjudication, trial, and/or appeals.

3 I declare under penalty of perjury under the laws of the State of California that the
4 foregoing is true and correct.

5 Executed this 17th day of October 2024, at Glendale, California.

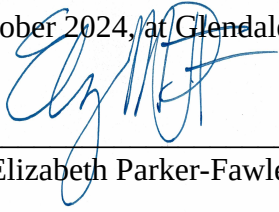
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EXHIBIT 1

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

2 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Katherine Frank (“Plaintiff”
4 or “Class Representative”), individually, on behalf of all others similarly situated and on behalf of the
5 State of California with respect to aggrieved employees, and Defendant Core Analytics Laboratory, Inc.,
6 a California corporation, formerly known as CERF Diagnostics, Inc. (“Defendant”) (collectively with
7 Plaintiff, the “Parties”).

8 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as defined
9 herein), the State of California as to the employment of PAGA Employees (as defined herein) and on
10 Defendant, subject to the terms and conditions hereof and the approval of the Court.

11 **RECITALS**

12 1. On July 15, 2021, Plaintiff provided written notice to the Labor and Workforce
13 Development Agency (“LWDA”) by online submission and to Defendant by Certified Mail, of her intent
14 to seek civil penalties for Defendant’s alleged violations of the California Labor Code (“PAGA Letter”).
15 On August 25, 2021, Plaintiff filed a Class Action Complaint for Damages, thereby commencing a
16 putative class action entitled *Katherine Frank v. Core Analytics Laboratory, Inc., et al.* in the Superior
17 Court of California for the County of Los Angeles, Case No. 21STCV31386 (“Action”) against Defendant.
18 On September 21, 2021, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General
19 Act, California Labor Code § 2698, Et Seq. entitled *Katherine Frank v. Core Analytics Laboratory, Inc.,*
20 *et al.* in the Superior Court of California for the County of Los Angeles, Case No. 21STCV34823 (“*Frank*
21 *PAGA Action*”). The Parties have agreed that Plaintiff shall be granted leave to file, and upon being
22 granted leave will file, a First Amended Consolidated Class Action Complaint for Damages &
23 Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* (“Operative
24 Complaint”) in the Action, which will add the PAGA claims alleged in the *Frank* PAGA Action which
25 were contemplated, negotiated, and settled at mediation. Together, the Action and *Frank* PAGA Action
26 are referred to as “Actions.”

27 2. The Operative Complaint alleges eleven (11) causes of action for violations of California
28 Labor Code on behalf of all current and former hourly-paid or non-exempt employees who worked for

1 Defendant within the State of California at any time since August 25, 2017, for failure to pay overtime
2 wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide
3 compliant rest periods and premium payments in lieu thereof, failure to pay minimum wages, failure to
4 timely pay wages upon termination, failure to timely pay wages during employment, failure to provide
5 compliant wage statements, failure to maintain complete and accurate payroll records, and failure to
6 reimburse necessary business expenses, for violations of California Business & Professions Code Section
7 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties under
8 the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.*
9 (“PAGA”) based on the aforementioned California Labor Code violations.

10 3. Defendant denies all material allegations set forth in the Actions and has asserted
11 numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,
12 Defendant desires to fully and finally settle the Actions, Released Class Claims, and Released PAGA
13 Claims.

14 4. Class Counsel in the Actions diligently investigated the class and PAGA claims against
15 Defendant, including any and all applicable defenses and the applicable law. The investigation included,
16 *inter alia*, the exchange of information, data, and documents, and review of corporate policies and
17 practices.

18 5. On January 16, 2023, the Parties participated in mediation with Jeffrey Krivis, Esq. (the
19 “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the
20 Mediator’s evaluations, reached the settlement that is memorialized herein. The settlement discussions
21 were conducted at arm’s-length, and the Settlement is the result of an informed and detailed analysis of
22 Defendant’s potential liability and exposure in relation to the costs and risks associated with continued
23 litigation. Based on the documents produced, as well as Class Counsel’s own independent investigation
24 and evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on
25 the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best
26 interest of the Class Members, State of California, and PAGA Employees in light of all known facts and
27 circumstances, including the risk of significant delay and uncertainty associated with litigation and
28 various defenses asserted by Defendant.

6. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

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

a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for Class Counsel’s litigation and resolution of the Actions and all actual costs incurred and to be incurred by Class Counsel in the Actions, as set forth in Paragraph 11 below.

b. “Class Counsel” means Lawyers *for* Justice, PC, who will seek to be appointed counsel for the Class.

c. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member’s full name, last known mailing address, Social Security Number, start and end dates worked for Defendant during the Class Period and during the PAGA Period, and such other information as is necessary for the Settlement Administrator to calculate Workweeks (as defined below) and PAGA Pay Periods (as defined below).

d. “Class Member(s)” or “Class” means collectively the “General Non-Exempt Class” and the “Mobile Phlebotomist Class” as defined herein.

e. “General Non-Exempt Class” means all current and former hourly-paid or non-exempt employees who worked for Defendant in positions other than mobile phlebotomists in California at any time between August 25, 2017 through April 18, 2023.

f. “Mobile Phlebotomist Class” means all current and former hourly-paid or non-exempt employees who worked for Defendant as mobile phlebotomists in California at any time between April 7, 2021 through April 18, 2023.

g. “Class Notice” means the Notice of Class Action Settlement, substantially in the

form attached as “**Exhibit A.**”

h. “Class Period” means the “General Non-Exempt Class Release Period” with respect to the General Non-Exempt Class and the “Mobile Phlebotomist Class Release Period” with respect to the Mobile Phlebotomist Class.

i. “General Non-Exempt Class Release Period” means the time period from August 25, 2017, through April 18, 2023.

j. “Mobile Phlebotomist Class Release Period” means the time period from April 7, 2021, through April 18, 2023.

k. “Class Representative” or “Plaintiff” means Katherine Frank, the named plaintiff in the Action.

l. “Class Settlement” means the settlement and resolution of all Released Class Claims.

m. “Court” means the Superior Court of the State of California for the County of Los Angeles.

n. “Defendant” means Core Analytics Laboratory, Inc., a California corporation, formerly known as CERF Diagnostics, Inc., the named defendant in the Action.

o. “Defendant’s Counsel” means Alfred J. Landegger and Evelyn Zarraga of Landegger Verano & Davis, ALC.

p. “Effective Date” means the date when all of the following events have occurred: (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant’s Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been mailed to the Class Members, providing them with an opportunity to object to the terms of the Class Settlement or opt out of the Class Settlement; (4) the Court has held a Final Approval Hearing and entered a Final Approval Order and Judgment; (5) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court entered a Final Approval Order and Judgment; and (6) in the event there are written objections to the Class Settlement filed prior to the Final Approval Hearing which are not later withdrawn or denied, the later of the following events: five business days after the period for filing any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment

has elapsed without any appeal, writ, or other appellate proceeding having been filed, or, if any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment has been filed, five business days after any appeal, writ, or other appellate proceedings opposing the Court’s Final Approval Order and Judgment has finally and conclusively dismissed with no right to pursue further remedies or relief.

q. “Employer Taxes” means the employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant in addition to the Total Settlement Amount.

r. “Enhancement Payment” means the amount to be paid to Plaintiff in recognition of her efforts and work in prosecuting the Actions on behalf of the Class Members, the State of California, and PAGA Employees, as set forth in Paragraph 12 below.

s. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

t. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

u. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be calculated in accordance with Paragraph 16.

v. “Individual Settlement Payment” means the net payment of each Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided in Paragraph 26 below.

w. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated in accordance with Paragraph 15.

x. “LWDA Payment” means the amount of Seventy-Five Thousand Dollars (\$75,000.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the LWDA for the PAGA Settlement, as set forth in Paragraph 14.

1 y. “Net Settlement Amount” means the portion of the Total Settlement Amount that
2 is available for distribution to Settlement Class Members, which is the Total Settlement Amount less the
3 Court-approved Enhancement Payment, Settlement Administration Costs, PAGA Amount, and
4 Attorneys’ Fees and Costs.

5 z. “Notice of Objection” means a Class Member’s written objection to the Class
6 Settlement, which must: (a) contain the case name and number of the Action; (b) contain the objector’s
7 full name, signature, address, telephone number, and the last four (4) digits of his or her Social Security
8 number; (c) contain a written statement of all grounds for the objection accompanied by any legal
9 support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the
10 objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address,
11 postmarked on or before the Response Deadline.

12 aa. “PAGA Amount” means the allocation of One Hundred Thousand Dollars
13 (\$100,000.00) from the Total Settlement Amount for the PAGA Settlement. Seventy-five percent (75%)
14 of the PAGA Amount, or \$75,000.00, will be paid to the LWDA (i.e., the LWDA Payment) and the
15 remaining twenty-five percent (25%) or, \$25,000.00, will be distributed to PAGA Employees (i.e., the
16 PAGA Employee Amount).

17 bb. “PAGA Employees” means collectively the “General Non-Exempt PAGA
18 Employees” and the “Mobile Phlebotomist PAGA Employees”, as defined herein.

19 cc. “General Non-Exempt PAGA Employees” means all current and former hourly-
20 paid or non-exempt employees who worked for Defendant in positions other than mobile phlebotomists
21 in California at any time between July 15, 2020 through April 18, 2023.

22 dd. “Mobile Phlebotomist PAGA Employees” means all current and former hourly-
23 paid or non-exempt employees who worked for Defendant as mobile phlebotomists in California at any
24 time between April 7, 2021 through April 18, 2023.

25 ee. “PAGA Employee Amount” means the amount of Twenty-Five Thousand Dollars
26 (\$25,000.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA Employees on a *pro rata* basis
27 based on their PAGA Pay Periods.

28 ff. “PAGA Period” means the “General Non-Exempt PAGA Release Period” with

respect to the General Non-Exempt PAGA Employees and the “Mobile Phlebotomist PAGA Release Period” with respect to the Mobile Phlebotomist PAGA Employees.

gg. “General Non-Exempt PAGA Release Period” means the time period from July 15, 2020, through April 18, 2023.

hh. “Mobile Phlebotomist PAGA Release Period” means the time period from April 7, 2021, through April 18, 2023.

ii. “PAGA Settlement” means the settlement and resolution of Released PAGA Claims.

jj. “PAGA Pay Periods” means the number of Pay Periods each PAGA Employee was employed by Defendant during the PAGA Period.

kk. “Parties” means Plaintiff and Defendant, collectively, and “Party” means either Plaintiff or Defendant.

ll. “Preliminary Approval” means entry of the Court order granting preliminary approval of the Settlement Agreement.

mm. “Released Class Claims” means any and all claims, rights, demands, liabilities, penalties, costs, expenses, attorneys’ fees, damages and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the Action that arose during the Class Period, including the following claims: failure to pay minimum and straight time wages, failure to pay overtime compensation, failure to provide compliant meal periods or pay meal period premiums in lieu thereof, failure to authorize and permit compliant rest periods or pay rest period premiums in lieu thereof, failure to reimburse necessary business expenses, failure to timely pay final wages upon separation from employment, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, unfair business practices under the Unfair Competition Act (“UCL”), during the Class Period, including, violation of or claims under the following sections of the California Labor Code Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 510, 512, 558, 558.1, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, California Business & Professions Code § 17200, violation of the California Industrial Wage Orders that could have been premised on the facts, claims, causes of action or legal theories described above, as well as any potential

penalties, interest or attorneys' fees associated with all of such causes of action under California law. As to any Settlement Class Member who cashes and/or negotiates the check representing their individual Settlement Payment, the signing and negotiation of that check shall serve as the Settlement Class Member's consent to join the action for purposes of releasing the Released Class Claims arising under the Fair Labor Standards Act ("FLSA").

nn. "Released PAGA Claims" means any and all claims, causes of action, damages, expenses, benefits, interest, penalties, attorneys' fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature that were asserted or could have been asserted under the Private Attorneys General Act of 2004, codified in California Labor Code § 2698, *et seq.*, that were alleged, or reasonably could have been alleged, based on the claims asserted in the Action and in Plaintiff's PAGA Letter.

oo. "Released Parties" means Defendant, and any of its past, present and/or future, direct and/or indirect, directors, officers, partners, principals, trustees, shareholders, owners, members, managers, employees, administrators, agents, attorneys, insurers, predecessors, successors, assigns, DBAs, parents, subsidiaries, affiliates, and joint venturers.

pp. "Request for Exclusion" means a letter submitted by a Class Member indicating a request to be excluded from the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the full name, signature, address, telephone number, and the last four (4) digits of the Social Security Number of the Class Member requesting exclusion; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

qq. "Response Deadline" means the deadline by which Class Members must submit a Request for Exclusion, Notice of Objection, and/or dispute of the Workweeks and/or PAGA Pay Periods credited to them, which shall be the date that is sixty (60) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the 60th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant's Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response

1 Deadline for that Class Member shall be the extended by fifteen (15) calendar days from the original
2 Response Deadline.

3 rr. “Settlement Administrator” means Phoenix Settlement Administrators, or any
4 other third-party class action settlement administrator agreed to by the Parties and approved by the Court
5 for purposes of administering this Settlement. The Parties and their counsel each represent that they do
6 not have any financial interest in the Settlement Administrator or otherwise have a relationship with the
7 Settlement Administrator that could create a conflict of interest.

8 ss. “Settlement Administration Costs” means the costs payable from the Total
9 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this
10 Settlement, as set forth in Paragraph 13 below.

11 tt. “Settlement Class Members” means all Class Members who do not submit a timely
12 and valid Request for Exclusion.

13 uu. “Total Settlement Amount” means the amount of Five Hundred Twenty-Five
14 Thousand Dollars (\$525,000.00) to be paid by Defendant in full resolution of the Actions, Released Class
15 Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and Costs, Enhancement
16 Payment, PAGA Amount, Net Settlement Amount to be paid to the Settlement Class Members, and
17 Settlement Administration Costs. Defendant shall pay the Employer Taxes separately and in addition to
18 the Total Settlement Amount. The Total Settlement Amount is subject to increase, as provided in
19 Paragraph 39 below.

20 vv. “Workweeks” means the number of weeks each Class Member was employed by
21 Defendant as an hourly-paid or non-exempt employee in California during the Class Period, which will
22 be calculated by the Settlement Administrator by determining the number of days between each Class
23 Member’s first day of employment as an hourly-paid, non-exempt employee within the Class Period and
24 their last day of employment as an hourly-paid, non-exempt employee within the Class Period, and
25 dividing by seven (7). The number of Workweeks for each Class Member will be rounded up to the
26 next whole number and each Class Member will be credited with at least one (1) Workweek.

27 **CLASS CERTIFICATION**

28 8. For the purposes of this settlement only, the Parties stipulate to the certification of the

1 Class.

2 9. The Parties agree that certification for the purpose of settlement is not an admission that
3 certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
4 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as part
5 of the Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be
6 admissible in connection with, the issue of whether or not certification would be inappropriate in a non-
7 settlement context.

8 **TERMS OF AGREEMENT**

9 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
10 forth herein, the Parties agree, subject to the Court's approval, as follows:

11 10. **Funding and Disbursement of the Total Settlement Amount.**

12 a. **Establishing the Qualified Settlement Account.** After Preliminary Approval, and
13 prior to the Final Approval Hearing, the Settlement Administrator will provide the Parties with an
14 accounting estimate of the contemplated amounts to be paid by Defendant pursuant to the terms of the
15 Settlement and establish a qualified settlement account for administration of the Settlement.

16 b. **Funding the Total Settlement Amount.**

17 i. Within thirty (30) days of the Effective Date, Defendant will make a deposit
18 of one-half of the Total Settlement Amount (i.e., \$262,500.00), plus an
19 amount sufficient to pay the Employer Taxes, into the qualified settlement
20 account established by the Settlement Administrator ("First Installment").

21 ii. Within one (1) year after the due date for the First Installment, Defendant will
22 make a deposit of one-half of the Total Settlement Amount (i.e., \$262,500.00),
23 into the qualified settlement account established by the Settlement
24 Administrator ("Second Installment").

25 iii. To the extent that any payment due date set forth in this Agreement falls on a
26 Saturday, Sunday, or legal holiday, that deadline shall be continued until the
27 following business day.

28 iv. The Settlement Administrator shall provide Defendant's Counsel with

1 electronic transfer instructions for Defendant to tender payment to the
2 Settlement Administrator as described in this Agreement, as soon as possible
3 after the qualified settlement account has been established. The deadlines for
4 Defendant's payment of the Total Settlement Amount are contingent upon
5 receipt of the payment instructions. Defendant expressly agrees to follow the
6 Settlement Administrator's payment instructions. The Parties agree that the
7 deadlines for Defendant's payment obligations with respect to each
8 installment payment made under this Agreement shall be met upon initiating
9 the electronic transfer of funds to the Settlement Administrator, pursuant to
10 its instructions, provided, however, that any unsuccessful electronic transfer
11 of funds be of no fault of Defendant. In the event of an unsuccessful electronic
12 transfer of funds, the Parties agree to cooperate in good faith to resolve the
13 issues.

14 c. Disbursement of Total Settlement Amount.

- 15 i. Within seven (7) calendar days of the funding of the First Installment, the
16 Settlement Administrator will issue the Individual Settlement Payments to
17 Settlement Class Members, Individual PAGA Payments to PAGA Employees,
18 Enhancement Payment to Plaintiff and any remaining balance to the LWDA
19 for the LWDA Payment. The Settlement Administrator shall also pay the
20 Employer Taxes and all employee-side payroll taxes, contributions, and
21 withholdings, and timely forward these to the appropriate government
22 authorities.
- 23 ii. Within seven (7) calendar days of the funding of the Second Installment, the
24 Settlement Administrator will issue the remainder of the LWDA Payment to
25 the LWDA, Attorneys' Fees and Costs to Class Counsel and the Settlement
26 Administration Costs to itself.

27 11. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose
28 attorneys' fees of up to thirty-five percent (35%) of the Total Settlement Amount (i.e., \$183,750.00 if

the Total Settlement Amount is \$525,000.00) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Actions, in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000.00), both of which will be paid from the Total Settlement Amount subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation of the Actions, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. With respect to the Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may purchase an annuity to utilize United States Treasuries and bonds or utilize other attorney fee deferral vehicles, for Class Counsel, and any additional expenses for doing so shall be paid separately by Class Counsel and shall not be included within the Settlement Administration Costs. Any portion of the Attorneys' Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit of Settlement Class Members. The Court's ruling on the request for Attorneys' Fees and Costs shall not affect the enforceability of this Agreement or the terms contained herein.

12. Enhancement Payment. In recognition of her efforts and work in prosecuting the Actions, Defendant agrees not to oppose or impede any application or motion for Enhancement Payment in an amount up to Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff. The Enhancement Payment, which will be paid from the Total Settlement Amount, subject to Court approval, will be in addition to her Individual Settlement Payment as a Settlement Class Members and Individual PAGA Payment as a PAGA Employee. The Settlement Administrator will issue an IRS Form 1099 to Plaintiff for the Enhancement Payment, and Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. Plaintiff agrees to indemnify and hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of the Enhancement Payment. Should the Court approve the Enhancement Payment to Plaintiff in an amount that is less than that set forth above, the difference between the lesser

amount approved by the Court and the amount allocated toward the Enhancement Payment will be part of the Net Settlement Amount for the benefit of Settlement Class Members. The Court's ruling on the request for the Enhancement Payment shall not affect the enforceability of this Agreement or the terms contained herein.

13. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Ten Thousand Dollars (\$10,000.00). These costs, which will be paid from the Total Settlement Amount, subject to Court approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Total Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the requirement settlement administration duties will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

14. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of One Hundred Thousand Dollars (\$100,000.00) from the Total Settlement Amount will be allocated toward penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$75,000.00, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) or, \$25,000.00, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on PAGA Pay Periods during the PAGA Period (i.e., the Individual PAGA Payments).

15. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks, as follows:

1 a. After Preliminary Approval of the Settlement, the Settlement Administrator will
2 divide the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated
3 Workweek Value,” and multiply each Class Member’s individual Workweeks by the Estimated
4 Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible
5 to receive under the Class Settlement.

6 b. After Final Approval of the Settlement, the Settlement Administrator will divide
7 the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the “Final
8 Workweek Value,” and multiply each Settlement Class Member’s individual Workweeks by the Final
9 Workweek Value to yield his or her Individual Settlement Share.

10 16. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated
11 and apportioned from the PAGA Employee Amount based on the PAGA Employees’ number of PAGA
12 Pay Periods as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e.,
13 25% of the PAGA Amount, by the total number of PAGA Pay Periods of all PAGA Employees to yield
14 the “PAGA Workweek Value,” and multiply each PAGA Employee’s individual PAGA Pay Periods by
15 the PAGA Workweek Value to yield his or her Individual PAGA Payment.

16 17. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
17 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
18 are issued to the payee. It is expressly understood and agreed that payments made under this Settlement
19 shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee to additional
20 compensation or benefits under any new or additional compensation or benefits, or any bonus, contest
21 or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle
22 Plaintiff, Settlement Class Members, or any PAGA Employee to any increased retirement, 401K benefits
23 or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or
24 agreement in any benefit or compensation plan document that might have been in effect during the Class
25 Period).

26 18. Delivery of the Class List. Within twenty-one (21) calendar days of Preliminary
27 Approval, Defendant will provide the Class List to the Settlement Administrator.

28 19. Notice by First-Class U.S. Mail.

1 a. Within fourteen (14) calendar days after receiving the Class List from Defendant,
2 the Settlement Administrator will perform a search based on the National Change of Address Database
3 or any other similar services available, such as provided by Experian, for information to update and
4 correct for any known or identifiable address changes, and will mail a Class Notice in English and
5 Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via
6 First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement
7 Administrator.

8 b. With respect to Class Notices that are returned as undeliverable on or before the
9 Response Deadline, after the initial mailing of the Class Notice, the Settlement Administrator will
10 perform a single search for an alternate address by way of skip-trace and perform a single re-mailing of
11 the Class Notice within five (5) calendar days.

12 20. Dispute Regarding Workweeks and/or PAGA Pay Periods. Class Members will have an
13 opportunity to dispute the number of Workweeks and/or PAGA Pay Periods to which they have been
14 credited, as reflected in their respective Class Notices. In order to dispute Workweeks and/or PAGA
15 Pay Periods, Class Members must submit a written letter to the Settlement Administrator that: (a)
16 contains the case name and number of the Action; (b) contains the full name, signature, address,
17 telephone number, and the last four (4) digits of the Social Security Number of the disputing Class
18 Member; (c) clearly states that the Class Member disputes the number of Workweeks and/or PAGA Pay
19 Periods credited to him or her and what he or she contends is the correct number to be credited to him
20 or her; (d) includes information and/or attaches documentation demonstrating that the number of
21 Workweeks and/or PAGA Pay Periods that he or she contends should be credited to him or her are
22 correct; and (e) is returned by mail to the Settlement Administrator at the specified address, postmarked
23 on or before the Response Deadline. The date of the postmark on the return mailing envelope on the
24 submission will be the exclusive means to determine whether a dispute has been timely submitted.
25 Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number
26 of Workweeks and/or PAGA Pay Periods to be credited to a disputing Class Member, Defendant's
27 records will be presumed correct and determinative of the dispute. However, if a Class Member
28 produces information and/or documents to the contrary, the Settlement Administrator will evaluate the

1 materials submitted by the Class Member and the Settlement Administrator will resolve and determine
2 the number of eligible Workweeks and/or PAGA Pay Periods that the disputing Class Member should
3 be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be
4 final and non-appealable.

5 21. Settlement Checks. The Settlement Administrator will be responsible for undertaking
6 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
7 of checks to the Settlement Class Members and the Individual PAGA Payments by way of check to the
8 PAGA Employees in accordance with the Settlement Agreement. When issuing payments, the
9 Settlement Administrator may combine the payment for the Individual Settlement Payment and Individual
10 PAGA Payment into one check if the intended recipient for both payments is one individual. Each
11 Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for
12 one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be
13 cancelled. All funds remaining in the Qualified Settlement Account in connection with cancelled checks
14 shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed
15 Property Law, California Civil Code § 1500 et seq., for the benefit of those Settlement Class Members
16 who did not cash, deposit, or otherwise negotiate their checks until such time that they claim their property.
17 The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure
18 Code § 384, as the entire Net Settlement Amount will be paid out to Settlement Class Members, whether
19 or not they all cash their Settlement Checks. Settlement Class Members whose Individual Settlement
20 Payment checks are cancelled, shall, nevertheless, be bound by this Settlement Agreement and the Final
21 Approval Order and Judgment will have claim preclusive impact with respect to them and all Settlement
22 Class Members with respect to the Released Class Claims. The Final Approval Order and Judgment will
23 have claim preclusive impact on the PAGA Employees with respect to the Released PAGA Claims
24 irrespective of whether their Individual PAGA Payment checks are cancelled.

25 22. Procedure for Requesting Exclusion from the Class Settlement. Any Class Member
26 wishing to be excluded from the Class Settlement must submit a written Request for Exclusion to the
27 Settlement Administrator, by mail, within the Response Deadline. The date of the postmark on the return
28 mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been

1 timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's
2 Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the
3 individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be
4 filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a
5 Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class
6 Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement
7 and will not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively
8 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will
9 be bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the
10 Released Class Claims, as well as any judgment with respect to the Class Settlement that may be entered
11 by the Court if it grants Final Approval to the Settlement. All PAGA Employees will be issued an
12 Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion and the Final
13 Approval Order and Judgment will have claim preclusive impact on the PAGA Employees with respect
14 to the Released PAGA Claims.

15 23. Procedures for Objecting to the Class Settlement. To object to the Class Settlement,
16 Class Members who have not opted out of the Class Settlement (i.e., Settlement Class Members) must
17 submit a timely and complete Notice of Objection to the Settlement Administrator, by mail, on or before
18 the Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and
19 contain all information required by the Settlement Agreement. The postmark date will be deemed the
20 exclusive means for determining that the Notice of Objection is timely. At no time will any of the
21 Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the
22 Settlement Agreement or appeal from the Final Approval Order and Judgment. Settlement Class
23 Members, individually or through counsel, may also present their objection orally at the Final Approval
24 Hearing, regardless of whether they have submitted a Notice of Objection. The Settlement Administrator
25 will certify jointly to Class Counsel and Defendant's Counsel the number of Notices of Objection that
26 are submitted (specifying which ones were timely and complete and which were not), and also attach
27 them to a declaration that is to be filed with the Court in advance of the Final Approval Hearing.

28 24. Reports by the Settlement Administrator Regarding Settlement Administration. The

1 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which
2 certifies: (a) the number of Class Members who have submitted a dispute of Workweeks and/or PAGA
3 Pay Periods; (b) the number of Class Members who have submitted Requests for Exclusion or Notices
4 of Objection; and (c) the number of undeliverable and re-mailed Class Notices. Additionally, the
5 Settlement Administrator will provide to counsel for both Parties any updated reports regarding the
6 administration of the Settlement Agreement as needed or requested, and immediately notify the Parties
7 when it receives a request from an individual or any other entity regarding inclusion in the Class and/or
8 Settlement or regarding a dispute of Workweeks and/or PAGA Pay Periods.

9 25. Certification of Completion. Upon completion of administration of the Settlement, the
10 Settlement Administrator will provide a written declaration under oath to certify such completion to the
11 Court and counsel for all Parties.

12 26. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each
13 Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty percent
14 (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on
15 an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be
16 reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will
17 withhold the employee's share of taxes and withholdings with respect to the wages portion of the
18 Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual
19 Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and
20 withholdings). The Employer Taxes will be paid separately and in addition to the Total Settlement
21 Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties
22 and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator. The
23 Settlement Administrator will not undertake any withholding or deductions with respect to the
24 Individual PAGA Payment.

25 27. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
26 will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class
27 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
28 this Settlement Agreement. The Settlement Administrator will also be responsible for calculating the

1 Employer Taxes, advising Defendant's Counsel of the total amount owed for Employer Taxes, and
2 forwarding all payroll taxes, contributions, and withholdings to the appropriate government authorities
3 with respect to the wages portion of the Individual Settlement Shares.

4 28. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not
5 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
6 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement
7 Class Members, and PAGA Employees understand and agree that, except for Defendant's payment of
8 Employer Taxes, they will be solely responsible for correctly characterizing any compensation received
9 under the Settlement on their personal income tax returns and paying any and all taxes due for any and
10 all amounts paid to them under the Settlement.

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

CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

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

31. Class Settlement Release. Upon the Effective Date and full funding of the Second Installment, Plaintiff and all Class Members who do not submit a timely and valid Request for Exclusion (i.e., Settlement Class Members), on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

32. PAGA Settlement Release. Upon the Effective Date and full funding of the Second Installment, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims. The foregoing release shall be binding on Plaintiff, the Aggrieved Employees, and the State of California, and shall bar by res judicata any claim under the PAGA brought by any person, including the Aggrieved Employees, on behalf of the State of California, as to any claims predicated on the Released PAGA Claims.

33. General Release of Claims by Plaintiff. In addition, upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff, individually and on behalf of her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns will be deemed to have fully released and discharged the Released Parties of and from all claims arising

1 from her employment with Defendant, separation of employment from Defendant, and any acts that
2 have or could have been asserted in any legal action or proceeding against Defendant, whether known
3 or unknown, arising under any federal, state, or local law, or statute, including, *inter alia*, those arising
4 under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII
5 of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations
6 Act, California Corporations Code, California Business and Professions Code, California Fair
7 Employment and Housing Act, California Constitution (all as amended), and law of contract and tort,
8 as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other
9 employment compensation, emotional distress, medical expenses, other economic and non-economic
10 damages, attorney fees, and costs, arising on or before the date of execution of the Settlement
11 Agreement. ("Plaintiff's Individual Release.") With respect to Plaintiff's Individual Release, Plaintiff
12 acknowledges and waives any and all rights and benefits available under California Civil Code section
13 1542, which provides:

14 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**
15 **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
16 **FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY**
17 **HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER**
18 **SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

19 Plaintiff understands and agrees that claims or facts in addition to or different from those which are now
20 known or believed by him to exist may hereafter be discovered. It is Plaintiff's intention to settle fully
21 and release all claims she now has against the Released Parties, whether known or unknown, suspected
22 or unsuspected, upon the Effective Date and full funding of the Total Settlement Amount.
23 Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers'
24 compensation benefits, claims for unemployment benefits, or other claims that may not be released as
25 a matter of law.

26 34. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

27 Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date for
28

Plaintiff's motion for preliminary approval of the Settlement, which Plaintiff and Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion before filing it with the Court. Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff as representative of the Class;
- d. Preliminarily appointing Class Counsel as counsel for the Class;
- e. Approving, as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing to the Class by First Class U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether Final Approval of the Settlement should be granted.

35. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for (a) Individual Settlement Payments; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the mutually-agreed upon proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in substantial part, the following:

- 1 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
2 consummation of its terms and provisions;
- 3 b. Certification of the Settlement Class;
- 4 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 5 d. Approval of the application for Enhancement Payment to Plaintiff;
- 6 e. Directing Defendant to fund all amounts due under the Settlement Agreement and
7 ordered by the Court; and
- 8 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in
9 conformity with California Rules of Court 3.769 and the Settlement Agreement.

10 36. Information Regarding Defendant's Financial Circumstances. If requested by the Court
11 to support and/or otherwise implement the Settlement, Defendant's Chief Financial Officer or person
12 most knowledgeable shall file in the Court a declaration regarding the need to fund the Total Settlement
13 Amount with the installment plan contained in Paragraph 10.b. The Parties agree that Defendant may
14 file the declaration in Court, conditionally under seal in conjunction with a motion by Defendant to seal
15 the declaration, in support of Plaintiff's motion for preliminary approval.

16 37. Termination or Rescission of Settlement.

17 a. If five percent (5%) or more of the Class Members submit timely and valid
18 Requests for Exclusion, Defendant may elect to rescind the Settlement Agreement. Defendant must
19 exercise this right of rescission in writing that is provided to Class Counsel within fourteen (14) calendar
20 days of the Settlement Administrator providing Defendant's Counsel a report specifying the number of
21 Class Members who have submitted a timely and valid Request for Exclusion following the Response
22 Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement administration
23 owed to the Settlement Administrator incurred up to that date.

24 b. If the Court fails or refuses to issue the Final Approval Order and Judgment or fails
25 to approve any material condition of this Settlement Agreement which effects a fundamental change of
26 the Settlement Agreement (unless explicitly excepted herein), by way of writing that is provided to the
27 other Party within ten (10) calendar days thereof, the entire Settlement Agreement shall be rendered
28 voidable and unenforceable as to all Parties herein at the option of either Party.

1 38. Effects of Termination or Rescission of the Settlement. Termination or Rescission of the
2 Settlement Agreement shall have the following effects:

3 a. The Settlement Agreement shall be void and shall have no force or effect, and no
4 Party shall be bound by any of its terms;

5 b. In the event the Settlement Agreement is terminated, Defendant shall have no
6 obligation to make any payments to any Party, Class Member or attorney, except that the terminating
7 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
8 Administrator is notified that the Settlement has been terminated;

9 c. The Preliminary Approval Order, Final Approval Order and Judgment, including
10 any order certifying the Class, shall be vacated;

11 d. The Settlement Agreement and all negotiations, statements and proceedings
12 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored
13 to their respective positions in the Action prior to the execution of the Settlement Agreement;

14 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
15 statements or filings in furtherance of the Settlement (including all matters associated with the mediation)
16 shall be admissible or offered into evidence in the Action or any other action for any purpose whatsoever;
17 and

18 f. Any documents generated to bring the Settlement into effect, will be null and
19 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
20 likewise be treated as void from the beginning.

21 39. Escalator Clause. Defendant represents that there are collectively 24,700 Workweeks
22 worked by all Class Members when measured during the period from August 25, 2017 to January 16,
23 2023 for the General Non-Exempt Class and from April 7, 2021 to January 16, 2023 for the Mobile
24 Phlebotomist Class. If it is determined that the total number of Workweeks during the period from
25 August 25, 2017 to April 18, 2023 for the General Non-Exempt Class and from April 7, 2021 to April
26 18, 2023 for the Mobile Phlebotomist Class exceed 24,700 by more than ten percent (10%) (i.e. exceeds
27 27,170), then, Defendant shall have the option to (1) increase the Total Settlement Amount on a *pro*-
28 *rata* basis equal to the percentage increase in the number of workweeks worked by the Class Members

above ten percent (10%), (e.g., if the number of workweeks increases by 11% to 27,417 workweeks, the Total Settlement Amount will increase by one percent (1%)), or (2) end the Class Release Periods on the day that the total Class Member Workweeks reach 27,170.

40. Continued Jurisdiction. After entry of judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

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

42. Limitation on Publicity. Plaintiff and Class Counsel will not make any public disclosure of the Settlement or discuss the Settlement with anyone other than those necessary to effectuate the filing of the motion for preliminary approval, until after the motion for preliminary approval is filed. Class Counsel will take all steps necessary to ensure Plaintiff is aware of, and will encourage her to adhere to, the restriction against any public disclosure of the Settlement until after the motion for preliminary approval is filed. Prior to and following Preliminary Approval of the Settlement, Plaintiff and Class Counsel will not have any communications with any media other than to direct any media inquiries to the public records of the Actions on file with the Court and will not publicize the Settlement, including on social media. Class Counsel will take all steps necessary to ensure Plaintiff is aware of, and will encourage her to adhere to, the restriction against any media comment on the Settlement and its terms. Class Counsel further agrees not to use the Settlement or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this Settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures required to be made to the LWDA in conformity with PAGA.

43. Entire Agreement. The Settlement Agreement and any attached exhibits constitute the entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all

prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

44. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Action (including with respect to California Code of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

45. Amendment. Prior to the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all Parties. After the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of the Settlement Agreement except by written agreement signed by counsel for all of the Parties and subject to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

46. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms.

47. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Settlement Class Member or PAGA Employee execute this

1 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
2 Class Settlement as to the Settlement Class Members, and the release provided for by the Settlement
3 Agreement shall have the same force and effect as if the Settlement Agreement were executed by each
4 Settlement Class Member.

5 48. Binding on Successors and Assigns. The Settlement Agreement will be binding upon,
6 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

7 49. California Law Governs. All terms of the Settlement Agreement and attached exhibits
8 hereto will be governed by and interpreted according to the laws of the State of California.

9 50. Execution and Counterparts. The Settlement Agreement is subject only to the execution
10 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
11 executed counterparts and each of them, including facsimile, electronic, and scanned copies of the
12 signature page, will be deemed to be one and the same instrument.

13 51. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this
14 Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions, Released Class
15 Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations
16 and in the context of adversarial litigation, taking into account all relevant factors, present and potential.
17 The Parties further acknowledge that they are each represented by competent counsel and that they have
18 had an opportunity to consult with their counsel regarding the fairness and reasonableness of the
19 Settlement Agreement. In addition, if necessary to obtain approval of the Settlement, the Mediator may
20 execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court
21 may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement
22 is objectively fair and reasonable.

23 52. Invalidity of Any Provision. Before declaring any provision of the Settlement Agreement
24 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
25 consistent with applicable precedents so as to find all provisions of the Settlement Agreement valid and
26 enforceable.

27 53. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
28 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate to

1 implement the Settlement.

2 54. Non-Admission of Liability. The Parties enter into the Settlement Agreement to resolve
3 the dispute that has arisen between them and to avoid the burden, expense, and risk of continued
4 litigation. In entering into the Settlement Agreement, Defendant does not admit, and specifically denies,
5 that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated
6 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any
7 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in
8 any other unlawful conduct with respect to its employees. Neither the Settlement Agreement, nor any
9 of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an
10 admission or concession by Defendant of any such violations or failures to comply with any applicable
11 law. Except as necessary in a proceeding to enforce the terms of the Settlement Agreement, the
12 Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any
13 action or proceeding to establish any liability or admission on the part of Defendant or to establish the
14 existence of any condition constituting a violation of, or a non-compliance with state, federal, local, or
15 other applicable law.

16 55. Captions. The captions and paragraph numbers in the Settlement Agreement are inserted
17 for the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the
18 provisions of the Settlement Agreement.

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

24 57. Representation by Counsel. The Parties acknowledge that they have been represented by
25 counsel throughout all negotiations that preceded the execution of the Settlement Agreement, and that
26 the Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in
27 full.

28 58. All Terms Subject to Final Court Approval. All amounts and procedures described in the

Settlement Agreement herein will be subject to final Court approval.

59. Notices. All notices, demands, and other communications to be provided concerning the Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiff and Class Counsel:

Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
Ryan Slinger, Esq.
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203

To Defendant:

Alfred J. Landegger, Esq.
Evelyn Zarraga, Esq.
LANDEGGER, VERANO & DAVIS, ALC
15760 Ventura Boulevard, Suite 1200
Encino, California 91436

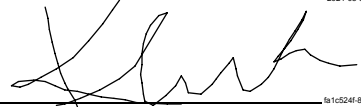
60. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days. Parties agree that the Court shall be requested to find or otherwise order that this is sufficient notice pursuant to California Rules of Court 3.771, and that no individualized notice of the Final Approval Order and Judgment to the Class will be required.

61. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

PLAINTIFF KATHERINE FRANK

Electronically Signed 2024-08-02 14:18:23 UTC - 24.6.213.21

Nintex AssureSign® b1c524f-8e09-4769-98d3-b1b01147c04

Dated: August 02, 2024

Katherine Frank, Plaintiff

**DEFENDANT
CORE ANALYTICS LABORATORY, INC.**



Dated: August 8, 2024

Shruty Parti, Chief Executive Officer
On behalf of Defendant Core Analytics Laboratory, Inc.,
a California corporation, formerly known as CERF
Diagnostics, Inc.

APPROVED AS TO FORM

LAWYERS for JUSTICE, PC



Dated: August 2, 2024

Arby Aiwarzian
Joanna Ghosh
Ryan Slinger
Attorneys for Plaintiff Katherine Frank and Proposed Class
Counsel

LANDEGGER, VERANO & DAVIS



Dated: August 8, 2024

Alfred J. Landegger
Marie D. Davis
Evelyn Zarraga
Attorneys for Defendant Core Analytics Laboratory, Inc.,
a California corporation, formerly known as CERF
Diagnostics, Inc.

EXHIBIT A

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Katherine Frank v. Core Analytics Laboratory, Inc., et al.
Superior Court of California for the County of Los Angeles, Case No. 21STCV31386
Katherine Frank v. Core Analytics Laboratory, Inc., et al.
Superior Court of California for the County of Los Angeles, Case No. 21STCV34823

PLEASE READ THIS CLASS NOTICE CAREFULLY.

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

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

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

YOU ARE NOTIFIED THAT: A class action and representative action settlement has been reached between Plaintiff Katherine Frank ("Plaintiff") and Defendant Core Analytics Laboratory, Inc., a California corporation, formerly known as CERF Diagnostics, Inc. ("Defendant") (together with Plaintiff, the "Parties") in the cases entitled *Katherine Frank v. Core Analytics Laboratory, Inc., et al.*, Los Angeles County Superior Court, Case No. 21STCV31386 (the "*Frank Class Action*") and Case No. 21STCV34823 (the "*Frank PAGA Action*") (together, the "Actions"), for which Court approval is being sought in the *Frank Class Action* and which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the Settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Members" means collectively the "General Non-Exempt Class" and the "Mobile Phlebotomist Class" as defined herein.

"General Non-Exempt Class" means all current and former hourly-paid or non-exempt employees who worked for Defendant in positions other than mobile phlebotomists in California at any time between August 25, 2017 through April 18, 2023.

"Mobile Phlebotomist Class" means all current and former hourly-paid or non-exempt employees who worked for Defendant as mobile phlebotomists in California at any time between April 7, 2021 through April 18, 2023.

"Class Period" means the "General Non-Exempt Class Release Period" with respect to the General Non-Exempt Class and the "Mobile Phlebotomist Class Release Period" with respect to the Mobile Phlebotomist Class.

"General Non-Exempt Class Release Period" means the time period from August 25, 2017, through April 18, 2023.

"Mobile Phlebotomist Class Release Period" means the time period from April 7, 2021, through April 18, 2023.

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

"PAGA Employees" means collectively the "General Non-Exempt PAGA Employees" and the "Mobile Phlebotomist PAGA Employees", as defined herein.

"General Non-Exempt PAGA Employees" means all current and former hourly-paid or non-exempt employees who worked for Defendant in positions other than mobile phlebotomists in California at any time between July 15, 2020 through April 18, 2023.

"Mobile Phlebotomist PAGA Employees" means all current and former hourly-paid or non-exempt employees who worked for Defendants as mobile phlebotomists in California at any time between April 7, 2021 through April 18, 2023.

“PAGA Period” means the “General Non-Exempt PAGA Release Period” with respect to the General Non-Exempt PAGA Employees and the “Mobile Phlebotomist PAGA Release Period” with respect to the Mobile Phlebotomist PAGA Employees.

“General Non-Exempt PAGA Release Period” means the time period from July 15, 2020, through April 18, 2023.

“Mobile Phlebotomist PAGA Release Period” means the time period from April 7, 2021, through April 18, 2023.

“PAGA Settlement” means the settlement and release of Released PAGA Claims (described in Section III.D below).

II. BACKGROUND OF THE ACTIONS

On August 25, 2021, Plaintiff commenced the Class Action Complaint entitled *Katherine Frank v. Core Analytics Laboratory, Inc. et al.*, in the Superior Court of California for the County of Los Angeles, Case No. 21STCV31386 (i.e., *Frank* Class Action). On July 15, 2021, Plaintiff provided written notice to the Labor and Workforce Development Agency (“LWDA”) and Defendant of the specific provisions of the California Labor Code that he contends were violated (“PAGA Letter”). On September 21, 2021, Plaintiff commenced the PAGA Action entitled *Katherine Frank v. Core Analytics Laboratory, Inc. et al.*, in the Superior Court of California for the County of Los Angeles, Case No. 21STCV34823 (i.e., *Frank* PAGA Action), by filing a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* On June 28, 2024, Plaintiff filed a First Amended Consolidated Complaint in the *Frank* Class Action, consolidating the Class Action and PAGA Action (“Operative Complaint”).

Plaintiff alleges that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment, and upon termination of employment, and associated waiting-time penalties, provide compliant wage statements, keep requisite payroll records, reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business & Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under California Labor Code section 2698, *et seq.* (“PAGA”). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendant denies all the allegations in the Actions and denies that it violated any law.

After investigation and analysis of the claims, the Parties engaged in good faith, arms-length negotiations, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Settlement Administrators as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Katherine Frank as representative of the Class (“Class Representative”), and the following counsel as counsel for the Class (“Class Counsel”):

Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
Ryan Slinger, Esq.
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, but you may, if you wish, 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. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment and you may not request exclusion with respect to the PAGA aspects of the Settlement. Even if you request exclusion from the Class Settlement, you will still receive an Individual PAGA Payment if you are a PAGA Employee and will still be bound to the PAGA Settlement and Judgment with respect to the PAGA Released Claims.

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 Defendant that the claims in the Actions have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, PAGA Employees, and the State of California. The Court has made no ruling on the merits of the claims asserted in the Actions and has determined only that certification of the Class for settlement purposes may be appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total settlement amount is Five Hundred Twenty-Five Thousand Dollars (\$525,000.00) (the “Total Settlement Amount”). The portion of the Total 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 Total Settlement Amount, less the following payments which are subject to approval by the Court: (1) attorneys’ fees in an amount not to exceed 35% of the Total Settlement Amount (i.e., \$183,750.00) and reimbursement of actual litigation costs and expenses, in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000.00) (together, “Attorneys’ Fees and Costs”) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff for her services in the Actions (“Enhancement Payment”); (3) Settlement Administration Costs in an amount not to exceed Ten Thousand Dollars (\$10,000.00) to the Settlement Administrator (“Settlement Administration Costs”); and (4) the amount of One Hundred Thousand Dollars (\$100,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”). The PAGA Amount will be distributed 75% (i.e., \$75,000.00) to the LWDA (“LWDA Payment”) and the remaining 25% (i.e., \$25,000.00) will be distributed to PAGA Employees.

Class Members are entitled to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of weeks each Class Member was employed by Defendant as an hourly-paid or non-exempt employee within the State of California during the Class Period (“Workweeks”). Workweeks will be calculated by the Settlement Administrator by determining the number of days between each Class Member’s first day of employment as an hourly-paid, non-exempt employee within the Class Period and their last day of employment as an hourly-paid, non-exempt employee within the Class Period, and dividing by seven (7). The number of Workweeks for each Class Member will be rounded up to the next whole number and each Class Member will be credited with at least one (1) Workweek.

The Settlement Administrator has divided the estimated 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 each Class Member’s 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. PAGA Employees shall be issued payment of their Individual PAGA Payment regardless of whether they request exclusion from (opt out of) the Class Settlement.

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 by the Settlement Administrator on an IRS Form 1099. Each Individual Settlement Share shall be subject to reduction for the employee’s share of taxes and withholdings due on the wages portion of Individual Settlement Share. The employer’s share of payroll taxes and contributions in connection with the wages portion of the Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Total Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of 25% of the PAGA Amount (“Individual PAGA Payment”), based on the number of Pay Periods each PAGA Employee was employed by Defendant during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator has divided the 25% portion of the PAGA Amount (“PAGA Employee Amount”) attributed to PAGA Employees by the PAGA Pay Periods worked by all PAGA Employees during the PAGA Period to yield the “PAGA Pay Period Value,” and then multiplied the PAGA Pay Period Value by the number of PAGA Pay Periods worked by each individual PAGA Employee to determine the Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C

below).

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported by the Settlement Administrator on an IRS Form 1099 (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 Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Pay Periods Based on Defendant's Records

According to Defendant's records:

During the period from August 25, 2017 to April 18, 2023, you are credited as having worked [____] Workweeks, as a General Non-Exempt Class Member.

During the period from July 15, 2020 to April 18, 2023, you are credited as having worked [____] PAGA Pay Periods, as a General Non-Exempt PAGA Employee.

During the period from April 7, 2021 to April 18, 2023, you are credited as having worked [____] Workweeks, as a Mobile Phlebotomist Class Member.

During the period from April 7, 2021 to April 18, 2023, you are credited as having worked [____] PAGA Pay Periods, as a Mobile Phlebotomist PAGA Employee.

If you wish to Challenge the Calculation of Workweeks and/or PAGA Pay Periods credited to you, you must communicate with the Administrator via email or mail prior to the **[Response Deadline]**. The Administrator must encourage the challenging Class Member or PAGA Employee to submit supporting documentation.

C. Your Estimated Individual Settlement Payment and Individual PAGA Payment

As explained above, your estimated Individual Settlement Payment and/or Individual PAGA Payment is based on the number of Workweeks and/or PAGA Pay Periods credited to you.

Under the terms of the Settlement, your Individual Settlement Payment is estimated to be \$_____. The Individual Settlement Payment is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payment.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$_____.

The settlement approval process may take multiple months. Your Individual Settlement Payment and/or Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and/or Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

D. Released Claims

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and all Settlement Class Members waive, release, and discharge Released Parties of any and all Released Class Claims for the Class Period.

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff, the State of California with respect to PAGA Employees, and all PAGA Employees, waive, release and discharge Released Parties of any and all Released PAGA Claims for the PAGA Period.

"Released Class Claims" means any and all claims, rights, demands, liabilities, penalties, costs, expenses, attorneys' fees, damages and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the Action that arose during the Class Period, including the following claims: failure to pay minimum and straight time wages, failure to pay overtime compensation, failure to provide compliant meal periods or pay meal period premiums in lieu thereof, failure to authorize and permit compliant rest periods or pay rest period premiums in lieu thereof, failure to

reimburse necessary business expenses, failure to timely pay final wages upon separation from employment, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, unfair business practices under the Unfair Competition Act (“UCL”), during the Class Period, including, violation of or claims under the following sections of the California Labor Code Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 510, 512, 558, 558.1, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, California Business & Professions Code § 17200, violation of the California Industrial Wage Orders that could have been premised on the facts, claims, causes of action or legal theories described above, as well as any potential penalties, interest or attorneys’ fees associated with all of such causes of action under California law. As to any Settlement Class Member who cashes and/or negotiates the check representing their individual Settlement Payment, the signing and negotiation of that check shall serve as the Settlement Class Member’s consent to join the action for purposes of releasing the Released Class Claims arising under the Fair Labor Standards Act (“FLSA”).

“Released PAGA Claims” means any and all claims, causes of action, damages, expenses, benefits interest, penalties, attorneys’ fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature that were asserted or could have been asserted under the Private Attorneys General Act of 2004, codified in California Labor Code § 2698, *et seq.*, that were alleged, or reasonably could have been alleged, based on the claims asserted in the Actions and in Plaintiff’s PAGA Letter.

“Released Parties” means Defendant, and any of its past, present and/or future, direct and/or indirect, directors, officers, partners, principals, trustees, shareholders, owners, members, managers, employees, administrators, agents, attorneys, insurers, predecessors, successors, assigns, DBAs, parents, subsidiaries, affiliates, and joint venturers.

E. Attorneys’ Fees and Litigation Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to thirty five percent (35%) of the Total Settlement Amount (i.e., an amount of up to \$183,750.00) and reimbursement of actual litigation costs and expenses in an amount of up to Twenty-Five Thousand Dollars (\$25,000.00) (together “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs awarded by the Court will be paid from the Total Settlement Amount. Class Counsel has been prosecuting the Actions on behalf of Plaintiff, the Class Members, the PAGA Employees, and the State of California on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500.00), in recognition of her services in connection with the Actions (“Enhancement Payment”). The Enhancement Payment will be paid from the Total Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to any Individual Settlement Payment and/or Individual PAGA Payment that she may be entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Costs of administering the Settlement are estimated not to exceed Ten Thousand Dollars (\$10,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members and PAGA Employees of the Settlement, processing Requests for Exclusion, Objections, and Workweeks and/or PAGA Pay Period Challenges, 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 Total 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 participate in the Settlement and receive money from the 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 be deemed to have released the Released Class Claims described in Section III.D above.

If you are a PAGA Employee, 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. Class Members who opt-out of the Class Settlement, and who are also PAGA Employees, shall still be bound to the PAGA Settlement and Judgment with respect to the PAGA Released Claims.

Class Members and PAGA Employees will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless they retain their own counsel, in which event they will be responsible for their 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 seek exclusion from the Class Settlement by sending the Administrator a letter ("Request for Exclusion") which must: (a) contain the case name and number of the Action; (b) contain the full name, signature, address, telephone number, and the last four (4) digits of the Social Security Number of the Class Member requesting exclusion; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked **no later than [Response Deadline]**. Mailed Requests for Exclusion must be sent to the following address:

[Settlement Administrator]
[Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of Released Class Claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. All PAGA Employees will be bound by the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, regardless of whether they submit a Request for Exclusion from the Class Settlement.

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 to the Settlement Administrator ("Notice of Objection"). Class Members may also object to the terms of the Class Settlement by appearing at the Final Approval Hearing and presenting their objection verbally.

Notice of Objections must: (a) contain the case name and number of the Action; (b) contain the objector's full name, signature, address, telephone number, and the last four (4) digits of his or her Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 1 of the Los Angeles County Superior Court, located at the Spring Street Courthouse, 312 N Spring Street, Los Angeles, California 90012, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys' Fees and Costs, Enhancement Payment to Plaintiff, PAGA Amount, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

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 Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement filed in the *Frank* Class Action and the documents filed in the Actions for a fee by visiting the civil clerk's office, located at 312 N Spring Street, Los Angeles, California 90012, during business hours, or by online by visiting the following website: <https://www.lacourt.org/>

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: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT 2

LAWYERS FOR JUSTICE

July 15, 2021

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: CORE ANALYTICS LABORATORY, INC.; CERF DIAGNOSTICS, INC.

Dear Representative:

We have been retained to represent Kathrine Frank against Core Analytics Laboratory, Inc. and CERF Diagnostics, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as "CAL") for violations of California wage-and-hour laws. Ms. Frank seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Ms. Frank seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

CAL employed Ms. Frank as an hourly-paid, non-exempt employee from approximately March 2021 to approximately June 2021, in the State of California.

The "aggrieved employees" that Ms. Frank may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, CAL has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001 and 5-2001.

CAL required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, responding to work related inquiries.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-

and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Ms. Frank and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Ms. Frank and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, CAL required Ms. Frank and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, CAL failed to pay Ms. Frank and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, CAL failed to pay Ms. Frank and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, CAL did not provide Ms. Frank and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from CAL were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Ms. Frank and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil

penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Ms. Frank and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Ms. Frank and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Ms. Frank and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Ms. Frank and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, CAL failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Ms. Frank and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, CAL did not provide Ms. Frank and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, CAL failed to pay Ms. Frank and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Ms. Frank and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, CAL failed to pay Ms. Frank and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Ms. Frank and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Ms. Frank and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by CAL. These costs include, but are not limited to, the use of personal phones for business-related tasks, the use of personal vehicles for business-related tasks, the purchasing and maintenance of clothing in compliance with the dress code, and the purchasing of tools, equipment, and supplies.

Therefore, on behalf of all aggrieved employees, Ms. Frank seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards.



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