

Arby Aiwarzian (SBN 269827)
Joanna Ghosh (SBN 272479)
Travis J. Maher (SBN 327206)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff

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

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

Plaintiff,

vs.

THERAPEUTIC PATHWAYS, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 34-2021-00308190

Honorable Laurie A. Damrell
Department 22

**[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 (Travis J. Maher); Declaration of
Plaintiff (Maria Martinez)]

Date: October 11, 2024
Time: 9:00 a.m.
Department: 22

Complaint Filed: September 17, 2021
Trial Date: None Set

1 This matter has come before the Honorable Laurie A. Damrell in Department 22 of the Superior
2 Court of the State of California, for the County of Sacramento, on October 11, 2024, at 9:00 a.m., on Plaintiff
3 Maria Martinez’s (“Plaintiff”) Motion for Approval of Private Attorneys General Act (Cal. Labor Code §
4 2698, *Et Seq.*) Settlement Agreement and Award of Attorneys’ Fees and Costs, General Release Fee, and
5 Settlement Administration Costs (“Motion for Approval of Settlement”). Lawyers *for* Justice, PC appeared
6 for Plaintiff, and Farbstein & Blackman, PC appeared for Defendant Therapeutic Pathways, LLC (successor-
7 in-interest to Therapeutic Pathways, Inc., a California corporation) (“Defendant”).

8 On or around August 1, 2024, Plaintiff and Defendant (collectively, the “Parties”) executed the
9 Private Attorneys General Act Settlement Agreement and Release (“Settlement,” “Settlement Agreement”
10 or “Agreement”).

11 The Court has reviewed and considered (1) the Motion for Approval of Settlement, (2) the
12 Declarations of Plaintiff’s Counsel Travis J. Maher and Plaintiff Maria Martinez, and (3) the Settlement
13 Agreement.

14 Having duly considered the Parties’ papers and oral argument, and good cause appearing,

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

16 1. The Motion for Approval of Settlement is granted.
17 2. All terms used herein shall have the same meaning defined in the Settlement Agreement.
18 3. The Court finds that Plaintiff has satisfied the prerequisites under the California Private
19 Attorneys General Act (Cal. Labor Code § 2698, *et seq.*) (“PAGA”), including, and not limited to, providing
20 the California Labor and Workforce Development Agency (“LWDA”) and Defendant with notice of the
21 specific provisions of the California Labor Code alleged to have been violated, including, and not limited
22 to, the facts and theories to support the alleged violations, in conformity with California Labor Code §
23 2699.3(a).

24 4. The Court also finds that the Settlement Agreement has been submitted to the LWDA in
25 conformity with California Labor Code § 2699(l)(2) and that the LWDA has not sought to intervene or
26 appear in the above-captioned action (“Action”).

27 5. The Aggrieved Employees who are covered under the Settlement consist of the following
28 individuals:

1 All current and former non-exempt employees of Defendant in California at any time during the
2 period from July 13, 2020 to the date on which the Court approves the Settlement (“Aggrieved
Employees” or “PAGA Settlement Group Members”).

3 6. The Court finds that the Parties reached the Settlement as a result of arm’s-length
4 negotiations.

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

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

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

21 10. The Court approves the payment of \$14,058.30 to Lawyers *for* Justice, PC for reimbursement
22 of litigation costs and expenses incurred in the Action. This amount shall be paid from the Total Settlement
23 Amount and shall be disbursed in accordance with this Order and Judgment and the Settlement Agreement.

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

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

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

14. The Court further finds that notice of the Settlement need not be provided to the PAGA Settlement Members; however, the Court approves the Cover Letter, attached hereto as “**EXHIBIT 1**,” and the PAGA Settlement Administrator shall distribute the Cover Letter to the PAGA Settlement Members at the same time that it distributes their share of the twenty-five percent (25%) of the PAGA Settlement Fund to be distributed to the Aggrieved Employees (“Employee’s Portion”).

15. Within fifteen (15) calendar days of the Effective Date (as defined in Section I(I) of the Settlement Agreement), Defendant Therapeutic Pathways, LLC will transmit the Total Settlement Amount to a qualified settlement account established by the PAGA Settlement Administrator for administration of the Settlement.

16. No later than fifteen (15) calendar days after the Effective Date, Defendant will provide the PAGA Settlement Administrator with a list of all Aggrieved Employees (“Aggrieved Employees Data”), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known mailing address; (iii) social security number; and (iv) number of PAGA Pay Periods, in accordance with this Order and Judgment and the Settlement Agreement.

17. No later than fifteen (15) calendar days after the PAGA Settlement Administrator has received the Aggrieved Employees Data and Total Settlement Amount, the PAGA Settlement Administrator shall mail the agreed-upon Cover Letter and Individual Settlement Share checks (the “PAGA Settlement Package”) to all Aggrieved Employees, transmit the LWDA Payment to the LWDA, transmit the General Release Fee to the Plaintiff, and transmit the Attorneys’ Fees and Costs to Plaintiff’s Counsel as provided for by this Order and Judgment and the Settlement Agreement.

18. The Individual Settlement Share checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be cancelled. Funds associated with such cancelled checks shall be transmitted by the Settlement Administrator to the California State Controller’s

Office Unclaimed Property Fund, in the name of the Aggrieved Employees(s) at issue and in the amount of his or her respective Individual Settlement Share(s).

19. Aggrieved Employees shall not have the right to opt out of or object to the Settlement. Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and the State of California with respect to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever discharged the Released Parties from the Released Claims.

20. “Released Parties” means Defendant, its affiliates, present and former parents, subsidiaries and their respective officers, directors, employees, partners, shareholders and agents, and any other successors, assigns and legal representatives and its related persons and entities.

21. “Released Claims” any and all claims of the State of California pertaining to Plaintiff and PAGA Settlement Members, 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 and LWDA Notice, including but not limited to claims under California Labor Code sections 201, 202, 203, 226, 226.7, 227.3, 510, 512, 1174, 1194, 1197, 2802, 2698, 2699.3, and 2699.5, the Industrial Welfare Commission Wage Orders, and any resulting claim for attorneys' fees and costs.

22. “PAGA Period” means the period from July 13, 2020 to the date on which the Court approves the Settlement.

23. No individualized notice of this Order and Judgment is required to be provided to the Aggrieved Employees. This Order and Judgment shall be submitted to the LWDA through the online system established for the filing of notices and documents, in conformity with California Labor Code § 2699(1)(3).

Date: _____

Honorable Laurie A. Damrell
Judge of the Sacramento Superior Court

EXHIBIT 1

Exhibit 1

<<Mailing Date>>

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

Re: Settlement Payment from *Maria Martinez v. Therapeutic Pathways, Inc.*, Sacramento Superior Court Case No. 34-2021-00308190

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 *Maria Martinez v. Therapeutic Pathways, Inc.*, Sacramento Superior Court Case No. 34-2021-00308190 (“Action”).

The lawsuit was filed on September 17, 2021 by Maria Martinez (“Plaintiff”) against her former employer Therapeutic Pathways, Inc. Plaintiff brings this action, 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”). Plaintiff alleges 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 pay associated premiums, failure to pay wages during employment and upon termination of employment, failure to properly calculate the regular rate of pay 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 13, 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, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order 4-2001, thereby initiating LWDA Case Number LWDA-CM-837833-21 (the “PAGA Notice”).

Therapeutic Pathways, LLC as the successor in interest to Therapeutic Pathways, Inc. (“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. The settlement is not an admission of wrongdoing by Defendant for any of the claims alleged by Plaintiff.

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 non-exempt employees of Defendant in California who performed any non-exempt work for Defendant during the period from July 13, 2020 to the date that the Court approves the settlement. The period from July 13, 2020 to the date that the Court approves the settlement is the “PAGA Period.”

You are receiving a portion of the settlement (the enclosed Individual Settlement Share) because you have been identified as one of the employees who performed non-exempt work during this period. 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.

The enclosed check is valid for 180 days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-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 Fund 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 to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [Third party administrator] at [toll-free phone number].