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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

**[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**

[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's Counsel (Joanna Ghosh); Declaration of
Plaintiff (Stephanie McCoy); and Declaration of
Proposed PAGA Settlement Administrator (Erick
Springer) filed concurrently herewith]

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

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

1 This matter has come before the Honorable Harold W. Hopp in Department 1 of the Superior Court
2 of the State of California, for the County of Riverside, on July 22, 2024 at 8:30 a.m., on Plaintiff Stephanie
3 McCoy ("Plaintiff") Motion for Approval of Private Attorneys General Act (Cal. Labor Code § 2698, *Et*
4 *Seq.*) Settlement Agreement and Award of Attorneys' Fees and Costs, General Release Fee, and Settlement
5 Administration Costs ("Motion for Approval of Settlement"). Lawyers *for* Justice, PC appeared for Plaintiff
6 and Morgan, Lewis & Bockius LLP, appeared for Defendant Desert Medical Group, Inc. ("Defendant").

7 On or around May 1, 2024, Plaintiff and Defendant (together, the "Parties") executed the Private
8 Attorneys General Act Settlement Agreement and Release ("Settlement," "Settlement Agreement," or
9 "Agreement").

10 The Court has reviewed and considered (1) the Motion for Approval of Settlement, (2) the
11 Declarations of Plaintiff's Counsel (Joanna Ghosh), Plaintiff Stephanie McCoy, and the Proposed PAGA
12 Settlement Administrator. and (3) the Settlement Agreement.

13 Having duly considered the Parties' papers and oral argument, and good cause appearing,

14 **IT IS HEREBY ORDERED AND ADJUDGED AS FOLLOWS:**

- 15 1. The Motion for Approval of Settlement is granted.
- 16 2. All terms used herein shall have the same meaning as defined in the Settlement Agreement.
- 17 3. The Court finds that Plaintiff has satisfied the prerequisites under the California Private
18 Attorneys General Act (Cal. Labor Code § 2698, *et seq.*) ("PAGA"), including, and not limited to, providing
19 the California Labor and Workforce Development Agency ("LWDA") and Defendant with notice of the
20 specific provisions of the California Labor Code alleged to have been violated, including, and not limited
21 to, the facts and theories to support the alleged violations, in conformity with California Labor Code §
22 2699.3(a).
- 23 4. The Court also finds that the Settlement Agreement has been submitted to the LWDA in
24 conformity with California Labor Code § 2699(l)(2) and that the LWDA has not sought to intervene or
25 appear in the above-captioned action ("Action").
- 26 5. The Settlement pertains to the following aggrieved employees:
27 All current and former hourly-paid or non-exempt employees who worked for Defendant in the
28 State of California during the PAGA Period ("Aggrieved Employees").

1 6. The Court finds that the Parties reached the Settlement as a result of arm's-length
2 negotiations.

3 7. Pursuant to California Labor Code § 2699(l)(2), the Court has reviewed the sum allocated
4 for payment of penalties under PAGA ("Net Settlement Amount"), and determines that it is fair, just,
5 reasonable, and adequate. The Court hereby approves the Net Settlement Amount. The Net Settlement
6 Amount shall consist of the Total Settlement Amount (\$800,000.00) less the approved Attorneys' Fees and
7 Costs to Lawyers *for* Justice, PC ("Plaintiff's Counsel"), General Release Fee to Plaintiff, and Settlement
8 Administration Costs to Simpluris, Inc. (the "PAGA Settlement Administrator"). Seventy-five percent
9 (75%) of the Net Settlement Amount shall be distributed to the LWDA ("LWDA Payment") and twenty-
10 five percent (25%) of the Net Settlement Amount shall be distributed to the Aggrieved Employees
11 ("Employees' Portion") in accordance with this Order and Judgment and the Settlement Agreement.

12 8. The Court has considered the Settlement, and the monetary allocations provided thereby, and
13 finds that they are fair, just, reasonable, and adequate. The Court hereby directs the PAGA Settlement
14 Administrator to administer the Settlement and to make the payments as provided for by, and consistent
15 with, this Order and Judgment and the Settlement Agreement.

16 9. The Court approves the payment of \$280,000.00 to Lawyers *for* Justice, PC for reasonable
17 attorneys' fees. This amount shall be paid from the Total Settlement Amount and shall be disbursed in
18 accordance with this Order and Judgment and the Settlement Agreement.

19 10. The Court approves the payment of \$15,128.11 to Lawyers *for* Justice, PC for reimbursement
20 of reasonable litigation costs and expenses incurred in the Action. This amount shall be paid from the Total
21 Settlement Amount and shall be disbursed in accordance with this Order and Judgment and the Settlement
22 Agreement.

23 11. The Court approves payment in the amount of \$10,000.00 to Plaintiff Stephanie McCoy for
24 her General Release Fee. This amount shall be paid from the Total Settlement Amount and shall be
25 disbursed in accordance with this Order and Judgment and the Settlement Agreement.

26 12. The Court approves payment up to the amount of \$7,500.00 to Simpluris, Inc. for the
27 Settlement Administration Costs. This amount shall be paid from the Total Settlement Amount and shall be
28 disbursed in accordance with this Order and Judgment and the Settlement Agreement.

1 13. The Parties are directed to perform in accordance with the terms set forth in this Order and
2 Judgment and the Settlement Agreement.

3 14. The Court further finds that notice of the Settlement need not be provided to the Aggrieved
4 Employees; however, the Court approves the Cover Letter, attached hereto as “**EXHIBIT 1**,” and the PAGA
5 Settlement Administrator shall distribute the Cover Letter to the Aggrieved Employees at the same time that
6 it distributes payments to Aggrieved Employees for their share of the Employees’ Portion (“Individual
7 Settlement Share(s)").

8 15. No later than seven (7) calendar days after the date of this Order and Judgment, Defendant
9 shall provide the PAGA Settlement Administrator with the Aggrieved Employees List, in accordance with
10 this Order and Judgment and the Settlement Agreement.

11 16. No later than thirty (30) calendar days after the date of this Order and Judgment, Defendant
12 shall deposit the Total Settlement Amount into a qualified settlement account established by the PAGA
13 Settlement Administrator for administration of the Settlement, in accordance with this Order and Judgment
14 and the Settlement Agreement.

15 17. No later than fourteen (14) calendar days after the Settlement Administrator receives the
16 Aggrieved Employees List and the Total Settlement Amount, the PAGA Settlement Administrator shall
17 distribute the LWDA Payment to the LWDA, Individual Settlement Share checks and Cover Letters to
18 Aggrieved Employees (together, “PAGA Settlement Package”), the General Release Fee to Plaintiff, the
19 Settlement Administration Costs to itself, (only after the PAGA Settlement Package have been mailed to all
20 Aggrieved Employees), and the Attorneys’ Fees and Costs to Plaintiff’s Counsel (unless Plaintiff’s Counsel
21 requests and instructs otherwise), as provided for by this Order and Judgment and the Settlement Agreement.

22 18. The Individual Settlement Share checks issued to Aggrieved Employees shall remain valid
23 and negotiable for ninety (90) calendar days, and thereafter, shall be canceled. Funds associated with such
24 canceled checks shall be transmitted by the PAGA Settlement Administrator to the California State
25 Controller’s Office Unclaimed Property Division, in the name of each Aggrieved Employee whose check is
26 canceled, in their respective Individual Settlement Share amount(s).

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1 19. Aggrieved Employees shall not have the right to opt out of or object to the Settlement. Upon
2 the entry of this Order and Judgment and full funding of the Total Settlement Amount, and except as to the
3 rights and obligations created by this Settlement Agreement, Plaintiff and the State of California with respect
4 to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever discharged
5 Released Parties, to the fullest extent permitted by law, of and from the Action and from the Released
6 Claims.

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

12 21. “Released Claims” means any and all claims, arising during the PAGA Period, for civil
13 penalties under California Labor Code section 2698, *et seq.* (“PAGA”) as well as any interest, fees, and
14 costs available under PAGA, based on the factual allegations in the Operative Complaint, including but not
15 limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal
16 periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure
17 to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide
18 compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and
19 failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code
20 sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198,
21 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia* Wage Orders 4-2001
22 and 5-2001.

23 22. “PAGA Period” means the period from January 14, 2020 to March 12, 2024.

24 23. No individualized notice of this Order and Judgment is required to be provided to the
25 Aggrieved Employees. This Order and Judgment shall be submitted by Plaintiff’s Counsel to the LWDA
26 through the online system established for the filing of notices and documents, in conformity with California
27 Labor Code § 2699(l)(3).

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1 24. A Final Accounting and Compliance hearing is scheduled for _____, 2024
2 at _____ a.m./p.m. in Department 1 of the above-captioned Court, and the final report regarding the
3 disbursement of the Individual Settlement Shares and uncashed funds shall be filed seven (7) court days in
4 advance of the hearing.

5
6 Date: _____

Honorable Harold W. Hopp
Judge of the Riverside Superior Court

EXHIBIT 1

Exhibit 1

<<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 1 –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**.