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

STEPHANIE MCCOY, individually, and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act;

Plaintiff,

vs.

DESERT MEDICAL GROUP, INC., a
California Corporation; and DOES 1 through
100, inclusive,

Defendants

Case No.: CVPS2104875

Honorable Harold W. Hopp
Department 1

**DECLARATION OF JOANNA GHOSH IN
SUPPORT OF PLAINTIFF'S MOTION
FOR APPROVAL OF PRIVATE
ATTORNEYS GENERAL ACT (CAL.
LABOR CODE § 2698, ET SEQ.)
SETTLEMENT AGREEMENT AND
AWARD OF ATTORNEYS' FEES AND
COSTS, GENERAL RELEASE FEE, AND
SETTLEMENT ADMINISTRATION
COSTS**

[Notice of Motion and Motion for Approval of
Private Attorneys General Act (Cal. Labor
Code § 2698, *Et Seq.*) Settlement Agreement
and Award of Attorneys' Fees and Costs,
General Release Fee, and Settlement
Administration Costs; Declaration of Plaintiff
(Stephanie McCoy); and [Proposed] Order
and Judgment filed concurrently herewith]

Date: July 22, 2024
Time: 8:30 a.m.
Department: 1

Complaint Filed: September 21, 2021
Trial Date: None Set

**DECLARATION OF JOANNA GHOSH IN SUPPORT OF PLAINTIFF'S MOTION FOR APPROVAL OF PRIVATE
ATTORNEYS GENERAL ACT (CAL. LABOR CODE § 2698, ET SEQ.) SETTLEMENT AGREEMENT AND AWARD OF
ATTORNEYS' FEES AND COSTS, GENERAL RELEASE FEE, AND SETTLEMENT ADMINISTRATION COSTS**

DECLARATION OF JOANNA GHOSH

I, Joanna Ghosh, 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 Stephanie McCoy (“Plaintiff”). I make this declaration in support of Plaintiff’s Motion for Approval of Private Attorneys General Act (Cal. Labor Code § 2698, *Et Seq.*) Settlement Agreement and Award of Attorneys’ Fees and Costs, General Release Fee, and Settlement Administration Costs (the “Motion”). 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. Since October 2008, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment 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 well over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”) representative actions. 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. Since in or around October of 2008, through his work at Lawyers *for* Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. 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 many 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 action cases have resulted in settlements that have been granted court approval, including and not limited to, those listed in paragraph 7 herein. He has handled over one hundred and fifty (150) mediations and has worked on over two hundred and fifty (250) class action or representative action cases which have resulted in settlement.

5. Matthew Soto is a Member of Lawyers *for* Justice, PC. He received his Bachelor of Science degree and Bachelor of Arts degree from California State University, Los Angeles in 2020, and earned his Juris Doctor degree from Pepperdine Caruso School of Law in 2023. He was admitted to practice law in California in 2023. He is admitted to practice before all courts of the State of California and the Southern, Eastern, and Central federal district courts in the State of California. He has worked on many wage-and-hour class action and PAGA representative cases, and his work on these cases has included drafting pleadings and motions, drafting, negotiating, and finalizing stipulations and settlement agreements, and making court appearances.

6. I am a Managing Member of Lawyers *for* Justice, PC. I 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. I am admitted to practice in California (since 2010) and in New York (since 2013) and I am also 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. I have 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. I have successfully handled briefing and oral argument on appeal and obtained notable decisions regarding Private Attorneys General Act claims and employer efforts to compel arbitration of such claims, e.g., *Roberto Betancourt v. Prudential Overall Supply* (Cal. Ct. App., Mar. 7, 2017) 9 Cal.App.5th 439, cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. I have 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). I also have extensive experience with class action and/or representative action settlements, and have handled this process in over three hundred (300) cases. Under my, Edwin Aiwasian, and Arby Aiwasian's supervision, Lawyers for Justice, PC has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. I have extensive experience with class action and/or representative action settlements, and have handled this process in over five hundred (500) cases. I am a member of the California Employment Lawyers Association and, on several occasions, have been a speaker regarding topics in wage and hour law at the organization's continuing legal education events.

**EXAMPLES OF RESULTS IN REPRESENTATIVE
AND CLASS ACTION CASES**

7. What follows are just a few examples of the type of results Lawyers for Justice, PC ("LFJ") has achieved on behalf of its clients:

a) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a major property management company involving allegations of misclassification of various "manager" positions. On September 20, 2010, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC400414.

b) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national retailer of household items involving allegations of misclassification of the “Assistant Store Manager” position. On October 28, 2010, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC413498.

c) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national property management company involving allegations of misclassification of the “Property Manager” position. On May 23, 2012, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC430918.

d) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national retailer involving allegations of misclassification of the “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class certification. On August 26, 2013, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC424012.

e) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class and PAGA representative action against a bank, involving allegations of misclassification of the “Assistant Branch Manager” position. On August 27, 2013, the court granted final approval of the class and PAGA representative action settlement. The Kern County Superior Court Case Number is S-1500-CV-273194-LHB.

f) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class and PAGA representative action against a national wholesale distributor of plumbing and builder supplies, involving allegations of misclassification of multiple salaried “manager” positions. On May 22, 2014, the court granted final approval of the class and PAGA representative action settlement. The Sacramento County Superior Court Case Number is 34-2012-00136285.

g) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class action against a multinational corporation that provides global workplace

1 solutions, involving allegations of misclassification of the “Operations Manager” position. On
2 September 16, 2014, the court granted plaintiff’s motion for class certification. The Los Angeles
3 County Superior Court Case Number is BC478769.

4 h) Lfj, in association with co-counsel therein, represented the plaintiff in a
5 wage-and-hour class and PAGA representative action against a national retailer of household
6 items, on behalf of hourly-paid or non-exempt employees. On May 27, 2015, the court granted
7 final approval of the class and PAGA representative action settlement. The San Francisco
8 County Superior Court Case Number is CGC-13-532344.

9 i) Lfj, in association with co-counsel therein, represented the plaintiff in a
10 wage-and-hour class and PAGA action involving allegations of misclassification of the salaried
11 residential “Property Manager” position. On September 17, 2015, the court granted plaintiff’s
12 motion for class certification. On October 20, 2017, the court granted final approval of the class
13 and PAGA representative action settlement. The Los Angeles County Superior Court Case
14 Number is BC474784.

15 j) Lfj, in association with co-counsel therein, represented the plaintiffs in a
16 wage-and-hour class and PAGA representative action against a national retailer of upscale
17 hardware and home furnishings, on behalf of non-exempt employees. On April 28, 2016, the
18 court granted final approval of the class and PAGA representative action settlement. The Los
19 Angeles County Superior Court Case Numbers are BC516795 and JCCP4794, and the Judicial
20 Council Coordination Proceeding Number is 4794.

21 k) Lfj, in association with co-counsel therein, represented the plaintiffs in a
22 wage-and-hour class action against a national retailer of apparel and fashion accessories, on
23 behalf of non-exempt employees. On August 5, 2016, the court granted final approval of the
24 class action settlement. The Los Angeles County Superior Court Case Number is BC488069.

25 l) Lfj, in association with co-counsel therein, represented the plaintiffs in a
26 wage-and-hour class action against a national retailer of apparel, accessories, and home products,
27 involving allegations of misclassification of the “Department Manager” position. On August 12,
28 2016, the court granted the plaintiffs’ motion for class certification in part and certified a class.

1 On August 6, 2019, the court granted final approval of the class action settlement. The Alameda
2 County Superior Court Case Number is RG13680477.

3 m) LFJ represented the plaintiff in a PAGA representative action against a
4 real estate and property management company, on behalf of non-exempt employees. On
5 November 4, 2016, the court granted approval of the PAGA representative action settlement. The
6 Orange County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

7 n) LFJ, in association with co-counsel therein, represented the plaintiffs in a
8 wage-and-hour class and PAGA representative action against a full-service bank, on behalf of
9 non-exempt employees. On November 18, 2016, the court granted final approval of the class and
10 PAGA representative action settlement. The San Francisco County Superior Court Case Number
11 is CJC-13-004839 and the Judicial Council Coordination Proceeding Number is 4839.

12 o) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
13 representative action against a foodservice distributor, on behalf of non-exempt employees. On
14 January 26, 2017, the court granted final approval of the class and PAGA representative action
15 settlement. The San Bernardino County Superior Court Case Number is CIVDS1507260.

16 p) LFJ, on behalf of the plaintiff and respondent in a PAGA representative
17 action, successfully opposed in the trial court, and briefed and argued an appeal with respect to
18 the employer's motion to compel arbitration, which resulted in a published opinion by the
19 California Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall*
20 *Supply* (Cal. App. 4th Dist., Mar. 7, 2017) 9 Cal.App.5th 439, review denied, cert. denied (U.S.
21 Supreme Court Docket No. 17-254). The Riverside County Superior Court Case Numbers are
22 RIC1503952 and RICJCCP5046, and the Judicial Council Coordination Proceeding Number is
23 5046.

24 q) LFJ, in association with co-counsel therein, represented the plaintiffs in a
25 wage-and-hour class and PAGA representative action against a consumer packaging company,
26 on behalf of non-exempt employees. On March 10, 2017, the court granted final approval of the
27 class and PAGA representative action settlement. The Los Angeles County Superior Court Case
28 Number is BC590429.

1 r) LFJ, in association with co-counsel therein, represented the plaintiffs in a
2 wage-and-hour class and PAGA representative action against a manufacturer of food service
3 industry supplies on behalf of non-exempt employees. On April 14, 2017, the court granted final
4 approval of the class and PAGA representative action settlement. The Orange County Superior
5 Court Case Number is 30-2015-00810013-CU-OE-CXC.

6 s) LFJ in association with co-counsel therein, represented the plaintiffs in a
7 wage-and-hour class and PAGA representative action against a lumber and hardware company
8 on behalf of non-exempt employees. On April 26, 2017, the court granted final approval of the
9 class and PAGA representative action settlement. The Orange County Superior Court Case
10 Number is 30-2014-00747750-CU-OE-CXC.

11 t) LFJ represented the plaintiff in a wage-and-hour class and PAGA
12 representative action against a property management company, on behalf of non-exempt
13 employees. On June 14, 2017, the court granted final approval of the class and PAGA
14 representative action settlement. The Los Angeles County Superior Court Case Number is
15 BC586234.

16 u) LFJ represented the plaintiff in a wage-and-hour class and PAGA
17 representative action against a food company on behalf of non-exempt employees. On June 30,
18 2017, the court granted final approval of the class and PAGA representative action settlement.
19 The Sacramento County Superior Court Case Number is 34-2015-00175871.

20 v) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
21 representative action against a chocolate company on behalf of non-exempt employees. On July
22 19, 2017, the court granted final approval of the class and PAGA representative action
23 settlement. The Alameda County Superior Court Case Number is RG15764300.

24 w) LFJ represented the plaintiff in a PAGA representative action, against the
25 parent company of several restaurants, on behalf of hourly-paid, non-exempt employees. On
26 October 18, 2017, the court granted approval of the PAGA representative action settlement. The
27 Los Angeles County Superior Court Case Number is BC569664.

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1 x) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
2 representative action against a manufacturer of plastic containers on behalf of non-exempt
3 employees. On October 31, 2017, the court granted final approval of the class and PAGA
4 representative action settlement. The Los Angeles County Superior Court Case Number is
5 BC577233.

6 y) LFJ, in association with co-counsel therein, represented the plaintiffs in a
7 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
8 employees. On December 11, 2017, the court granted final approval of the class and PAGA
9 representative action settlement. The Los Angeles County Superior Court Case Number is
10 BC569646.

11 z) LFJ, in association with co-counsel therein, represented the plaintiffs in a
12 wage-and-hour class and PAGA representative action against a property management company
13 on behalf of hourly-paid and non-exempt employees. On January 4, 2018, the court granted final
14 approval of the class and PAGA representative action settlement. The Los Angeles County
15 Superior Court Case Number is JCCP4819 and the Judicial Council Coordination Proceeding
16 Number is 4819.

17 aa) LFJ, in association with co-counsel therein, represented the plaintiffs in a
18 wage-and-hour class and representative action against a global provider of flexible office space
19 solutions. On February 15, 2018, the court entered an order granting final approval of the class
20 and PAGA representative action settlement. The Los Angeles County Superior Court Case
21 Number is BC498401.

22 bb) LFJ, in association with co-counsel therein, represents the plaintiff in a
23 wage-and-hour class action against a container manufacturer, on behalf of non-exempt
24 employees. On October 15, 2018, the court granted the plaintiff's motion for class certification.
25 The Tulare County Superior Court Case Number is VCU264528.

26 cc) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
27 representative action against a behavioral health service provider on behalf of non-exempt
28 employees. On November 13, 2018, the court granted final approval of the class and PAGA

1 representative action settlement. The Alameda County Superior Court Case Number is
2 RG16811450.

3 dd) LFJ, in association with co-counsel therein, represented the plaintiff in a
4 PAGA representative action against a global provider of products and services to the energy
5 industry, on behalf of hourly-paid and non-exempt employees. On November 19, 2018, the court
6 granted approval of the PAGA representative action settlement. The Kern County Superior
7 Court Case Number is S-1500-CV-280215-SDC.

8 ee) LFJ, in association with co-counsel therein, represents the plaintiff in a
9 wage-and-hour class action against a parking company on behalf of non-exempt employees. On
10 September 3, 2019, the court granted the plaintiff's motion for class certification and certified a
11 class. The Santa Clara County Superior Court Case Number is 16CV292208 and the Judicial
12 Council Coordination Proceeding Number is 4886.

13 ff) LFJ, in association with co-counsel therein, represents the plaintiffs in a
14 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
15 employees. On September 27, 2019, the court granted the plaintiffs' motion for class
16 certification in part and certified a class. The Alameda County Superior Court Case Number is
17 RG15757606 and the Judicial Council Coordination Proceeding Number is 4921.

18 gg) LFJ, in association with co-counsel therein, represented the plaintiffs in a
19 wage-and-hour class and PAGA representative action against a national retailer of apparel and
20 fashion accessories, on behalf of non-exempt employees. On October 9, 2019, the court granted
21 the plaintiffs' motion for class certification in part and certified a class. On May 14, 2021, the
22 court granted final approval of the class and PAGA representative action settlement. The
23 Sacramento County Superior Court Case Number is 34-2015-00175330-CU-OE-GDS.

24 hh) LFJ, in association with co-counsel therein, represented the plaintiff in a
25 wage-and-hour class and PAGA representative action against a medical equipment supplier on
26 behalf of non-exempt employees. On February 13, 2020, the court granted the plaintiff's motion
27 for class certification and certified a class. On November 2, 2023, the court granted final
28

1 approval of the class and PAGA representative action settlement. The San Bernardino County
2 Superior Court Case Number is CIVDS1505744.

3 ii) LFJ, in association with co-counsel therein, on behalf of the plaintiff and
4 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed
5 and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a
6 notable decision from the California Supreme Court clarifying the law regarding PAGA claims,
7 *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. On February 21, 2020, the court granted
8 approval of the PAGA representative action settlement. The San Diego County Superior Court
9 Case Number is 37-2016-00005578-CU-OE-CTL.

10 jj) LFJ, in association with co-counsel therein, represented the plaintiff in a
11 wage-and-hour class and PAGA representative action against a large national drug testing
12 laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the
13 plaintiff's motion for class certification and certified a class. On October 28, 2022, the court
14 granted final approval of the class and PAGA representative action settlement. The San Diego
15 County Superior Court Case Number is 37-2018-00019611-CU-OE-CTL.

16 kk) LFJ, in association with co-counsel therein, represents the plaintiffs in a
17 wage-and-hour class and PAGA representative action against a national retailer of sportswear,
18 footwear, and camping equipment on behalf of non-exempt employees. On March 16, 2020, the
19 court granted in part the plaintiff's motion for class certification and certified a class. The
20 Riverside County Superior Court Case Numbers are RIC1507504 and RICJCCP4930, and the
21 Judicial Council Coordination Proceeding Number is 4930.

22 ll) LFJ, in association with co-counsel therein, represented the plaintiffs in a
23 wage-and-hour class and PAGA representative action against a plastic packaging company on
24 behalf of non-exempt employees. On June 8, 2020, the court granted in part the plaintiffs'
25 motion for class certification and certified a class. On November 8, 2021, the court granted
26 approval of the partial settlement of the action. On April 22, 2024, the court granted approval of
27 the PAGA settlement and entered an order dismissing the action. The San Bernardino County
28 Superior Court Case Number is CIVDS1507361.

mm) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against manufacturer and supplier of power products and services on behalf of non-exempt employees. On July 31, 2020, the court granted in part the plaintiffs' motion for class certification and certified a class. On August 27, 2021, the court granted final approval of the class action settlement. The San Diego County Superior Court Case Number is 37-2015-00025968-CU-OE-CTL.

nn) LFJ represented the plaintiff in a wage-and-hour class action against a nutritional products manufacturer on behalf of non-exempt production line employees. On December 13, 2021, the court granted the plaintiff's motion for class certification in part and certified a class. On January 16, 2024, the court granted final approval of the class and PAGA representative action settlement. The Solano County Superior Court Case Number is FCS051001.

oo) LFJ represents the plaintiffs in a wage-and-hour class action against a manufacturer and distributor of commercial dish and glass cleaning machines and supplies for the restaurant and hospitality industries, on behalf of hourly-paid or non-exempt employees. On July 13, 2023, the court granted the plaintiffs' motion for class certification and certified a class. The Los Angeles County Superior Court Case Number is BC707670.

THE SETTLEMENT REACHED IN THE ACTION

(CMO, §§ (D)(1)(a)-(c))

8. This subsection addresses section (D)(1) of the Court's PAGA Case Management Order #1, filed in this Action on April 17, 2023 (the "CMO").

9. **The Settlement Agreement.** (CMO, § (D)(1)(a).) Attached hereto as "EXHIBIT 1" is the Private Attorneys General Act Settlement Agreement and Release ("Settlement," "Agreement," or "Settlement Agreement"), entered into between Plaintiff Stephanie McCoy, for herself and on behalf of the State of California and other aggrieved employees pursuant to the Private Attorneys General Act, and Defendant Desert Medical Group, Inc. ("Defendant"). The parties have also drafted and agreed to the form and content of a proposed cover letter ("Cover Letter") for mailing to Aggrieved Employees when Individual

Settlement Shares are distributed to them in substantially the form attached as “EXHIBIT 1” to the [Proposed] Order and Judgment Granting Approval of Private Attorneys General Act (Cal. Labor Code § 2698, Et Seq.) Settlement Agreement and Award of Attorneys’ Fees and Costs, General Release Fee, and Settlement Administration Costs. The Court is respectfully requested to approve the proposed Cover Letter.

10. **Mediation. (CMO, § (D)(1)(b).)** On January 9, 2023, the parties participated in a full-day mediation with mediator Jeffrey Krivis, Esq., a well-respected mediator experienced in mediating complex labor and employment matters. Although the parties did not settle the matter on January 9, 2023, the parties continued settlement discussions thereafter, facilitated by Mr. Krivis. Ultimately, the parties reached a settlement on or about December 13, 2023, based on Mr. Krivis’s mediator’s proposal.

11. **Submission of the PAGA Notice and the Settlement Agreement to the LWDA. (CMO, § (D)(1)(c).)** On July 15, 2021, Plaintiff’s Counsel provided the PAGA Notice, attached hereto as “EXHIBIT 2,” to the LWDA via online submission and to Defendant via U.S. Certified Mail. Aside from confirmation of receipt, the LWDA did not respond to the PAGA Notice. In conformity with California Labor Code section 2699(l)(2), Plaintiff’s Counsel is submitting the Settlement Agreement to the LWDA on the same day that the Motion for Approval (along with the Settlement Agreement) is being filed with Court; as set forth in the Proof of Service filed concurrently herewith, Plaintiff’s Counsel is uploading the Motion for Approval and supporting papers (along with the Settlement Agreement) to the LWDA website in addition to serving Defendant’s counsel with the papers.

PAGA PENALTIES

(CMO, § (D)(2))

12. **Nature of the Alleged Violations. (CMO, § (D)(2)(a).)** As alleged in the PAGA Notice and in the Complaint in this Action, Plaintiff alleges that Defendant violated the California Labor Code, with respect to the Aggrieved Employees, by failing to pay minimum, regular, and overtime wages, failing to provide compliant meal and rest periods and associated premiums, failing timely to pay wages during employment and upon termination of employment,

failing to provide complete and accurate wage statements, failing to keep complete and accurate payroll records, and failing to reimburse necessary business-related expenses and costs. Plaintiff alleges violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including, *inter alia* Wage Orders 4-2001 and 5-2001. Defendant disputes Plaintiff's allegations and denies that it violated any provisions of the California Labor Code of Industrial Welfare Commission Wage Orders. Defendant asserts that it maintained, and continues to maintain, legally-compliant employment policies and practices. Defendant has vigorously defended Plaintiff's allegations and has indicated it would continue to do so absent settlement.

13. **Number of Alleged Individual Violations. (CMO, § (D)(2)(b).)** The PAGA Period for this matter is January 14, 2020 to March 12, 2024. (Settlement Agreement, § 3(a)(5).) It is estimated that there are approximately 1,205 Aggrieved Employees who worked approximately 54,675 Compensable Pay Periods during the PAGA Period. (*Id.*)

14. **Total Amount of Potential Penalties. (CMO, § (D)(2)(c).)** Under PAGA, as amended, civil penalties to be assessed and collected by the state labor agency, for a violation of the California Labor Code, may, as an alternative, be recovered by an aggrieved plaintiff. If the California Labor Code already specifies and provides a civil penalty for the violation of a provision of the California Labor Code, said civil penalty is recoverable by the aggrieved employee plaintiff. Additionally, the PAGA statute establishes a civil penalty that is recoverable by an aggrieved employee plaintiff, for violation of provisions of the California Labor Code for which the California Labor Code does not specifically provide for a civil penalty, as follows: one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation. Cal. Lab. Code. § 2699(f). Pursuant to California Labor Code section 2699(i), seventy-five percent (75%) of the penalties recovered must be allocated to the State of California, with the remaining twenty-five percent (25%) allocated to the aggrieved employees. Arguably, the statute of limitations period applicable to such penalties is one year prior to the

filing of the complaint. Cal. Civ. Proc. Code § 340. Plaintiff's Counsel estimates the following potential and risk-adjusted amounts for PAGA penalties:

A. Failure to Pay Overtime and Minimum Wages

15. Plaintiff contended that Defendant failed to compensate Plaintiff and the Aggrieved Employees at their applicable minimum, regular, or overtime rates for their work, and failed to compensate them for all hours that they worked. Plaintiff contended that Plaintiff and other Aggrieved Employees were required to meet unreasonable workloads that were not capable of being completed within the work hours scheduled, and that Plaintiff and other Aggrieved Employees were required to perform work off-the-clock. Plaintiff further contended that Defendant failed to include non-discretionary bonuses, commissions, and incentives in its regular rate calculations.

16. California Labor Code section 510 provides that when an employee works more than eight (8) hours in any workday, more than forty (40) hours in any workweek, or the first eight (8) hours on the seventh consecutive day of work, the employer must pay the employee at least one and one-half times the employee's regular rate of pay for such overtime hours worked. The employer must pay the employee no less than twice his or her regular rate of pay for hours worked in excess of twelve (12) hours in one day or in excess of eight (8) hours on the seventh consecutive day of work. California Labor Code section 1198 and the applicable Industrial Welfare Commission ("IWC") Wage Order(s) provide that it is unlawful to employ persons without compensating them at a rate of pay either time-and-one-half or two-times that person's regular rate of pay, depending on the number of hours worked by the person on a daily or weekly basis.

17. California Labor Code section 1197 provides that it is unlawful to pay employees at a rate less than the minimum wage. California Labor Code section 1197.1 provides for penalties; the penalties that it provides for are civil penalties of one hundred dollars (\$100) for an initial violation for each pay period on which an employee was underpaid and two hundred fifty dollar (\$250) for each subsequent violation for each pay period on which an employee was underpaid. Cal. Lab. Code §§ 1197.1(a)(1)-(2).

1 18. Investigations show that Plaintiff and other Aggrieved Employees were regularly
2 required to communicate with supervisors before clocking in to receive assignments and
3 determine in which department they were scheduled to work that day, and Plaintiff and other
4 Aggrieved Employees were also required to complete heavy workloads within their scheduled
5 work times and were discouraged from working overtime hours due to strict company policy. As
6 a result, Plaintiff and other non-exempt hourly paid employees were required to perform
7 job duties such as taking patient temperatures, discussing work tasks with supervisors,
8 completing new patient intakes, and communicating with patients and doctors before and after
9 clocking in and out for their scheduled shifts, and during meal period.

10 19. Defendant contended, *inter alia*, that its overtime policies and practices comply
11 with California law, and that its hourly-paid or non-exempt employees are paid over the
12 California minimum wage for all hours worked. Defendant further contended that its hourly-
13 paid or non-exempt employees were responsible for accurately recording their own hours and
14 that it was not aware that any work had been performed off-the-clock. Defendant also produced
15 what it contended were records reflecting overtime compensation paid to many of the Aggrieved
16 Employees (including and not limited to Plaintiff). Defendant further contended that individual
17 liability issues predominate, including: (a) whether each employee worked off-the-clock; (b)
18 whether Defendant knew or should have known about each employee's off-the-clock work; (c)
19 whether each employee worked in excess of 8 hours in a day or 40 hours in a week; and (d)
20 whether Defendant knew or should have known that each Aggrieved Employee performed
21 overtime work. Defendant also contended that the Aggrieved Employees held different job
22 titles, worked at different locations, and performed different job duties. Defendant contended
23 that these circumstances would raise highly individualized questions of fact and would pose
24 challenges to the merits of alleged overtime and minimum wage violations.

25 20. Plaintiff's Counsel considered information obtained through investigations and
26 obtained from Plaintiff and other Aggrieved Employees, as well as data provided by Defendant,
27 and created valuation models. Based thereon and assuming that the Court would be satisfied that
28 the PAGA claim was susceptible to being efficiently tried and adjudicated on a representative

1 basis, and that it could be shown that civil penalties under California Labor Code are owed for
2 each of the Aggrieved Employees who were estimated to have worked 54,675 pay periods during
3 the PAGA Period (i.e., from January 14, 2020), in the statutorily-denominated amounts, the
4 PAGA penalties at issue for failure to pay overtime wages were estimated to be \$5,407,250.00
5 [(1,205 initial violations x \$50 + 53,470 subsequent violations x \$100)] and the PAGA penalties
6 at issue for failure to pay minimum wages were estimated to be \$13,488,000.00 (1,205 initial
7 violations x \$100 + 53,470 subsequent violations x \$250).

8 21. However, this assumes an exposure based on Plaintiff having demonstrated all
9 elements to prove wage violations, despite risks associated with continued litigation and trial.
10 While Plaintiff's Counsel disagreed with Defendant's arguments and factual contentions,
11 Plaintiff's Counsel recognized the realities of the case and took into consideration the evidence
12 and information obtained through investigations as well as from Defendant, applicable statutory
13 and case law, costs and expenses of further litigation, and risks to recovery, and applied
14 appropriate discounts for settlement purposes. With respect to the failure to pay overtime wages,
15 a discount of 75% was applied to account for the risks associated with Defendant's arbitration
16 agreements (bringing the value of PAGA penalties closer to \$1,351,812.50), a 75% discount was
17 applied to account for the risks associated with succeeding on the merits and establishing liability
18 (bringing the value of PAGA penalties closer to \$337,953.13), and a discount of 75% was
19 applied to account for the risks associated with the Court exercising its discretion to reduce
20 and/or assess lower penalties (bringing the value of PAGA penalties closer to \$84,488.28). With
21 respect to the minimum wage claim, a discount of 75% was applied to account for the risks
22 associated with Defendant's arbitration agreements (bringing the value of PAGA penalties closer
23 to \$3,372,000.00), a discount of 75% was applied to account for the risks associated with
24 succeeding on the merits and establishing liability (bringing the value of PAGA penalties closer
25 to \$843,000.00), and a discount of 75% was applied to account for the risks associated with the
26 Court exercising its discretion to reduce and/or assess lower penalties (bringing the value of
27 PAGA penalties closer to \$210,750.00).

28 ///

B. Failure to Provide Compliant Meal Periods and Associated Premiums

22. Plaintiff's theory of liability was also based on Defendant's failure to provide timely, full, and/or uninterrupted meal periods. Plaintiff contended, *inter alia*, that Plaintiff and other Aggrieved Employees regularly suffered short, late, or missed meal periods due to severe understaffing, heavy workloads, and strict deadlines.

23. Under California law, an employer must provide an employee with uninterrupted meal periods of not less than thirty (30) minutes before the employee works more than five (5) hours, except that if the total work period per day of the employee is no more than six (6) hours, the meal period may be waived by mutual consent of both the employer and employee. Cal. Lab. Code § 512(a). A second meal period of not less than thirty (30) minutes is required if an employee works more than ten (10) hours per day, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and employee only if the first meal period was not waived. *Id.* An "on-duty" meal period is illegal unless "the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal period is agreed to." IWC Wage Orders 1 through 15, § 11; IWC Wage Order 16, § 10. An employer must pay each employee to whom it fails to "provide" a meal period one hour of wages at his or her regular rate of pay "for each work day that the meal or rest period is not provided." Cal. Lab. Code § 226.7(b). However, employees are exempt from the meal period requirements if their duties and responsibilities qualify for one or more of the exemptions under California law. See Cal. Lab. Code § 226.7(e); IWC Wage Orders 3 through 11, § 1(A).

24. Investigations show that Plaintiff and other Aggrieved Employees suffered non-compliant meal periods (i.e., missed, short, late, and/or interrupted) due to severe understaffing, heightened customer service expectations, and time-sensitive tasks. Furthermore, breaks were often delayed past the fifth hour of work as there were inadequate staff to maintain coverage of the front desk and outdoor COVID-19 screening area. In addition, meal breaks were regularly interrupted, as supervisors texted Plaintiff and other Aggrieved Employees during breaks requesting or providing updates regarding work.

25. Defendant contended that the Aggrieved Employees are permitted, if not encouraged, to take their meal breaks. Defendant also contended that it had practices, policies, and procedures to provide meal periods every workday to its employees that fully complied with the law. To the extent that Aggrieved Employees failed to take their meal periods or took a short or late meal period, Defendant contended that they did so voluntarily and that all applicable meal periods were still provided to them. Thus, Defendant argued that it did not act unlawfully to deprive Aggrieved Employees of meal periods. Defendant also produced what it contended were records reflecting meal period premiums paid to many of the Aggrieved Employees (including and not limited to Plaintiff), and Plaintiff's Counsel's analysis of a sampling of time records produced by Defendant indicated that approximately 97% of shifts analyzed were eligible for a meal period, of which approximately 9.45% had a recorded meal violation, and approximately 67% of recorded meal periods were 30-minutes or 60-minutes in length. Defendant also contended that many Aggrieved Employees signed meal period waivers. Defendant further contended that there were multiple individual issues that would pose challenges including and not limited to, (a) whether any meal periods were non-compliant and (b) why they were noncompliant. Defendant also contended that the Aggrieved Employees held different job titles, worked at different locations, and performed different job duties, and that as a result, there was variation to the circumstances that could allegedly cause the employees to be deprived of the opportunity to take legally-compliant, duty-free meal periods, and this variation in circumstances raised highly individualized questions of fact.

26. Plaintiff's Counsel considered information obtained through investigations and obtained from Plaintiff and other Aggrieved Employees, as well as data provided by Defendant, and created valuation models. Based thereon, and assuming that a court would be satisfied that the PAGA claim was susceptible to being efficiently tried and adjudicated on a representative basis, and that it could be shown that civil penalties under the California Labor Code are owed for each of the Aggrieved Employees during the PAGA Period, in the statutorily-denominated amounts, the PAGA penalties at issue for failure to provide compliant meal periods and associated premiums, which the Court could determine whether or not to assess and whether or

not to reduce, were estimated to be \$5,407,250.00 (1,205 initial violations x \$50 + 53,470 subsequent violations x \$100).

27. Plaintiff's Counsel considered the risk of further litigating the case, including the significant additional costs that will be incurred by both sides if the case does not settle, as litigating a representative action through trial and/or appeals is very expensive. Moreover, litigating the meal period claim would be inherently difficult as it would need to be proven that compliant meal periods were not provided, but time records would not indicate whether or not a meal period was interrupted. While Plaintiff's Counsel disagreed with Defendant's arguments and factual contentions, Plaintiff's Counsel recognized the realities of the case, statutory and case law, costs and expenses of further litigation, and risks to recovery, and applied appropriate discounts for settlement purposes. A discount of 75% was applied to account for the risks associated with Defendant's arbitration agreements (bringing the value of PAGA penalties closer to \$1,351,812.50), a 75% discount was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of PAGA penalties closer to \$337,953.13), and a discount of 75% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties (bringing the value of PAGA penalties closer to \$84,488.28).

C. Failure to Provide Compliant Rest Periods and Associated Premiums

28. Plaintiff's theory of liability was also based on Defendant's failure to provide its employees with timely, full, and/or uninterrupted rest periods. Plaintiff contended that Plaintiff and other Aggrieved Employees regularly suffered short, late, or missed rest periods due to severe understaffing, heavy workloads, and strict deadlines.

29. California law requires an employer to provide rest periods to all employees at the rate of ten (10) minutes every four (4) hours of work or major fraction thereof. Cal. Lab. Code § 226.7. When an employer fails to provide a compliant rest period, the employer is required to either (a) provide another rest period or (b) pay one additional hour of pay at the regular rate of pay "for each work day that the meal or rest period is not provided." *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, 271-272; Cal. Lab. Code § 226.7(b). However, employees

are exempt from the rest breaks law, if their duties and responsibilities qualify for one or more of the exemptions under California law. See Cal. Lab. Code § 226.7(e); IWC Wage Order, § 1(A).

30. Additionally, Defendant argued that, consistent with *Brinker*, it did nothing to impede, discourage, or dissuade employees from taking their rest periods, and it authorized and permitted employees to take rest periods.

31. Plaintiff's Counsel considered information obtained through investigations and obtained from Plaintiff and other Aggrieved Employees, as well as data provided by Defendant, and created valuation models. Based thereon, and assuming that the Court would be satisfied that the PAGA claim was susceptible to being efficiently tried and adjudicated on a representative basis, and that it could be shown that civil penalties under the California Labor Code are owed for each of the Aggrieved Employees during the PAGA Period, in the statutorily-denominated amounts, the PAGA penalties at issue for failure to provide compliant rest periods and associated premiums, which the Court could determine whether or not to assess and whether or not to reduce, were estimated to be \$5,407,250.00 (1,205 initial violations x \$50 + 53,470 subsequent violations x \$100).

32. In assessing the value of the PAGA penalties for rest period violations, Plaintiff's Counsel considered the risk of further litigating the case, as well as significant additional costs that will be incurred by both sides if the case does not settle, as litigating a representative action through trial and/or appeals is very expensive. Moreover, litigating the rest period claim would be inherently difficult as it would first need to be proven that compliant rest periods were not provided, but time records would not indicate whether a rest period is short, late, interrupted, or missed entirely. While Plaintiff's Counsel disagreed with Defendant's arguments and factual contentions, Plaintiff's Counsel recognized the realities of the case and applied discounts for settlement purposes in light of applicable statutory and case law, the costs and expenses of further litigation, and risks to recovery. A discount of 75% was applied to account for the risks associated with Defendant's arbitration agreements (bringing the value of PAGA penalties closer to \$1,351,812.50), a 75% discount was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of PAGA penalties closer

1 to \$337,953.13), and a discount of 75% was applied to account for the risks associated with the
2 Court exercising its discretion to reduce and/or assess lower penalties (bringing the value of
3 PAGA penalties closer to \$84,488.28).

4 **D. Failure to Timely Provide Wages During Employment and Upon**
5 **Termination**

6 33. California Labor Code section 204 provides that wages earned by any person in
7 any employment between the 1st and 15th days, inclusive, of any calendar month, other than
8 those wages due upon termination of an employee, are due and payable between the 16th and the
9 26th day of the month during which the labor was performed. Further, all wages earned by any
10 person in any employment between the 16th and the last day, inclusive, of any calendar month,
11 are due and payable between the 1st and the 10th day of the following month.

12 34. Plaintiff alleged that, as a result of the above-discussed alleged conduct,
13 Defendant failed to pay Plaintiff and the Aggrieved Employees all wages due to them while they
14 were employed by Defendant, within the time period permissible under California law. These
15 wages included, but were not limited to, minimum, regular, and overtime wages and meal and
16 rest break premium wages. However, arguably, violations of this provision of the California
17 Labor Code overlap with and are already pursued as part of the allegations for the failure to pay
18 wages and meal and rest premiums (which are already discussed herein)—this aspect may cause
19 a court to exercise discretion to not assess separate penalties or to assess significantly reduced
20 penalties. (Cal. Lab. Code § 2699(e)(1)-(2).)

21 35. California Labor Code sections 201 and 202 provide that if an employer
22 discharges an employee, the wages earned and unpaid at the time of discharge are due and
23 payable immediately. If an employee quits his or her employment, his or her wages shall
24 become due and payable not later than seventy-two (72) hours of quitting, unless the employee
25 has given seventy-two (72) hours of notice of his or her intention to quit, in which case the
26 employee is entitled to his or her wages at the time of quitting.

27 36. Plaintiff alleged that Defendant failed to pay Plaintiff and the other Aggrieved
28 Employees all wages due to them upon termination, within the time period permissible under

California law. For example, Plaintiff alleged that she and other Aggrieved Employees are entitled to unpaid wages arising from, *inter alia*, Defendant's failure to properly compensate them for all hours worked, as well as, meal and rest period premiums, thereby triggering waiting-time penalties under California Labor Code section 203.

37. Assuming that a court would be satisfied that the PAGA claim was susceptible to being efficiently tried and adjudicated on a representative basis, the civil penalties under the California Labor Code in connection with the alleged failure to timely pay all wages due upon termination to the approximately four hundred and fifteen (415) Aggrieved Employees who separated from employment with Defendant, which the Court could determine whether or not to assess and whether or not to reduce, were estimated to be \$41,500.00 (415 violations x \$100 civil penalties). However, this presumes that Plaintiff would prevail on the allegations regarding unpaid wages and meal and rest period non-compliance, which is necessary to show that Defendant failed to timely pay wages that were due to the Aggrieved Employees

38. Accordingly, in assessing the value of PAGA penalties premised on the failure to timely pay wages, Plaintiff's Counsel took into consideration the chances of proving the alleged wage-and-hour violations, as well as the costs and expenses of further litigation, applicable statutory and case law, and risks to recovery, and applied appropriate discounts for settlement purposes. A discount of 75% was applied to account for the risks associated with Defendant's arbitration agreements (bringing the value of PAGA penalties closer to \$10,375.00), a 75% discount was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of PAGA penalties closer to \$2,593.75), and a discount of 75% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties (bringing the value of PAGA penalties closer to \$648.44).

E. Wage Statement Violations

39. Plaintiff also alleged that Defendant violated California Labor Code section 226(a). That section states that an employer must provide an accurate and itemized wage statement twice a month or each time wages are paid, whichever is the more frequent.

1 40. Based on information and data provided by Defendant, and assuming that an
2 injurious wage statement could be proven for each of the pay periods worked by Aggrieved
3 Employees during the PAGA Period, the PAGA civil penalties under the California Labor Code
4 (in the statutorily-denominated amounts) for failure to provide compliant wage statements, which
5 the Court could determine whether or not to assess and whether or not to reduce, were estimated
6 to be \$53,771,250.00 (1,205 initial violations x \$250 + 53,470 subsequent violations x \$1,000).

7 41. Defendant contended that any wage statement violations are entirely derivative of
8 other alleged violations of the California Labor Code. In other words, Plaintiff would have to
9 prove, for example, that overtime was worked, that all hours of work had not been properly
10 recorded and compensated to demonstrate that the wage statements were inaccurate. Defendant
11 further contended, *inter alia*, that no actual injury could be shown. When assessing the value of
12 PAGA penalties for wage statement violations, Plaintiff's Counsel considered these factors, the
13 derivative nature of this alleged wage-and-hour violation, the chances of proving each of other
14 alleged wage-and-hour violations, applicable statutory and case law, costs and expenses of
15 further litigation and trial, and risks to recovery, and applied appropriate discounts for settlement
16 purposes. A discount of 75% was applied to account for the risks associated with Defendant's
17 arbitration agreements (bringing the value of PAGA penalties closer to \$13,442,812.50), a 75%
18 discount was applied to account for the risks associated with succeeding on the merits and
19 establishing liability (bringing the value of PAGA penalties closer to \$3,360,703.13), and a
20 discount of 75% was applied to account for the risks associated with the Court exercising its
21 discretion to reduce and/or assess lower penalties (bringing the value of PAGA penalties closer
22 to \$840,175.78).

23 **F. Failure to Maintain Requisite Payroll Records**

24 42. Plaintiff alleged that Defendant had intentionally and willfully failed to keep
25 accurate and complete payroll records showing the hours worked daily by, and the wages paid to,
26 Plaintiff and the Aggrieved Employees. Plaintiff also alleged that Defendant's intentional and
27 willful failure to keep accurate payroll records violated the statutorily-protected right to accurate
28 and complete payrolls records.

1 43. Pursuant to California Labor Code section 1174(d), an employer shall keep, at a
2 central location in the state or at the plants or establishments at which employees are employed,
3 payroll records showing the hours worked daily by and the wages paid to, and the number of
4 piece-rate units earned by and any applicable piece rate paid to, employees employed at the
5 respective plants or establishments. These records must be kept in accordance with rules
6 established for this purpose by the Labor Commissioner, but in any case, shall be kept on file for
7 not less than three years. Under California Labor Code section 1174.5, a willful violation of the
8 employer's recordkeeping obligations set forth in California Labor Code 1174(d) is subject to a
9 civil penalty of \$500.

10 44. Defendant contended that Plaintiff and Aggrieved Employees suffered no actual
11 injury or damage from the alleged recordkeeping violations. Moreover, Defendant contended
12 that individual liability issues predominated, including (a) whether each Aggrieved Employees'
13 payroll records were not maintained properly, and (b) whether Defendant's alleged failure to
14 keep requisite payroll records was "willful." Like the wage statement allegations, this allegation
15 is entirely derivative of allegations regarding failure to pay wages and failure to provide
16 compliant meal and rest periods and associated premiums.

17 45. If Plaintiff proved that Defendant willfully failed to maintain complete and
18 accurate payroll records for one thousand two hundred five (1,205) Aggrieved Employees, the
19 PAGA civil penalties under the California Labor Code for said violations, which the Court could
20 determine whether or not to assess and whether or not to reduce, would amount to \$602,500.00
21 (1,205 aggrieved employees x \$500). However, this figure assumes that Plaintiff would be able
22 to prove all elements of the underlying allegations. In other words, Plaintiff would have to
23 prove, for example, that all hours of work had not been recorded and compensated properly and
24 accurately, and that non-compliant meal and rest breaks did occur but Defendant did not provide
25 premium pay for them, etc., in order to demonstrate that Defendant failed to maintain accurate
26 and complete payroll records. It also assumed that Plaintiff would be able to recover the
27 statutorily-denominated amount of penalties.

46. As such, when assessing the value of PAGA penalties for violation of California Labor Code section 1174(d), Plaintiff's Counsel took the foregoing factors into account, as well as Defendant's defenses and contentions, the derivative nature of this alleged wage-and-hour violation, the chances of proving the other alleged wage-and-hour violations, the inherent difficulty in proving the "willful" prong of California Labor Code section 1174.5, applicable statutory and case law, costs and expenses of further litigation and trial, and risks to recovery, and applied appropriate discounts for settlement purposes. A discount of 75% was applied to account for the risks associated with Defendant's arbitration agreements (bringing the value of PAGA penalties closer to \$150,625.00), a 75% discount was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of PAGA penalties closer to \$37,656.25), and a discount of 75% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties (bringing the value of PAGA penalties closer to \$9,414.06).

G. Unreimbursed Business Expenses

47. Plaintiff contended that Defendant had failed to reimburse Plaintiff and the other Aggrieved Employees for necessary business expenses, including, but not limited to, the costs associated with purchasing and maintaining clothing and footwear to comply with Defendant's dress code and footwear requirements, the costs associated with the use of personal cell phones, and supplies and PPE.

48. California Labor Code section 2802 requires an employer to indemnify its employees for all necessary expenditures made by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.

49. Defendant contended that it had a policy and practice of reimbursing employees for necessary business-related expenses. Defendant further contended that, with respect to the alleged expenses for which Plaintiff and Aggrieved Employees never requested reimbursement from Defendant, it did not know and had no reason to know that alleged business-related expenses had been incurred. Defendant further contended that the reason for why an Aggrieved Employee was required to undertake certain expenses, while not others, and failed to receive

1 reimbursement for certain expenses while receiving reimbursement for others, would raise
2 individual issues and pose challenges to manageability at trial.

3 50. Defendant also contended that the California Labor Code only requires
4 reimbursement of “necessary” expenses—as opposed to any expense that is incurred in the
5 course of performing work—and argued that distinguishing a necessary expense from an
6 unnecessary one would require individualized inquiry. See, Cal. Lab. Code § 2802; *Gattuso v.*
7 *Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554. Furthermore, Defendant contended that
8 whether or not an expense was necessary, would depend, in part, on the reasonableness of the
9 employee’s choice, and whether or not an expense was incurred, would have to be established by
10 way of extensive individual factual inquiry and/or statistical evidence. *Cochran v. Schwan’s*
11 *Home Services, Inc.* (2014) 228 Cal.App.4th 1137.

12 51. By Plaintiff’s calculation, if Plaintiff proved that Defendant willfully failed to
13 reimburse necessary business-related expenses for each of the Aggrieved Employees each pay
14 period during the PAGA Period, the PAGA civil penalties under the California Labor Code (in
15 the statutorily-denominated amounts) for failure to reimburse business expenses, which the Court
16 could determine whether or not to assess and whether or not to reduce, were estimated to be
17 \$10,814,500.00 (1,205 initial violations x \$100 + 53,470 subsequent violations x \$200).
18 Additionally, Plaintiff’s Counsel took into consideration the additional costs attendant to, and
19 risk of, establishing that expenses were incurred and that the nature of the expenses were such
20 that Defendant was required to reimburse them. While Plaintiff’s Counsel disagreed with
21 Defendant’s arguments and factual contentions, Plaintiff’s Counsel considered the realities of
22 Defendant’s arguments, the costs and expenses of further litigation and trial, the statutory and
23 case law, and the risks to recovery, and applied appropriate discounts for settlement purposes. A
24 discount of 75% was applied to account for the risks associated with Defendant’s arbitration
25 agreements (bringing the value of PAGA penalties closer to \$2,703,625.00), a 75% discount was
26 applied to account for the risks associated with succeeding on the merits and establishing liability
27 (bringing the value of PAGA penalties closer to \$675,906.25), and a discount of 75% was
28

1 applied to account for the risks associated with the Court exercising its discretion to reduce
2 and/or assess lower penalties (bringing the value of PAGA penalties closer to \$168,976.56).

3 **H. Risks Considered in Reaching Settlement.**

4 52. Although the potential PAGA penalties at issue in this matter are substantial,
5 there are also significant risks. First, there is the risk that Defendant would be able to establish a
6 defense or defenses to liability. From the inception of this litigation, Defendant indicated that it
7 would aggressively litigate this case and contended that it would ultimately succeed in the action.
8 Defendant maintained several defenses to Plaintiff's allegations, which, if successfully argued
9 and proven, had the potential to eliminate or substantially reduce recovery. Throughout this
10 litigation, Defendant maintained and continues to maintain that it had legally-compliant
11 employment policies and practices throughout the PAGA Period. Defendant denied and
12 continues to deny that it ever violated any provision of the California Labor Code and argued,
13 that, even if, *arguendo*, such violations occurred, it will not be treated as having engaged in
14 subsequent violations giving rise to heightened penalties. In other words, Defendant argued that
15 heightened civil penalties for subsequent violations would not be assessed unless it could be
16 shown that Defendant had notice that it was violating the law, e.g. because it had already been
17 cited by a labor agency or adjudged by a court to have done so. *See, e.g., Amaral v. Cintas Corp.*
18 *No. 2* (2008) 163 Cal.4th 1157, 1209. Defendant argued that it would be able to show a lack of
19 willfulness in the violations, such that the alleged California Labor Code violations would not be
20 considered "willful." Defendant contended that, at best, even if a violation giving rise to a
21 penalty was shown for each pay period, only the lower civil penalty associated with initial
22 violations would apply.

23 53. Importantly, Defendant also contended that the claims of Plaintiff and other
24 Aggrieved Employees are subject to enforceable arbitration agreements that included a class,
25 collective and representative action waiver. Defendant contended that, taken together, these
26 agreements would have claim preclusive impact, or otherwise, could effectively be used to
27 require Aggrieved Employees to engage in individual arbitration of their individual claims on
28 which the PAGA claim is predicated. Although the parties disagree regarding the impact of the

1 arbitration agreements applicable to the workforce at issue in this case, there is more uncertainty
2 regarding the viability of PAGA claims in the judicial forum, arising from the U.S. Supreme
3 Court’s decision in *Viking River Cruises, Inc. v. Moriana*, (2022) 142 S. Ct. 1906, 2022 U.S.
4 LEXIS 2940. The California Supreme Court recently confirmed that PAGA representative
5 claims are viable and can continue to be prosecuted in *Adolph v. Uber Technologies* (2023) 14
6 Cal.5th 1104. However, the decision by the California Supreme Court in *Adolph v. Uber*
7 *Technologies* suggests, and it is still possible that, trial courts will stay the representative/non-
8 individual PAGA claims pending arbitration of a plaintiff’s individual PAGA claims and if a
9 plaintiff is determined to not be an “aggrieved employee” for PAGA purposes, issue preclusion
10 could apply and, once reduced to a final judgment, trial courts are bound by the arbitrator’s
11 determination and the plaintiff loses standing to pursue non-individual PAGA claims. It should
12 be noted that at the time that the parties reached the settlement, and also now, there is uncertainty
13 regarding the PAGA claim.

14 54. Second, even if Defendant failed on its defenses, Plaintiff would inevitably face
15 other challenges in court. For example, Defendant challenged Plaintiff’s’ standing as an
16 aggrieved employee and denied that any of Defendant’s other employees, with respect to whom
17 Plaintiff seeks civil penalties, were aggrieved. Aside from challenges relating to standing,
18 Defendant would have likely sought bifurcation of discovery and/or trial of the PAGA claim —
19 multiple courts have taken such an approach, for example, limiting discovery or trial of the
20 issues to plaintiff. Defendant also contended that an important feature of the PAGA statute is
21 that a court has discretion to reduce the penalties to be assessed against the employer pursuant to
22 California Labor Code section 2699(e)(1)-(2). As discussed above, Defendant denied and
23 continues to deny that it ever violated any provision of the California Labor Code. Defendant
24 also argued that trial courts are unlikely to assess cumulative penalties for the maximum number
25 of possible, separate California Labor Code violations, because it would be unjust, arbitrary,
26 oppressive, and/or confiscatory—especially where certain conduct may be regulated by multiple
27 provisions of the California Labor Code that are interrelated and work in tandem.

1 55. Counsel for the parties invested time reviewing, analyzing, and considering
2 relevant information, documents, and data regarding Plaintiff's and Aggrieved Employees'
3 employment with Defendant, and this information made it possible to calculate the potential
4 value and strength of the PAGA claim. Accordingly, the parties have conducted adequate
5 investigation and review of information to be sufficiently apprised of the nature and extent of the
6 PAGA claim asserted in this lawsuit, and to enable both sides to fully evaluate the Settlement for
7 its fairness, adequacy, and reasonableness. The parties have agreed that this case is well-suited
8 for settlement given the legal issues relating to the PAGA claim, as well as the costs and risks to
9 both sides that would attend further litigation. The Settlement takes into account the strengths
10 and weaknesses of each side's position, the facts and circumstances of the case, and the
11 uncertainty of how the case might have concluded as litigation continued, at trial, in arbitration
12 proceedings, and/or upon appeal.

13 **I. Alternate Valuation**

14 56. The manner in which civil penalties could be assessed involved some uncertainty,
15 for example, the Court could exercise its discretion to assess penalties on a per-pay-period basis
16 or, assess penalties on a per person basis, or some other methodology that still factors in the
17 statutorily-denominated dollar amounts of civil penalties at the outset. While the per-pay-period
18 valuation set forth above would seem to indicate a best case scenario, potential amount of \$95
19 million, if civil penalties were assessed on a per person basis instead, for example, in the amount
20 of \$2,950 for each of 1,205 individuals, this would yield potential civil penalties in the amount of
21 \$3,544,750, and discounting that amount of civil penalties by 80% for risks associated with
22 Defendant's arbitration agreements, succeeding on the merits and establishing liability, and the
23 possibility of the Court exercising its discretion to reduce and/or assess lower penalties, brings
24 the risk-adjusted value of civil penalties closer to \$710,950. The evaluation and assessment of a
25 PAGA claim and case is not an exact science, and there is room for a wide range of opinions
26 regarding how such a claim and case should be valued, and Plaintiff's Counsel believes that the
27 settlement reached falls within the range of value and ballpark of what would be considered a
28 reasonable settlement amount.

J. Summary

57. The foregoing discussion confirms that the amount of the Settlement is adequate in light of the legal basis, facts, evidence, and circumstances in connection with Plaintiff's allegations and the PAGA claim. The conclusion to be drawn from the foregoing analysis is that neither liability nor the ability to adjudicate and/or recover civil penalties on a representative basis is clear-cut, which is why the parties elected to settle this matter. Plaintiff's Counsel considered the defenses asserted, information and evidence obtained, and circumstances in this case, which posed risks to representative adjudication and monetary recovery. Plaintiff's Counsel also considered the fact that, by law, the Court has the discretion to reduce and/or assess lower penalties, that it was not clear that heightened penalties would apply, and that stacking and/or cumulative penalties may not be allowed.

ATTORNEYS' FEES AND COSTS

(CMO, § (D)(3))

58. **Attorneys' Fees.** Plaintiff's Counsel requests attorneys' fees in the amount of \$280,000.00, which is thirty-five percent (35%) of the Total Settlement Amount of \$800,000.00. Pursuant to the contingency-fee agreement entered into by and between Plaintiff and Plaintiff's Counsel, Plaintiff has agreed to a contingency fee of forty percent (35%) of the recovery. The attorneys' fees sought are commensurate with: (1) the risk that Plaintiff's Counsel took in commencing the case; (2) the time, effort, and expense that Plaintiff's Counsel dedicated to the case; (3) the skill and determination that Plaintiff's Counsel have shown; (4) the results that Plaintiff's Counsel have achieved in the litigation; (5) the value of the settlement that Plaintiff's Counsel have achieved in the case; and (6) the other cases that Plaintiff's Counsel have turned down in order to devote their time and efforts to this case.

59. Attorneys at Lawyers for Justice, PC have spent a total of **357.20 hours** performing tasks to obtain a recovery on behalf of Plaintiff, the State of California, and the Aggrieved Employees. Attached hereto as "**EXHIBIT 3**" is an Attorney Task and Time Chart that sets forth in detail the nature of the legal services provided by attorneys at Lawyers for Justice, PC and the time incurred in performing those services. These hours include work done

1 by myself and several other attorneys at the firm. Lawyers *for* Justice, PC also had litigation
2 support personnel actively engaged in assisting with the prosecution of the matter.

3 60. Plaintiff's Counsel engaged in informal and formal discovery with Defendant to
4 evaluate the potential PAGA penalties at issue in this case. Plaintiff's Counsel obtained and
5 considered substantial information, documents, and data from Plaintiff, Defendant, and other
6 sources in advance of the January 9, 2023 mediation, and prepared detailed analyses of potential
7 PAGA penalties, which analyses were then used in mediation.

8 61. The matter did not settle at the January 9, 2023 mediation. Thereafter, on May
9 11, 2023, Plaintiff's Counsel served written discovery requests on Defendant – Form
10 Interrogatories-General (Set One), Requests for Production of Documents (Set One), Special
11 Interrogatories (Set One), and Special Interrogatories (Set Two) – to which Defendant responded
12 on August 8, 2023. Over the course of the action, Defendant produced, and Plaintiff's counsel
13 analyzed, thousands of pages of documents, bates-stamped DESERT OASIS-MCCOY 000001 –
14 DESERT OASIS-MCCOY 000204 and DESERT 000001 – DESERT 022795, along with
15 approximately 13,000 excel sheets of timekeeping and payroll data. The information,
16 documents, and data that were reviewed and analyzed by Plaintiff's Counsel included, and were
17 not limited to, the employment records of Plaintiff, a sampling of aggrieved employees' time and
18 pay data, Defendant's Employee Handbook, job descriptions, various agreements and
19 acknowledgments (such as, Defendant's Mutual Arbitration Agreement, Receipt of Employee
20 Handbook, and Acknowledgement of Employee Handbook), and Defendant's operations and
21 employment practices, policies, and procedures, among other documents. Other work performed
22 by Plaintiff's Counsel included, but was not limited to: meeting and conferring with Defendant's
23 counsel regarding the mediation and settlement, among other issues; case strategy and analysis;
24 drafting, reviewing, and revising the mediation brief; drafting discovery requests and analyzing
25 Defendant's responses; drafting notices of deposition; and preparing for the mediation and
26 settlement negotiations. Counsel for the parties have further invested time to research the
27 applicable law, which is evolving as it relates to representative PAGA actions, off-the-clock
28 theory, regular rate, wage-and-hour enforcement, and arbitration agreements, Plaintiff's claims

and allegations, and Defendant's defenses, as well as facts discovered.

62. The work performed in this particular matter, the background of Lawyers for Justice, PC, as well as the individual backgrounds, training, and experience of the attorneys who worked on this matter, in litigating complex wage-and-hour class and PAGA representative actions, support a reasonable blended hourly rate of compensation at the rate of at least \$800 for work performed by Plaintiff's Counsel. Lawyers for Justice, PC has been awarded attorneys' fees, compensating the firm at the rate of at least \$800 per hour for legal services performed, by courts granting approval of wage and hour class action and/or representative action settlements in other cases: final approval of the class and representative action settlement in *David Dugan v. TEC Equipment, Inc., et al.* (Los Angeles Superior Court Case No. 19STCV01591) was granted on July 8, 2021, and the award of attorneys' fees involved an hourly rate of \$936.47; final approval of the class and representative action settlement in *Larry Greenwood, et al. v. Scan Health Plan* (Los Angeles Superior Court Case No. BC715157) was granted on April 20, 2021, and the award of attorneys' fees involved an hourly rate of \$919.57; final approval of the class and representative action settlement in *Seth Swan v. Pace Supply Corp.* (Sonoma County Superior Court Case No. SCV258764) was granted on February 6, 2019, and the award of attorneys' fees involved an hourly rate of \$855.96; final approval of the class and representative action settlement in *Stanley Bland, et al. v. Telecare Corporation* (Alameda County Superior Court Case No. RG16811450) was granted on November 21, 2018, and the award of attorneys' fees involved an hourly rate of \$831.38; and final approval of the class and representative action settlement in *Demetrius Camarillo v. Blue Diamond Growers* (Sacramento County Superior Court Case No. 34-2015-00175871) was granted on June 30, 2017, and the award of attorneys' fees involved an hourly rate of \$845.64.

63. **Litigation Costs.** Plaintiff's Counsel has incurred \$15,128.11 in litigation costs and expenses as reflected in the Case Cost Detail attached hereto as "EXHIBIT 4." It should be noted that Plaintiff's Counsel has borne all of the risks and costs of litigation to date and will not receive any compensation until a recovery is obtained in the action. These expenses were reasonable and necessary in the prosecution of the action and to

1 obtain the Settlement, and the amount sought is less than the maximum amount
2 (\$20,000.00) allocated under the Settlement Agreement for reimbursement of litigation
3 costs and expenses. (Settlement Agreement, § 3(a)(1).)

4 **GENERAL RELEASE FEE TO PLAINTIFF**
5 **(CMO, § (D)(4))**

6 64. In recognition of her efforts and work in spearheading the litigation of the action,
7 and for her individual release of claims, the Settlement provides a General Release Fee to
8 Plaintiff in the amount of \$10,000.00 to be paid out of the Total Settlement Amount. (Settlement
9 Agreement, § 3(a)(2).) The requested General Release Fee is fair and appropriate.

10 65. By initiating and pursuing the action, Plaintiff stepped into the shoes of the State
11 of California and undertook the responsibilities of serving in a representative capacity. Plaintiff
12 has spent a substantial amount of time and effort discussing her employment with Plaintiff's
13 Counsel, gathering and producing relevant documents and information, and providing the facts
14 and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever her
15 counsel needed her and actively tried to obtain and provide information that would facilitate the
16 pursuit of the PAGA claim.

17 66. Under the terms of the Settlement, upon the date the Court has entered an order
18 approving the Settlement Agreement and full funding of the Total Settlement Amount, and
19 except as to the rights and obligations created by the Settlement Agreement, Plaintiff,
20 individually and on behalf of her heirs, executors, administrators, representatives, attorneys,
21 successors and assigns, will be deemed to have knowingly and voluntarily released and forever
22 discharged Released Parties, to the full extent permitted by law, from any and all claims of every
23 nature whatsoever, known or unknown, suspected or unsuspected, which Plaintiff has or may
24 have as of the date the Court has entered an order approving the Settlement Agreement. This
25 broader release includes, but is not limited to, all claims arising directly or indirectly from
26 Plaintiff's employment with Defendant and the termination of that employment, including
27 without limitation claims arising under federal, state or local laws and claims for unpaid wages,
28 penalties, liquidated damages, breach of contract, breach of the implied covenant of good faith

and fair dealing, infliction of emotional distress, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California Civil Code Section 1542. (Settlement Agreement, § 8(b).)

67. It is estimated that the potential damages, statutory penalties, or other relief that Plaintiff could be awarded if she was entirely successful at trial, on her individual claims, are as follows:

a) Unpaid overtime wages (California Labor Code §§ 510 and 1198)

i. \$450.00. This amount was calculated based on 1 hour of unpaid overtime wages at the hourly rate of \$22.50 (which is 1.5x Plaintiff's base hourly pay rate of \$15.00 per hour) for 20 weeks of employment during the applicable statute of limitations.

b) Unpaid minimum wages (California Labor Code §§ 1194, 1197, 1197.1)

i. \$300.00. This amount was calculated based on 1 hour of unpaid minimum wages at Plaintiff's base hourly pay rate of \$15.00 for 20 weeks of employment during the applicable statute of limitations.

c) Unpaid meal period premiums (California Labor Code §§ 226.7 and 512(a))

i. \$300.00. This amount was calculated based on 1 meal period premiums for 20 weeks of employment during the applicable statute of limitations.

d) Unpaid rest period premiums (California Labor Code § 226.7)

i. \$1,500.00. This amount was calculated based on 5 rest period premiums at the rate of \$15.00 each for 20 weeks of employment during the applicable statute of limitations.

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e) Final wages not timely paid (California Labor Code §§ 201 and 202)

i. \$3,600.00. This maximum waiting time penalty amount was calculated assuming penalties accrued for 30 days, 8 hours per day, using an hourly rate of \$15.00.

f) Wages not timely paid during employment (California Labor Code §§ 204, 210)

i. \$2,087.50. A statutory penalties amount was calculated assuming penalties accrued for 10 pay periods during the applicable statute of limitations at the rate of \$100 for the initial pay period, \$200 for 9 subsequent pay periods, plus \$187.50 which is 25% of the unpaid wages amount.

g) Non-compliant wage statements (California Labor Code § 226(a))

i. \$9,250.00. A statutory penalties amount was calculated assuming penalties accrued for 10 pay periods during the applicable statute of limitations at the rate of \$250 for the initial pay period and \$1,000 for 9 subsequent pay periods.

h) Unreimbursed business expenses (California Labor Code §§ 2800 and 2802)

i. \$100.00. This amount was calculated based on accrual of \$5 of unreimbursed expenses for 20 weeks worked during the applicable statute of limitations.

68. Plaintiff's Counsel estimates that the potential value to be recovered if Plaintiff were successful at trial on all of her individual claims is \$17,587.50 and the risk adjusted value of the claims, taking into account the likelihood of prevailing and other attended risks, is \$7,419.74.

69. Accordingly, it is appropriate and just for Plaintiff to receive a General Release Fee in the amount of \$10,000.00, in addition to the Individual Settlement Share she will receive as an Aggrieved Employee for her share of the civil penalties recovered for the settlement of the PAGA claim.

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SETTLEMENT ADMINISTRATOR

(CMO, § (D)(8))

A. Bids from PAGA Settlement Administrators. (CMO, § D(8)(a).)

70. Between April 3, 2024 and April 4, 2024, Plaintiff's Counsel sought out bids from multiple potential settlement administrators including, Simpluris, Inc. ("Simpluris"), Phoenix Class Action Administration Solutions ("Phoenix"), Atticus Administration, LLC ("Atticus"), and ILYM Group, Inc. ("ILYM"). Simpluris submitted a bid offering to handle the administration of the Settlement for a capped total of \$5,000.00. Phoenix submitted a bid offering to handle the administration of the Settlement for a capped total of \$9,000.00. Atticus submitted a bid offering to handle the administration of the Settlement for a capped total of \$8,200.00. ILYM submitted a bid offering to handle the administration of the Settlement for a capped total of \$8,750.00. Upon reviewing the bids from each of the above administrators, the parties chose the lowest bidder, Simpluris. A true and correct copy of the bid received from Simpluris as "EXHIBIT 5."

DISTRIBUTION OF UNCASHED CHECKS

(CMO, § (D)(10))

71. The Settlement Agreement provides that the Individual Settlement Share checks issued to Aggrieved Employees shall remain valid for 90 calendar days, and thereafter shall be canceled. (Settlement Agreement, § 7(b)(4).) Funds associated with canceled checks will be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual Settlement Share(s). (*Id.*)

CONCLUSION

72. Based on my substantial experience in prosecuting wage-and-hour class and PAGA actions and analysis of the potential PAGA penalties at issue in this matter and of Defendant's potential defenses to liability, and taking into consideration the inherent delay, costs and risks of continued litigation (including potential appeals), I believe that the Settlement is a good result for the Aggrieved Employees and the State of California, is fair, reasonable, and

adequate, and promotes PAGA's purpose to remediate labor law violations, deter future ones, and maximize enforcement of California's labor laws.

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

Executed this 27th day of June 2024.



Joanna Ghosh

EXHIBIT 1

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (“Settlement Agreement” or “Settlement”) is entered into by and between Stephanie McCoy (“Plaintiff”), for herself and as a representative of the State of California with respect to the Aggrieved Employees (as defined in Section 3(a)(5) below) and Desert Medical Group, Inc. (“Defendant”), subject to approval by the Court. The term “Party” or “Parties” as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

1. **Recitals.** This Settlement Agreement is made with reference to the following facts:

(a) Plaintiff is a former employee of Defendant. Plaintiff was employed by Defendant from approximately February 2020 to approximately November 2020;

(b) On July 15, 2021 Lawyers *for* Justice, PC (“Plaintiff’s Counsel”), submitted a letter on behalf of Plaintiff to the California Labor and Workforce Development Agency (“LWDA”) and Defendant, to notify the LWDA and Defendant, pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”) of Plaintiff’s intent to seek civil penalties under PAGA for Defendant’s alleged violations of 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 Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, thereby initiating LWDA Case Number LWDA-CM-838128-21 (the “PAGA Notice”);

(c) On September 21, 2021, Plaintiff filed her Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Operative Complaint”), commencing a representative action under PAGA against Defendant, entitled *Stephanie McCoy v. Desert Medical Group, Inc.*, Riverside Superior Court Case No. CVPS2104875 (the “Action”). The Operative Complaint asserts a single cause of action for civil penalties under PAGA, for violations of multiple provisions of the California Labor Code and applicable Industrial Welfare Commission Wage Orders;

(d) On January 9, 2023, the Parties mediated the Action with Jeffrey Krivis, Esq. The Parties were unable to reach a resolution at that time, but continued to engage in settlement negotiations through the mediator.

(e) On or about December 13, 2023, with the aid of the mediator’s evaluation, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety;

(f) There has been no determination on the merits of the Action or the PAGA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and Released Claims (as defined in Section 8(a) below).

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind.

3. **Consideration.**

(a) In consideration for Plaintiff signing this Settlement Agreement and complying with its terms, Defendant shall cause the maximum gross sum of Eight Hundred Thousand Dollars and Zero Cents

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

(\$800,000.00) (the “Total Settlement Amount”) to be paid to resolve the Action and Released Claims (as defined herein), which will be paid as follows:

(1) Attorneys’ fees in the amount of Thirty-Five Percent (35%) of the Total Settlement Amount, which is Two Hundred Eighty Thousand Dollars and Zero Cents (\$280,000.00) if the Total Settlement Amount remains \$800,000.00, and reimbursement of actual litigation costs and expenses in the amount of up to Twenty Thousand Dollars and Zero Cents (\$20,000.00) (collectively, “Attorneys’ Fees and Costs”) to Plaintiff’s Counsel, which Defendant will not contest.

(2) A general release fee of up to the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) (“General Release Fee”) to Plaintiff, which Defendant will not contest.

(3) Costs and expenses of administration of the Settlement up to the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) (“Settlement Administration Costs”) to Simpluris, Inc. (the “PAGA Settlement Administrator”).

(4) The amounts stated in Sections 3(a)(1) – 3(a)(3) above, once approved by the Court, shall be paid from the Total Settlement Amount. The balance remaining after these deductions is referred to as the “Net Settlement Amount.”

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA (“LWDA Payment”); and the remaining twenty-five percent (25%) will be distributed to all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the PAGA Period (the “Aggrieved Employees”). The period January 14, 2020 to March 12, 2024 is the “PAGA Period”. The 25% portion of the Net Settlement Amount payable to Aggrieved Employees (i.e., \$120,625.00) is referred to as the “Employees’ Portion.”

(b) The Aggrieved Employees are estimated to consist of approximately 1,205 individuals who worked approximately 54,675 Compensable Pay Periods. If the actual number of Compensable Pay Periods, as defined below, during the PAGA Period is more than ten percent (10%) above 54,675, the Total Settlement Amount will be increased by the percentage that the actual number exceeds 60,143 Compensable Pay Periods.

(c) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One Hundred Percent (100%) of the payments for Attorneys’ Fees and Costs, General Release Fee, and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the PAGA Settlement Administrator will be responsible for issuing IRS Forms 1099 as required.

4. **Court Approval is Required.** Plaintiff understands and agrees that the State of California and Aggrieved Employees, including Plaintiff, would not receive the consideration specified in Section 3(a) above, except for Plaintiff’s execution of this Settlement Agreement, and the fulfillment of the promises contained herein, as well as Court approval of the Settlement. If this Settlement Agreement is not approved by the Court, it shall be null and void.

5. **Disbursal of Settlement Funds.**

(a) Subject to Section 4 above, Defendant shall remit to the PAGA Settlement Administrator the sums described more fully in Section 3(a) above, after all of the following has occurred: (i) the

Settlement Agreement is fully executed by all Parties and their counsel; and (ii) the Court has entered an order approving the Settlement Agreement.

(b) Upon complete distribution of the Total Settlement Amount by the PAGA Settlement Administrator in accordance with this Settlement Agreement, the PAGA Settlement Administrator will notify the Parties of distribution of the entire Total Settlement Amount.

6. **Approval and Implementation of the PAGA Settlement.**

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Action to implement the settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 3(a) above.

(c) The Parties shall seek Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Kathryn T. McGuigan, Esq. Morgan, Lewis, & Bockus LLP ("Defendant's Counsel") for review; Defendant's Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

7. **Payment of Total Settlement Amount / Notice to Recipients.**

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 3(a) above shall be made by Defendant by transmitting the required sums to a qualified settlement account established by the PAGA Settlement Administrator for administration of this Settlement, within thirty (30) calendar days of the Court's order granting approval of this Settlement Agreement. If the date by which payment by Defendant is due falls on a Saturday, Sunday or legal holiday in the State of California, then the due date shall be extended the next following day which is not a Saturday, Sunday or legal holiday in the State of California.

(b) Each Aggrieved Employee will be entitled to a *pro rata* share of 25% of the Net Settlement Amount (i.e., the Employees' Portion) based upon the number of pay periods they each worked between January 14, 2020 to March 12, 2024 ("Compensable Pay Periods"), based on Defendant's payroll records which will be calculated by the PAGA Settlement Administrator. Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual Settlement Share"), the PAGA Settlement

Administrator shall: (i) for each Aggrieved Employee, divide the number of Compensable Pay Periods he or she individually worked by the total aggregate number of Compensable Pay Periods worked by all Aggrieved Employees, and then (ii) multiply this amount by the Employees' Portion to arrive at each Aggrieved Employee's Individual Settlement Share.

(1) One Hundred Percent (100%) of all Individual Settlement Shares are to be considered penalties and the PAGA Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual Settlement Shares will be reported on an IRS Form 1099, as required by the IRS.

(c) The PAGA Settlement Administrator shall distribute each Individual Settlement Share by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the form attached hereto as "Exhibit A", in the following manner:

(1) No later than seven (7) calendar days following the Court's order granting approval of the Settlement, Defendant shall provide the PAGA Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; and (v) Compensable Pay Periods.

(2) The PAGA Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List, and update addresses for Aggrieved Employees to the extent updated addresses are located through the NCOA search.

(3) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall mail the agreed-upon Cover Letter and Individual Settlement Share checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by first-class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the PAGA Settlement Administrator shall promptly attempt to locate an alternate, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual Settlement Share checks issued to Aggrieved Employees shall remain valid for ninety (90) calendar days, and thereafter, shall be canceled. Funds associated with canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of his or her respective Individual Settlement Share(s).

(d) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(e) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiff's Counsel, unless instructed otherwise by Plaintiff's Counsel. At the request of Plaintiff's Counsel, the PAGA Settlement Administrator may purchase annuities, utilize United States Treasuries and bonds, or utilize any other attorney fee deferral vehicles and any additional expenses associated with doing so will be paid separately by Plaintiff's Counsel.

(f) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the General Release Fee to Plaintiff.

(g) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the Settlement Administration Costs to itself, only after the PAGA Settlement Packages have been mailed to all Aggrieved Employees.

8. **Release of Claims by Plaintiff, Aggrieved Employees, and the State of California.**

(a) Upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff and the State of California with respect to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever discharged Defendant, Heritage Provider Network, Inc., and its affiliated medical groups, affiliates, subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former employees, attorneys, owners, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs (collectively, the “Released Parties”), to the full extent permitted by law, of and from the Action and from any and all claims, arising during the PAGA Period, for civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of 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 Industrial Welfare Commission Wage Orders, including *inter alia* Wage Orders 4-2001 and 5-2001 (collectively, the “Released Claims”).

(b) Upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff, individually and on behalf of her heirs, executors, administrators, representatives, attorneys, successors and assigns, will be deemed to have knowingly and voluntarily released and forever discharged Released Parties, to the full extent permitted by law, from any and all claims of every nature whatsoever, known or unknown, suspected or unsuspected, which Plaintiff has or may have as of the date the Court has entered an order approving the Settlement Agreement. This broader release includes, but is not limited to, all claims arising directly or indirectly from Plaintiff’s employment with Defendant and the termination of that employment, including without limitation claims arising under federal, state, or local laws and claims for unpaid wages, penalties, liquidated damages, breach of contract, breach of the implied covenant of good faith and fair dealing, infliction of emotional distress, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California Civil Code Section 1542, which provides:

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

Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by her to exist may hereafter be discovered. It is Plaintiff's intention to, upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, settle fully and release all claims she now has against the Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

9. **Governing Law and Interpretation.**

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable such provision immediately shall become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing Party.

10. **Amendment.** This Settlement Agreement may not be modified, altered or changed except in writing and signed by both Parties' counsel, wherein specific reference is made to this Settlement Agreement, subject to approval by the Court.

11. **Miscellaneous.**

(a) The Parties agree to stay 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, pending approval of the Settlement.

(b) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(c) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

(d) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator Jeffrey Krivis, Esq. In the event of vagueness, ambiguity or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be

construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(e) If Plaintiff or Defendant fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. The Settlement Agreement remains in full force and effect anyway.

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HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

Date: 04/24/2024, 2024

Electronically Signed:  2024-04-24 17:25:53 UTC - 104.28.111.124
Nintex AssureSign® 1597580-bb7f-4631-886d-b15c011d6d54

Stephanie McCoy
Individually and On Behalf of
the State of California with Respect to Aggrieved Employees

DESERT MEDICAL GROUP, INC.

Date: _____, 2024

Name:
Title:

Approved as to form and content.

LAWYERS FOR JUSTICE, PC

Date: April 24, 2024



Arby Aiwanian
Joanna Ghosh
Vartan Madoyan
Matthew Richard Soto
Attorneys for Plaintiff Stephanie McCoy

MORGAN, LEWIS & BOCKIUS LLP

Date: _____, 2024

Kathryn T. McGuigan, Esq.
Attorneys for Defendant Desert Medical Group, Inc.

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(e) If Plaintiff or Defendant fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. The Settlement Agreement remains in full force and effect anyway.

///

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HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

Date: _____, 2024

Stephanie McCoy
Individually and On Behalf of
the State of California with Respect to Aggrieved Employees

DESERT MEDICAL GROUP, INC.

Date: April 23, 2024

Martha Trujillo
Name: Martha Trujillo
Title: VP of HR

Approved as to form and content.

LAWYERS FOR JUSTICE, PC

Date: _____, 2024

Arby Aiwazian
Joanna Ghosh
Vartan Madoyan
Matthew Richard Soto
Attorneys for Plaintiff Stephanie McCoy

MORGAN, LEWIS & BOCKIUS LLP

Date: **May 1**, 2024

Kathryn T. McGuigan
Kathryn T. McGuigan, Esq.
Attorneys for Defendant Desert Medical Group, Inc.

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

Exhibit A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>> <<State>> <<Zip>>

Re: Settlement Payment from *Stephanie McCoy v. Desert Medical Group, Inc.*, Riverside Superior Court Case No. CVPS2104875

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> ("Individual Settlement Share"). This check is your payment from the settlement in the lawsuit entitled *Stephanie McCoy v. Desert Medical Group, Inc.*, Riverside Superior Court Case No. CVPS2104875 ("Action").

The lawsuit was filed on September 21, 2021 by Stephanie McCoy ("Plaintiff") against her former employer, on behalf of the State of California, with respect to herself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* ("PAGA"), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses. Prior to filing the lawsuit, on July 15, 2021, Plaintiff submitted a letter to the California Labor and Workforce Development Agency ("LWDA"), pursuant to PAGA, to provide notice of her intent to seek civil penalties under PAGA for Defendant's alleged violations of 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 Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, thereby initiating LWDA Case Number LWDA-CM-838128-21. (the "PAGA Notice").

Defendant denies all of Plaintiff's allegations and denies any wrongdoing of any kind associated with Plaintiff's allegations.

A settlement was reached between Plaintiff and Defendant Desert Medical Group, Inc. ("Defendant").

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the period January 14, 2020 to March 12, 2024 ("Aggrieved Employees"). The period January 14, 2020 to March 12, 2024 is the "PAGA Period".

You are receiving a portion of the settlement (the enclosed Individual Settlement Share) because you have been identified as an Aggrieved Employee. Your Individual Settlement Share is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period. The Individual Settlement Share is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of entry of order by the Court approving the Settlement>>, the Released Parties were fully released and forever discharged from any and all Released Claims.

"Released Parties" means Defendant, Heritage Provider Network, Inc., and its affiliated medical groups, affiliates, subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs.

"Released Claims" means any and all claims, arising during the PAGA Period, for civil penalties under California Labor Code section 2698, *et seq.* ("PAGA") as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of 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 Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001.

EXHIBIT A – COVER LETTER

The enclosed check is valid for 90 days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 90-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your respective Individual Settlement Share.

Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant's counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact **[PAGA Settlement Administrator]** at **[toll-free phone number]**.

EXHIBIT 2

LAWYERS FOR JUSTICE®

July 15, 2021

BY ONLINE SUBMISSION

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

Re: DESERT MEDICAL GROUP, INC.

Dear Representative:

We have been retained to represent Stephanie McCoy against Desert Medical Group, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as "DMG") for violations of California wage-and-hour laws. Ms. McCoy 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. McCoy 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.

DMG employed Ms. McCoy as an hourly-paid, non-exempt employee from approximately February 2020 to approximately November 2020, in the State of California.

The "aggrieved employees" that Ms. McCoy 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, DMG 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.

DMG 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. DMG rounded the work time recorded by aggrieved employees in a manner that was not fair and neutral on its face and/or that favored DMG over time, resulting in aggrieved employees being underpaid for their time worked.

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. McCoy and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Ms. McCoy 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, DMG required Ms. McCoy 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. DMG also required aggrieved employees to stay on work premises during 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, DMG failed to pay Ms. McCoy 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, DMG failed to pay Ms. McCoy 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, DMG did not provide Ms. McCoy and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from DMG 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. McCoy 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. McCoy 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. McCoy 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. McCoy 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. McCoy 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, DMG failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Ms. McCoy 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, DMG did not provide Ms. McCoy 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, DMG failed to pay Ms. McCoy 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. McCoy 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, DMG failed to pay Ms. McCoy and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Ms. McCoy 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. McCoy and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by DMG. These costs include, but are not limited to, the use of personal phones for business-related tasks.

Therefore, on behalf of all aggrieved employees, Ms. McCoy 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

A handwritten signature in blue ink, appearing to read 'Edwin Aiwasian', is positioned above the printed name.

Edwin Aiwasian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Desert Medical Group, Inc.
c/o Michael Fate
Agent for Service of Process
11100 Washington Blvd.,
Culver City, CA 90232

Desert Medical Group, Inc.
c/o Jacqueline Cookerly Aguilera
Morgan, Lewis & Bocklus LLP
Attorney
300 South Grand Ave., 22nd Floor
Los Angeles, CA 90071

EXHIBIT 3

MCCOY V. DESERT MEDICAL GROUP, INC.
Riverside County Superior Court Case No. CVPS2104875

ATTORNEY TASK AND TIME CHART

TASK	LAWYERS <i>for</i> JUSTICE, PC
Investigation and Research / Due Diligence	
Meet and Communicate with Plaintiff Stephanie McCoy (“Plaintiff”) During the Case • Edwin Aiwazian – 7.50 hours • Arby Aiwazian – 5.50 hours • Arman Marukyan – 11.50 hours • Weslina Hung – 5.70 hours • Morgan Barney – 4.90 hours • Gabriella Sole – 5.50 hours • Desiree Ruiz Alfaro - 4.50 hours • Matthew Richard Soto – 3.40 hours	48.50
Investigate, Communicate with, and/or Conduct Interviews of Aggrieved Employees and Percipient Witnesses • Edwin Aiwazian – 6.90 hours • Arby Aiwazian – 5.70 hours	12.60

Pleadings and Court Filings	
Research and Draft Plaintiff's Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. and Legal Research and Analysis of All Allegations Involved (filed on September 21, 2021) • Edwin Aiwazian – 5.60 hours • Arman Marukyan – 3.90 hours	9.50
Review Court's Notice of Case Management Conference and Department Assignment (filed on September 23, 2021) • Edwin Aiwazian – 0.10 hour	0.10
Review Court's Order to Show Cause for Failure to File Proof of Service and Notice of Telephonic Appearance (filed on December 3, 2021) • Edwin Aiwazian – 0.10 hour	0.10
Draft Plaintiff's Proof of Service of Summons and Notice and Acknowledgment of Receipt (filed on December 9, 2021) • Edwin Aiwazian – 0.20 hour	0.20
Review and Analyze Answer of Desert Medical Group, Inc. ("Defendant") to Plaintiff's Complaint and Research Affirmative Defenses in Answer (served on December 9, 2021) • Edwin Aiwazian – 1.60 hours	1.60
Research and Draft Plaintiff's Case Management Statement (filed on March 7, 2022) • Arman Marukyan – 1.20 hours	1.20

Review Court's Amended Notice of Hearing (filed on March 9, 2022) Arman Marukyan – 0.10 hour	0.10
Meet and Confer with Defendant's Counsel, and Enter Stipulation for Alternative Dispute Resolution (filed on March 9, 2022) Elizabeth M. R-H Parker Fawley – 0.10 hour	0.10
Review and Analyze Defendant's Case Management Conference (served on March 9, 2022) Arman Marukyan – 0.20 hour	0.20
Draft Plaintiff's Notice of Posting Jury Fees (filed on May 2, 2022) Elizabeth M. R-H Parker-Fawley – 0.50 hour	0.10
Review Court's Notice of Reassignment for All Purposes (filed on May 10, 2022) Elizabeth M. R-H Parker-Fawley – 0.10 hour	0.10
Meet and Confer with Defendant's Counsel, and Draft Joint Stipulation to Continue Case Management Conference and [Proposed] Order (submitted on February 9, 2023) Morgan Barney – 1.30 hours	1.30
Review Court's Notice of Court's Ruling and Order Denying Joint Stipulation to Continue Case Management Conference (filed on February 9, 2023) Morgan Barney – 0.10 hour	0.10
Review Court's Notice of Case Management Conference (filed on February 28, 2023) Morgan Barney – 0.10 hour	0.10

Meet and Confer with Defendant's Counsel, and Draft Joint Stipulation to Continue Case Management Conference and [Proposed] Order (submitted on April 11, 2023) • Morgan Barney – 0.90 hour	0.90
Review Court's Order Granting Joint Stipulation to Continue Case Management Conference (filed on April 14, 2023) • Morgan Barney – 0.10 hour	0.10
Review Court's PAGA Case Management Order #1 (filed on April 17, 2023) • Morgan Barney – 0.70 hour	0.70
Draft Plaintiff's Notice of Entry of Judgment or Order (filed on April 19, 2023) • Morgan Barney – 0.10 hour	0.10
Review Court's Notice of Department Change for All Purposes (filed on June 1, 2023) • Morgan Barney – 0.10 hour	0.10
Review Court's Amended Notice of Department Reassignment for All Purposes (filed on June 16, 2023) • Morgan Barney – 0.10 hour	0.10
Meet and Confer with Defendant's Counsel, and Draft Joint Case Management Conference Statement (filed on June 20, 2023) • Gabriella Sole – 1.20 hours	1.20
Review Court's Amended Notice of Department Reassignment for All Purposes (filed on July 5, 2023) • Morgan Barney – 0.10 hour	0.10

Review Court's Notice of Order to Show Cause Hearing (filed on July 6, 2023) • Morgan Barney – 0.10 hour	0.10
Draft Plaintiff's Notice of Ruling Regarding Case Management Conference (filed on July 7, 2023) • Gabriella Sole – 0.20 hour	0.20
Meet and Confer with Defendant's Counsel, and Draft Joint Case Management Conference Statement (filed on October 2, 2023) • Gabriella Sole – 1.20 hours	1.20
Review and Analyze Defendant's Response to the Court's Order to Show Cause Regarding Sanctions and Declaration of Miranda M. Rowley in Support Thereof (filed on October 3, 2023) • Gabriella Sole – 0.20 hour	0.20
Meet and Confer with Defendant's Counsel, and Draft Joint Trial Setting Conference Statement (filed on December 29, 2023) • Desiree Ruiz Alfaro – 0.90 hour	0.90
Appearances	
Prepare for and Remotely/Telephonically Attend Case Management Conference Hearing (March 22, 2022) • Arman Marukyan – 0.60 hour	0.60

Prepare for and Remotely/Telephonically Attend Case Management Conference Hearing (February 23, 2023) • Morgan Barney – 1.50 hours	1.50
Prepare for and Remotely/Telephonically Attend Case Management Conference Hearing (July 5, 2023) • Gabriella Sole – 0.90 hour	0.90
Prepare for and Remotely/Telephonically Attend Trial Setting Conference Hearing (January 3, 2024) • Gabriella Sole – 0.60 hour	0.60
Discovery and Deposition	
Draft Letter to Defendant Re: Request for Personnel File, Pay Stubs, and Time Records for Plaintiff Stephanie McCoy (served on April 7, 2021) • Edwin Aiwarzian – 1.90 hours	1.90
Review and Analyze Documents Produced by Defendant in Response to Request for Personnel Files, Pay Stubs, and Time Records for Plaintiff Stephanie McCoy (received on June 22, 2021) • Edwin Aiwarzian – 2.80 hours	2.80
Review and Analyze Documents Produced by Defendant (served on November 23, 2022) • Morgan Barney – 1.50 hours	1.50
Review and Analyze Documents Produced by Defendant (served on November 30, 2022) • Morgan Barney – 0.60 hour	0.60

Review and Analyze Documents Produced by Defendant (served on January 4, 2023) • Morgan Barney – 13.10 hours	18.50
Review and Analyze Documents Produced by Defendant (served on January 5, 2023) • Morgan Barney – 22.50 hours	22.50
Draft Plaintiff's Form Interrogatories – General (Set One), Special Interrogatories (Set One), Special Interrogatories (Set Two), and Requests for Production of Documents (Set One) to Defendant (served on May 11, 2023) • Gabriella Sole – 5.90 hours	5.90
Draft Plaintiff's Notice of Deposition of Person Most Knowledgeable at Defendant and Requests for Production of Documents (Noticed for June 26, 2023; Organizational Structure and Document Retention) (served on May 11, 2023) • Gabriella Sole – 2.20 hours	2.20
Draft Plaintiff's Notice of Deposition of Person Most Knowledgeable at Defendant and Requests for Production of Documents (Noticed for June 27, 2023; Wage and Hour Practices) (served on May 11, 2023) • Gabriella Sole – 2.40 hours	2.40
Review and Analyze Defendant's Responses and Objections to Plaintiff's Form Interrogatories – General (Set One), Special Interrogatories (Set One), Special Interrogatories (Set Two), and Requests for Production of Documents (Set One) (served on August 8, 2023) • Morgan Barney – 3.20 hours • Gabriella Sole – 3.60 hours	6.80

Review and Analyze Documents Produced by Defendant (served on August 8, 2023) • Morgan Barney – 1.20 hours • Gabriella Sole – 1.10 hours	2.30
Draft Plaintiff's Notice of Deposition of Person Most Knowledgeable at Defendant and Requests for Production of Documents (Noticed for November 6, 2023; Organizational Structure and Document Retention) (served on October 16, 2023) • Gabriella Sole – 1.10 hours	1.10
Draft Plaintiff's Notice of Deposition of Person Most Knowledgeable at Defendant and Requests for Production of Documents (Noticed for November 7, 2023; Wage and Hour Practices) (served on October 16, 2023) • Gabriella Sole – 1.30 hours	1.30
Draft Plaintiff's Notice of Deposition of Person Most Knowledgeable at Defendant and Requests for Production of Documents (Noticed for January 30, 2024; Organizational Structure and Document Retention) (served on December 7, 2023) • Gabriella Sole – 0.80 hour	0.80
Draft Plaintiff's Notice of Deposition of Person Most Knowledgeable at Defendant and Requests for Production of Documents (Noticed for January 31, 2024; Wage and Hour Practices) (served on December 7, 2023) • Gabriella Sole – 1.10 hour	1.10

Letters and Correspondence	
Draft Notice to California Labor and Workforce Development Agency Re: Claims of Plaintiff Stephanie McCoy for Penalties Under California Labor Code section 2698, <i>et seq.</i> (“PAGA”) (served on July 15, 2021) Edwin Aiwazian – 5.80 hours	5.80
Meet with, Draft Correspondence to, and Respond to Correspondence from, Defendant’s Counsel - Edwin Aiwazian – 5.60 hours - Arby Aiwazian – 4.50 hours - Joanna Ghosh – 2.30 hours - Elizabeth M. R-H Parker-Fawley – 2.20 hours - Arman Marukyan – 4.80 hours - Morgan Barney – 5.90 hours - Gabriella Sole – 4.10 hours - Matthew Richard Soto – 5.70 hours - Desiree Ruiz Alfaro – 1.10 hours	36.20
Mediation/Settlement	
Review and Analyze Information, Documents, and Data Obtained from Plaintiff, Defendant, and Other Sources and Prepare Valuation Models, Including, <i>Inter Alia</i>, Calculating PAGA Penalties for Violation Rates for Non-Compliant Meal and Rest Breaks, Unpaid Wages, Failure to Pay Premium Pay, and Incomplete or Inaccurate Wage Statements - Edwin Aiwazian – 24.20 hours - Hagit Goltzer – 18.70 hours - Arman Marukyan – 8.10 hours - Morgan Barney – 12.20 hours	63.20

Prepare for Mediation Session, Including Researching Merits of Claims, Drafting the Mediation Brief, and Compiling the Mediation Exhibits in Support of Plaintiff's Mediation Brief (submitted on January 3, 2023) • Edwin Aiwarzian – 12.10 hours • Hagit Goltzer – 11.60 hours • Morgan Barney – 14.90 hours	38.60
Prepare for and Remotely/Telephonically Attend Mediation Session (January 9, 2023; Zoom Video Conference) • Arby Aiwarzian – 6.30 hours • Morgan Barney – 4.20 hours	10.50
Review, Revise, Negotiate, and Finalize Private Attorneys General Act Settlement Agreement and Release (fully executed on May 1, 2024) • Joanna Ghosh – 2.10 hours • Vartan Madoyan – 7.50 hours • Matthew Richard Soto – 13.10 hours	22.70
Law and Motion	
Research and Draft Plaintiff's Motion for Approval of Private Attorneys General Act (Labor Code § 2698, Et Seq.) Settlement Agreement and Award of Attorneys' Fees and Costs, General Release Fee, and Settlement Administration Costs, Declaration of Joanna Ghosh in Support Thereof, Declaration of Stephanie McCoy in Support Thereof, and [Proposed] Order and Judgment (filed on June 27, 2024) • Joanna Ghosh – 6.30 hours • Matthew Richard Soto – 16.80 hours	23.10
Total Hours:	357.20

EXHIBIT 4

EXHIBIT 5



Reference No. 2020405-PJI-03

April 5, 2024

Ryan Slinger, Esq.
Lawyers for Justice PC
410 West Arden Ave., Suite 203
Glendale, CA 91203

RE: Case No. CVPS2104875

Dear Ryan,

Thank you for this opportunity to provide a quote for your PAGA settlement. Using the parameters you described, Simpluris' total estimated cost is \$9,080. As a courtesy, we are offering a \$5,080 discount, for a discounted total of \$4,000. Additionally, we agree to cap our costs at \$5,000.

Please let me know if you have questions. I look forward to this opportunity to work together.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Patrick J. Ivie".

PATRICK J. IVIE
Chief Revenue Officer

m: 310-995-6455
o: 714-975-5260
e: pivie@simpluris.com



3194-C Airport Loop Drive, Costa Mesa, CA 92626
www.simpluris.com | 1 (800) 779 - 2104



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

Estimate Number:	20240405-PJI-03	Prepared By:	Patrick J. Ivie
Estimate Date:	4/5/2024	Telephone Number (mobile):	310.995.6455
Estimate Expiration Date:	7/4/2024	Email:	pjvie@simpluris.com

Attorney: Attorney Contact
Ryan Slinger, Esq.
Firm: Lawyers for Justice PC
Email: r.slinger@calljustice.com

Attorney: Opposing Counsel Contact
Firm:
Email:

**Case Name: Case No. CVPS2104875 - PAGA Settlement
Riverside County**

Assumptions

In addition to the assumptions enumerated below, this estimate assumes that

- (1) Simpluris will receive data in a single, complete file; (2) there will be no substantial change to class size or in response rate;
- (3) administration costs will be paid from the QSF, and (4) Simpluris will submit revisions to this estimate to account for any material changes to scope.

Class/Aggrieved Employees:	1,205	Undeliverable Rate:	10%
Claims Rate:	n/a	Call Rate:	4%
Opt-out Rate:	n/a	Average Call Length:	3 Minutes
Language(s) for Communication	EN	Fund Distribution:	Simpluris
Reminder Mailing:	n/a	Number of Distributions:	1
Unclaimed Funds:	Escheat	State(s):	CA
Length of Administration:	6 Months	Tax Year(s):	1

Case Setup

- Data compilation: develop case-specific response tracking

Category	Unit Value	# of Units	Total
Project Manager - Case Setup	\$110.00	2	\$220.00
Database Manager - Initial Data Analysis	\$125.00	2	\$250.00
Total:			\$470.00

Contact Center

- Establish case-specific toll-free number and 24/7 IVR
- Assuming 3-minute calls

Category	Unit Value	# of Units	Total
IVR Call Center Setup	\$450.00	1	\$450.00
IVR Monthly Maintenance	\$100.00	6 Months	\$600.00
IVR (includes toll-free number charges)	\$15.00	3	\$45.00
Subtotal			\$1,095.00

Award Disbursement

- Establish 26 CFR § 1.468B-1 compliant Qualified Settlement Fund ("QSF")
- Skip trace prior to mailing the Individual Settlement Share Checks and Cover Letter by First-Class mail to Aggrieved Employees
- Disburse 2-page Cover Letter with award payments and tax documents
- Conduct regular and annual IRS-mandated QSF reporting and reconciliation (one per calendar year)
- Complete all required filings with state and federal tax authorities

Category	Unit Value	# of Units	Total
Disbursement Data Preparation	\$125.00	3	\$375.00
Disbursement Manager - Data Validation	\$90.00	3	\$270.00
Setup Banking Account/QSF	\$675.00	1	\$675.00
QSF Monthly Reconciliation and Maintenance	\$100.00	6	\$600.00
Skip Trace Search	\$0.32	1205	\$385.60
Print & Mail Distribution Check and Tax Docs	\$1.00	1,205	\$1,205.00
Postage	\$0.57	1,205	\$686.85
Process Returned Checks	\$0.25	121	\$30.25
NCOA/CASS/LACS	\$0.25	121	\$30.25
Remail Checks (includes postage)	\$2.00	121	\$242.00

Escheat Uncashed to State Controller	\$500.00	1	\$500.00
QSF Reporting and Final Declaration	\$500.00	1	\$500.00
Reissue Checks / Mailing	\$5.00	5	\$25.00
Reissue 1099s	\$5.00	5	\$25.00
Responding to IRS/State/Agency Inquiries	\$75.00	2	\$150.00
QSF Annual Tax Reporting and Reconciliation	\$1,350.00	1	\$1,350.00
Distribution Manager	\$90.00	2	\$180.00
Total:			\$7,229.95

Case Completion

- Final audit and review
- Send final declaration and reporting to counsel

Category	Unit Value	# of Units	Total
Data Manager-Final Reporting	\$125.00	1	\$125.00
Clerical-Clean Up Any Misc.	\$50.00	1	\$50.00
Project Manager-Wrap-up Final Issues	\$110.00	1	\$110.00
Total:			\$285.00

Total Estimated Cost of Administration:	\$9,080
Less Client Courtesy Discount:	-\$5,080
Discounted Total:	\$4,000
Not-to-Exceed Total:	\$5,000

Terms and Conditions

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

1. Services: Simpluris agrees to provide Client those services set forth in the Proposal (the "Services") to which these terms and conditions are attached and which has been provided to Client. As compensation for such Services, Client agrees to pay the fees for Services outlined in the Proposal. Simpluris will often take direction from Client's representatives, employees, agents and or professionals (collectively, the "Client Parties") with respect to the Services. The parties agree that Simpluris may rely upon, and Client agrees to be bound by, any direction, advice or information provided by the Client Parties to the same extent as if provided by Client. Client agrees and understands that Simpluris shall not provide Client or any other party with any legal advice.

2. Fee Estimates Not Binding: Simpluris and Client acknowledge that it is difficult to determine all necessary work required for the Services or the total amount of fees that may be incurred in performing the Services. Client agrees that fees for Services described in the Proposal are estimated based on the requirements provided by Client. Actual fees charged by Simpluris may be greater or less than such estimate. Client specifically agrees that it will be responsible for the payment of all such fees. Simpluris will provide estimates and budgets, but they are not intended to be binding; are subject to unforeseen circumstances, and by their nature are inexact.

3. Billing and Payment: Simpluris will invoice Client on a regular basis unless a specific timeframe is otherwise set forth in the Proposal. Client shall pay all invoices within 30 days of receipt. Amounts unpaid after thirty (30) days are subject to a service charge at the rate of 1.5% per month or, if less, the highest rate permitted by law. Services are not provided on a contingency basis and Client shall remain liable to Simpluris for all fees incurred by Simpluris in performing the Services, regardless of any circumstance that impacts the outcome of Client's matter, including but not limited to, court decisions, actions by the parties, or a failure to consummate a settlement.

4. Further Assurances: Client agrees that it will use its best efforts to include provisions reasonably acceptable to Simpluris in any relevant court order, settlement agreement or similar document that provide for the payment of Simpluris' fees and expenses hereunder. No agreement to which Simpluris is not a party shall reduce or limit the full and prompt payment of Simpluris' fees and expenses as set forth herein and in the Proposal.

5. Rights of Ownership: The parties understand that the software programs and other materials furnished Simpluris to Client and/or developed during the course of the performance of Services are the sole property of Simpluris. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. Client agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished to Client. Fees and expenses paid by Client do not vest in Client any rights in such property, it being understood that such property is only being made available for Client's use during and in connection with the Services provided by Simpluris.

6. Bank Accounts: Simpluris will establish a demand deposit checking account (i.e. non-interest bearing) for funds received related to a distribution, unless directed otherwise in writing by the parties or unless the settlement agreement stipulates otherwise. Simpluris may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and compensation for services Simpluris performs for financial institutions to be eligible for FDIC deposit insurance. The amounts held pursuant to these Terms and Conditions are at the sole risk of Client and, without limiting the generality of the foregoing, Simpluris shall have no responsibility or liability for any diminution of the fund that may result from any deposit made with a financial institution including any losses resulting from a default by such institution or other credit losses. It is acknowledged and agreed that Simpluris will have acted prudently in depositing the fund at such institution.

7. Retention of Documents & Data: Unless otherwise required in writing by the Client or court orders, all returned/undeliverable physical documents will be securely shredded after the data has been confirmed uploaded to our systems. Simpluris will retain bank and tax documents for such period of time as it determines is required to maintain compliance with various federal and state law requirements. Unless otherwise required in writing by the Client or court orders, Simpluris will adhere to the Company's data deletion policies and will destroy all remaining project-related information from our systems three (3) years after the conclusion of the project. Storage beyond three (3) years is available upon request and will be billed as incurred.

8. Limitation of Liability; Disclaimer of Warranties: Simpluris warrants that it will perform the Services diligently, with competence and reasonable care. In no event will Simpluris be liable to Client or any third party for any claims, losses, costs, penalties, fines, judgments, tax activities, lost profits or business opportunities, business interruptions or delay, special, exemplary, punitive, consequential, indirect or incidental damages relating to the performance of the Services, regardless of whether Client's claim is for breach of contract, tort (including negligence and strict liability) or otherwise, regardless of whether such damage was foreseeable and whether such party has been advised of the possibility of such damages. Simpluris' cumulative liability for damages to Client hereunder will be limited to the total fees charged or chargeable to Client for the particular portion of the Services affected by Simpluris' omission or error. THE WARRANTIES SET FORTH IN THIS SECTION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

9. Force Majeure: To the extent performance by Simpluris of any of its obligations hereunder is substantially prevented or delayed by reason of any act of God, flood, fire, earthquake or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date

that Simpluris began performing Services, epidemic, pandemic, quarantine, civil commotion, national or regional emergency, strikes, labor stoppages or slowdowns or other industrial disturbances, passage of Law or any action taken by a governmental or public authority, including imposing an export or import restriction, quota, or other restriction or prohibition or any complete or partial government shutdown, or national or regional shortage of adequate power or telecommunications or transportation or because of any other matter beyond Simpluris' reasonable control, then Simpluris' performance shall be excused and this Agreement, at Simpluris' option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

10. Rights in Data: Client agrees that it will not obtain, nor does Simpluris convey, any rights of ownership in the programs, system data, or materials provided or used by Simpluris in the performance of the Services.

11. Electronic Communications: During the provision of the Services, the parties may wish to communicate electronically with each other at a business e-mail address. However, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly, each party agrees to use commercially reasonable procedures to check for the then most commonly known viruses and to check the integrity of data before sending information to the other electronically, but each party recognizes that such procedures cannot be a guarantee that transmissions will be virus free. It remains the responsibility of the party receiving an electronic communication from the other to carry out a virus check on any attachments before launching any documents whether received on disk or otherwise.

12. Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, by, or sent by registered mail, postage prepaid, or overnight courier to the address identified by each Party in the Proposal. Notice shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service. Notice should be addressed to an officer or principal of Client and Simpluris, as the case may be.

13. Waiver: Failure or delay on the part of a party to exercise any right, power or privilege hereunder shall not operate as a waiver thereof or any of other subject, right, power or privilege.

14. Termination: Client may terminate the Services at any time upon 30 days prior written notice to Simpluris. Termination of Services shall in no event relieve Client of its obligation make any payments due and payable to Simpluris for Services rendered up to the effective date of Termination. Simpluris may terminate this Agreement (i) for any reason upon no less than 60 days prior written notice to the Client; or (ii) upon 15 calendar days' prior written notice if the Client is not current in payment of fees.

15. Jurisdiction: These Terms and Conditions will be governed by and construed in accordance with the laws of the state of California, without giving effect to any choice of law principles.

16. Survival: Any remedies for breach of this Agreement, this Section and the following Sections will survive any expiration or termination of this Agreement: Section 4 - Limitation of Liability; Disclaimer of Warranties, Section 6 – Rights in Data, and Section 12- Jurisdiction, 14 -Confidentiality, and Section 15 – Indemnification.

17. Confidentiality: Simpluris maintains reasonable and appropriate safeguards to protect the confidentiality and security of data provided by Client to Simpluris in connection with the Services. If, pursuant to a court order or other proceeding, a third-party requests that Simpluris to disclose any confidential data provided by or for Client, Simpluris will promptly notify the Client unless prohibited by applicable law. Client will then have the option to provide Simpluris with qualified legal representation at Client's expense to defend against such request. If, pursuant to a court order, Simpluris is required to disclose data, produce documents, or otherwise act in contravention of the obligation to maintain confidentiality set forth in these terms and conditions, Simpluris will not be liable for breach of said obligation.

18. Indemnification: Client will indemnify and hold Simpluris (and the officers, employees, affiliates and agents) harmless against any losses whatsoever incurred by Simpluris, arising out of any action by a third party, including governmental agencies, in connection with , or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by Simpluris in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by Simpluris pursuant to Client's instructions.

19. Severability: If any term or condition or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

20. Database Administration: Simpluris' database administration for Client assumes that Client will provide complete data that includes all information required to send notifications and calculate and mail settlement payments. Data must be provided in a complete, consistent, standardized electronic format. Simpluris' standardized format is Microsoft Excel, however, Simpluris may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by Simpluris on a time and materials basis according to Simpluris' Standard Rates.

21. Entire Agreement: These Terms and Conditions together with the Proposal constitutes the entire agreement between the parties with respect of the subject matter hereof and supersede all prior understandings, agreements, or representations by or among the parties, written or oral, to the extent they relate in any way to the subject matter hereof.