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10 Attorneys for Plaintiffs
MELODIE BANUELOS and MARGARITA TORRES

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 FOR THE COUNTY OF LOS ANGELES - CENTRAL DISTRICT
13

14 MELODIE BANUELOS, an individual;
15 MARGARITA TORRES, an individual,

16 Plaintiffs,

17 v.

18 QUALITY BEHAVIOR SOLUTIONS, a
19 California corporation; ROSA
HERNANDEZ, an individual; and DOES
20 1 through 20, inclusive,

21 Defendants.
22
23

CASE NO.: 22STCV05014
[Unlimited Jurisdiction]

Assigned for all purposes to the
Honorable Anne Richardson, Dept. 40

**STIPULATION AND AGREEMENT FOR
PAGA REPRESENTATIVE ACTION
SETTLEMENT**

Complaint Filed: February 9, 2022
Trial Date: [Date]

24
25 Plaintiffs MELODIE BANUELOS and MARGARITA TORRES (“Plaintiffs”) and
26 QUALITY BEHAVIOR SOLUTIONS and ROSA HERNANDEZ (“Defendants”)
27 (collectively, “the Parties”), by and through their respective counsel of record, hereby stipulate
28 and agree as follows:

1 **WHEREAS**, on or about August 5, 2021, Plaintiffs submitted electronic notice to the
2 LWDA alleging violations of wage and hour laws including failure to pay all wages due, failure
3 to pay minimum wages, failure to pay reporting time pay, failure to pay all overtime wages,
4 failure to provide meal breaks, failure to provide rest breaks, failure to provide accurate wage
5 statements, failure to reimburse reasonable and necessary business expenses, and failure to
6 timely pay final wages;

7 **WHEREAS**, On February 9, 2022, Plaintiffs filed the Action including various class
8 wage and hour claims for Plaintiff's first through eighth and tenth causes of action, and a ninth
9 cause of action alleging violation of California's Private Attorneys General Act ("PAGA") ("the
10 Action"). The operative complaint includes a cause of action for penalties pursuant to Labor
11 Code § 2699(f) for alleged violations and penalties under Labor Code §§2699(f), 201, 202, 203,
12 210, 221, 225.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, and 1197 as
13 well as the IWC Wage Order. More specifically, Plaintiffs allege that Defendants failed to
14 provide meal breaks and failed to authorize and permit legally compliant rest breaks and failed
15 to provide premium pay for the alleged meal and rest break violations. Plaintiffs further allege
16 that minimum, overtime and double time wages were not properly paid. Moreover, Plaintiffs
17 allege that the employees received inaccurate wage statements and were not paid all wages
18 owed upon termination and/or resignation or during employment;

19 **WHEREAS**, on May 25, 2022, Plaintiff's first through eighth and tenth causes of action
20 were compelled to individual arbitration pursuant to court order, class action claims struck, with
21 Plaintiffs' PAGA claim severed and stayed pending completion of arbitration. Thereafter, the
22 Parties submitted Plaintiffs' first through eighth and tenth causes of action to arbitration with
23 JAMS, Case No. 5220001251 (the "Arbitration Action.");

24 **WHEREAS**, following the U.S. Supreme Court's June 15, 2022 decision in *Viking River*
25 *v. Moriana*, Defendants filed a Motion to Compel Plaintiffs' individual PAGA claims to
26 arbitration and dismiss Plaintiffs' non-individual PAGA claims and on December 5, 2022,
27 Plaintiffs' individual PAGA claims were compelled to arbitration, and Plaintiffs' non-individual
28 PAGA claims were stayed pending completion of arbitration;

1 **WHEREAS**, counsel for the Parties met and conferred with respect to the potential
2 settlement of the action. Pursuant to these discussions, the Parties agreed to exchange informal
3 PAGA data and engage in private mediation. The Parties subsequently exchanged informal
4 PAGA class information;

5 **WHEREAS**, on March 3, 2023, the Parties participated in a mediation before mediator
6 Henry Bongiovi. A mediator's proposal was issued by Mr. Bongiovi, and the parties reached a
7 resolution of this matter after a mediator's proposal, subject to the Approval of the Court, and
8 finalization of a formal Joint Stipulation of Settlement of PAGA Action. The Parties have now
9 entered into a more detailed, formalized Settlement Agreement for submission to the Court for
10 Approval;

11 **WHEREAS**, in advance of the mediation, the Parties exchanged various documents
12 and information that allowed both sides to evaluate the potential exposure and potential risk,
13 including a review of Defendants' employee handbooks during the relevant time period,
14 policies and procedures related to the claims alleged in Plaintiffs' Action, and time and pay
15 records; during this process, Plaintiff's counsel analyzed, researched, and investigated the
16 potential issues, including matters related to the calculation of PAGA damages, interviews of
17 Plaintiffs, trial management, and appellate issues and risks;

18 **WHEREAS**, the Parties concluded that there were benefits associated with settling the
19 matters, and concluded, after taking into account the sharply disputed factual and legal issues
20 involved in this litigation, the risks associated with further prosecution, the substantial benefits
21 to be received pursuant to the compromise and settlement of the PAGA representative penalty
22 claims as set forth in the Settlement Agreement, and that settlement on the terms set forth therein
23 is in the best interest of the Plaintiffs, the LWDA, the Aggrieved Employees covered by PAGA,
24 and Defendants, and is fair and reasonable;

25 **WHEREAS**, Defendants deny any liability or wrongdoing of any kind associated with
26 the claims alleged in the Action; Defendants further deny that this Action is appropriate for
27 PAGA representative treatment for any purpose other than settling this case; Defendants
28 contend, that it has complied at all times with the California Labor Code, the related California

1 Wage Orders, and the California Business & Professions Code, all other state wage laws, and
2 further contends that this case is without merit; Defendants have denied and continues to deny
3 each and every material factual allegation and alleged claim asserted against it in this case and
4 denies that Plaintiffs or any other alleged aggrieved employee has been harmed based on the
5 allegations raised by Plaintiff;

6 **WHEREAS**, the Parties have reached a settlement of the claims of the Aggrieved
7 Employees who are defined as: All persons within the State of California who are or were
8 employed by Defendants as hourly or non-exempt employees in the State of California at any
9 time within the PAGA Period, which is defined as December 6, 2020 through the date approval
10 of the Settlement is granted;

11 **WHEREAS**, Parties negotiated and finalized the terms of a settlement memorialized in
12 a long-form Private Attorney General Act (Labor Code § 2698, *et seq.*) Settlement Agreement
13 (the “Settlement Agreement”); a true and correct copy of the fully executed Settlement
14 Agreement is attached as **Exhibit 1**;

15 **WHEREAS**, any settlement of a PAGA action brought by an aggrieved employee must
16 be approved by the court. Lab. Code § 2699(1)(2); in 2009, the California Supreme Court held
17 that an aggrieved employee's representative action brought on behalf of the state and other
18 aggrieved employees against an employer for PAGA violations *does not* need to meet the
19 requirements for class certification nor does there need to be notice to the other employees.
20 *Arias v. Superior Court*, 46 Cal.4th 969, 975;

21 **WHEREAS**, the Parties seek to obtain the Court’s approval of the settlement terms and
22 resolve this matter in the most efficient manner possible; and

23 **WHEREAS**, for the reasons set forth herein, the PAGA settlement obtained here,
24 including a gross PAGA settlement amount of \$15,000, is fair and reasonable.

25 **THEREFORE, IT IS HEREBY STIPULATED AND PROPOSED BY THE**
26 **PARTIES HERETO AS FOLLOWS:**

27 The Parties stipulate and jointly request that the Court approve the following terms of
28 the fully-executed Settlement Agreement which includes the following key terms:

1. “Aggrieved Employees” is defined as all persons within the State of California who are or were employed by Defendants as hourly or non-exempt employees in the State of California at any time within the PAGA Period;
2. “PAGA Period” means December 6, 2020 through the date approval of the Settlement is granted by the Superior Court of California for the County of Los Angeles;
3. “Gross Settlement Amount” refers to the Fifteen Thousand Dollars and Zero Cents (\$15,000.00), which shall be paid by Defendants to fund the Settlement, and from which all settlement payments for the Net Settlement Amount and Settlement Administration Costs shall be paid in the following amounts:
 - a. Plaintiffs’ Counsel will take **no costs and fees** from the Gross Settlement Amount;
 - b. Plaintiff will receive **no enhancement or individual PAGA settlement** from the Gross Settlement Amount;
 - c. Plaintiffs’ counsel may request up to Five Thousand Dollars and Zero Cents (\$5,000) of the Gross Settlement Amount as payment to the Settlement Administrator for costs incurred by the Settlement Administrator in connection with the Settlement, including mailing of the Notice of PAGA Settlement described herein (“Settlement Administration Costs”), which is attached hereto as **Exhibit 2**;
4. “Effective Date” means a date no later than 60 days after approval, and is further defined as the date upon which both of the following have occurred: (i) approval of the Settlement is granted by the Superior Court of California for the County of Los Angeles, or other court assuming jurisdiction of this matter, and (ii) the Court’s Judgment approving the Settlement becomes “Final”¹;

¹ Final shall mean the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the California Supreme Court, or, (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the

- 1 5. No Ability to Object or Opt-Out. The Alleged Aggrieved Employees are not
2 permitted to opt-out or object to the Settlement Agreement. *See Robinson v.*
3 *Southern Counties Oil Co.* (August 13, 2020), First Appellate Dist. A158791;
- 4 6. The Net Settlement Amount shall be characterized as 100% civil penalties. The
5 Settlement Administrator shall pay seventy-five percent (75%) of the Net
6 Settlement Amount to the LWDA;
- 7 7. PAGA Notice and Payment Procedure:
- 8 a. No later than fifteen (15) calendar days after the Effective Date,
9 Defendant shall provide the Settlement Administrator with a list of all
10 Aggrieved Employees (“Aggrieved Employees List”). The Aggrieved
11 Employees List shall state the first name and last name in separate
12 columns for each Aggrieved Employee; the last known home address for
13 each Aggrieved Employee; each Aggrieved Employee’s social security
14 number, and each Aggrieved Employee’s respective number of pay
15 periods worked for Defendants during the Release Period based on
16 Defendants’ records;
- 17 b. No later than twenty-one (21) calendar days after the Effective Date, the
18 Settlement Administrator shall mail the Notice of PAGA Settlement
19 (attached to the Settlement Agreement as **Exhibit “A”**) together with a
20 settlement payment to all Aggrieved Employees by first-class United
21 States mail, postage prepaid, with directions to the Postmaster to forward
22 the Notice of PAGA Settlement and return all undeliverable Notices to
23 the Settlement Administrator. For each Notice of PAGA Settlement that
24 is returned as undeliverable, the Settlement Administrator shall promptly
25 attempt to locate the Aggrieved Employee by performing an additional
26

27 _____
28 expiration date of the time for filing or noticing any appeal of the final judgment;

skip trace and shall re-mail the Notice and settlement check no later than ten (10) days following receipt of the undeliverable Notice:

c. No later than twenty (20) calendar days after the Effective Date, Defendants shall deposit fifteen Thousand Dollars and Zero Cents (\$15,000.00) of the Gross Settlement Amount with the Settlement Administrator;

d. The total sum available for payment of PAGA penalties (the “Net Settlement Amount”) shall be calculated by deducting Settlement Administration Costs, as described above.

The Net Settlement Amount will be subdivided as follows: 75% of the payment will be paid to the Labor and Workforce Development Agency (the “LWDA Settlement Share”) and 25% will be paid to Aggrieved Employees (“Aggrieved Employee Settlement Share”). The 25% of the Net Settlement Amount payable to the Aggrieved Employees (the Aggrieved Employee Settlement Share) will be divided among the Aggrieved Employees based on the following formula: Twenty-Five Percent of the Net Settlement Amount shall be divided by the total pay periods worked for Defendants by all Aggrieved Employees during the Release Period to yield the “Employee Settlement Share Value.” Each Aggrieved Employee shall be paid their individual total pay periods worked for Defendants during the Release Period multiplied by the Employee Settlement Share Value;

e. The settlement checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) days. Any settlement checks remaining uncashed after one hundred eighty (180) days shall cause that Aggrieved Employee’s payment to be remitted to the LWDA in the name of the PAGA Group member to whom the uncashed Net Settlement Payment was drafted; and

1 DATE: July 7, 2023

NEPHTALAW/ GUERRA & CASILLAS LLP

2
3
4 By: /s/ Tizoc Perez-Casillas

Nephtali Gonzales

Ruben Guerra

Tizoc Perez-Casillas

Attorneys for Plaintiffs

MELODIE BANUELOS and MARGARITA
TORRES

5
6
7
8
9 DATE: July 7, 2023

FISHER & PHILLIPS LLP

10
11
12 By:


Tyler T. Rasmussen

Attorney for Defendants

QUALITY BEHAVIOR SOLUTIONS and
ROSA HERNANDEZ

EXHIBIT 1

Tyler T. Rasmussen (SBN 271987)
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FISHER & PHILLIPS LLP
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Attorney for Defendants
QUALITY BEHAVIOR SOLUTIONS and
ROSA HERNANDEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES - CENTRAL DISTRICT

MELODIE BANUELOS, an individual;
MARGARITA TORRES, an individual,

Plaintiffs,

v.

QUALITY BEHAVIOR SOLUTIONS, a
California corporation; ROSA
HERNANDEZ, an individual; and DOES
1 through 20, inclusive,

Defendants.

CASE NO.: 22STCV05014
[Unlimited Jurisdiction]

*Assigned for all purposes to the
Honorable Anne Richardson, Dept. 40*

**STIPULATION AND AGREEMENT FOR
PAGA REPRESENTATIVE ACTION
SETTLEMENT**

Complaint Filed: February 9, 2022
Trial Date: None set

1 This Joint Stipulation of Settlement of PAGA Action is made by and between the
2 Plaintiffs, MELODIE BANUELOS and MARGARITA TORRES (“Plaintiffs”), on their own
3 behalf and on behalf of all members of the PAGA Group, as defined below, on the one hand,
4 and QUALITY BEHAVIOR SOLUTIONS and ROSA HERNANDEZ (“Defendants”) on the
5 other hand (collectively the “Parties”), in the lawsuit entitled *Melodie Banuelos, et al v. Quality*
6 *Behavior Solutions, et al* filed in the Superior Court of the State of California, County of Los
7 Angeles, Case No. 22STCV05014. This Joint Stipulation of Settlement of PAGA Action
8 resolves all claims that were asserted or could have been asserted against Defendants arising out
9 of the facts alleged in the Action (as defined below).

10 **I. DEFINITIONS**

11 **A. Action.** The term “Action” as used herein means the action entitled *Melodie*
12 *Banuelos, et al v. Quality Behavior Solutions, et al.*, filed in the Superior Court of the State of
13 California, County of Los Angeles, Case No. 22STCV05014.

14 **B. Administrative Costs.** All administrative costs of settlement, including cost of
15 notice to the PAGA Group, administration, and any fees and costs incurred or charged by the
16 Settlement Administrator in connection with the execution of its duties under this Joint
17 Stipulation of Settlement of PAGA Action.

18 **C. Agreement.** The terms “Agreement” or “Settlement Agreement” are used
19 synonymously herein to mean this Joint Stipulation of Settlement of PAGA Action for purposes
20 of resolution.

21 **D. Court.** The term “Court” as used herein means the Superior Court of the State
22 of California for the County of Los Angeles.

23 **E. Date of Approval.** The terms “Date of Approval” or “Approval” as used herein
24 mean the date of the PAGA Settlement Approval Hearing or the date the Court enters an order
25 granting approval of this Settlement, whichever is later.

26 **F. Defendants.** The term “Defendants” as used herein means: Quality Behavioral
27 Solutions, Inc. and Rosa Hernandez

28 **G. Defense Counsel.** The term “Defense Counsel” as used herein means: Fisher &

Phillips LLP who are counsel for and acting on behalf of Defendants.

H. Effective Date. The term “Effective Date” means the date this Agreement shall be effective, upon the later of the following dates: (i) if an appeal of the Approval is filed, the date the Court of Appeal or the California Supreme Court has rendered a final ruling affirming the Approval without material modification; or (ii) the date that the deadline for seeking appellate review of the Approval has passed without the filing of a timely appeal or timely request for review. The Effective Date shall only apply if the Court has approved the Agreement.

I. LWDA. The term “LWDA” means the Labor Workforce Development Agency.

J. LWDA Payment. The term “LWDA Payment” as used herein means seventy-five percent (75%) of the Net Settlement Amount which will be distributed to the LWDA in accordance with California Labor Code section 2699(i).

K. Net Settlement Amount. The term “Net Settlement Amount” as used herein means the Settlement Amount minus any award of Administrative Costs.

L. Net Settlement Payments. The term “Net Settlement Payment(s)” shall include payments made to the PAGA Group.

M. Notice of Resolution. The Notice of PAGA Resolution is the document attached hereto as Exhibit “A.”

N. PAGA Group or Aggrieved Employee(s). The PAGA Group is defined as: All persons within the State of California who are or were employed by Defendants as hourly or non-exempt employees in the State of California at any time within the PAGA Period.

O. PAGA Group Portion. The PAGA Group Portion shall mean the remaining twenty-five percent (25%) of the Net Settlement Amount designated to the PAGA Group. The PAGA Group Portion will be distributed to the PAGA Group on a *pro rata* basis based on his or her number of pay periods during the PAGA Period.

P. PAGA List. A list of the Aggrieved Employees including: (1) name; (2) last known home address; (3) number of pay periods as a PAGA Group member during the PAGA period (and any other employment information that may be necessary to calculate each PAGA Group Members’ Net Settlement Payment); and (4) social security number.

1 **Q. PAGA Period.** The term “PAGA Period” or “Settlement Period” shall refer to the
2 time period from December 6, 2020 to Approval.

3 **R. Plaintiffs.** The term “Plaintiffs” as used herein means Melodie Banuelos and
4 Margarita Torres. The term Plaintiffs shall be used synonymously with the term “PAGA
5 Representatives”.

6 **S. Plaintiffs’ Counsel.** The term “Plaintiffs’ Counsel” as used herein means:
7 NEPHTALAW and GUERRA & CASILLAS LLP, who are counsel for and acting on behalf of
8 Plaintiffs.

9 **T. Settlement Administrator.** The term “Settlement Administrator” as used herein
10 means CPT Group, Inc., which will be responsible for the administration of the Settlement
11 Payment, as defined below, and all related matters.

12 **U. Settlement Agreement.** The terms “Settlement Agreement” or “Agreement” are
13 used synonymously herein to means this Joint Stipulation of Settlement of PAGA Action.

14 **V. Settlement Amount.** The terms “Settlement Amount” and “Gross Settlement
15 Fund” as used herein mean a fund in the sum of Fifteen Thousand Dollars (\$15,000.00) which
16 shall be paid by Defendants, and from which all Net Settlement Payments, Court approved
17 Administrative Costs pursuant to Section VI and distribution to the LWDA pursuant to Section
18 VIII(C) shall be paid, except as provided herein. Of note, Plaintiffs’ counsel has opted not to
19 take any attorneys’ fees or litigation costs from this settlement.

20 **II. BACKGROUND**

21 **A.** On August 5, 2021, Plaintiffs submitted electronic notice to the LWDA alleging
22 violations of wage and hour laws including failure to pay all wages due, failure to pay minimum
23 wages, failure to pay reporting time pay, failure to pay all overtime wages, failure to provide
24 meal breaks, failure to provide rest breaks, failure to provide accurate wage statements, failure
25 to reimburse reasonable and necessary business expenses, and failure to timely pay final wages.

26 **B.** On February 9, 2022, Plaintiffs filed the Action including various class wage and
27 hour claims for Plaintiff’s first through eighth and tenth causes of action, and a ninth cause of
28 action alleging violation of California’s Private Attorneys General Act (“PAGA”). The

operative complaint includes a cause of action for penalties pursuant to Labor Code § 2699(f) for alleged violations and penalties under Labor Code §§2699(f), 201, 202, 203, 210, 221, 225.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, and 1197 as well as the IWC Wage Order. More specifically, Plaintiffs allege that Defendants failed to provide meal breaks and failed to authorize and permit legally compliant rest breaks and failed to provide premium pay for the alleged meal and rest break violations. Plaintiffs further allege that minimum, overtime and double time wages were not properly paid. Moreover, Plaintiffs allege that the employees received inaccurate wage statements and were not paid all wages owed upon termination and/or resignation or during employment.

C. On May 25, 2022, Plaintiff's first through eighth and tenth causes of action were compelled to individual arbitration pursuant to court order, class action claims struck, with Plaintiffs' PAGA claim severed and stayed pending completion of arbitration. Thereafter, the Parties submitted Plaintiffs' first through eighth and tenth causes of action to arbitration with JAMS, Case No. 5220001251 (the "Arbitration Action.")

D. Following the U.S. Supreme Court's June 15, 2022 decision in *Viking River v. Moriana*, Defendants filed a Motion to Compel Plaintiffs' individual PAGA claims to arbitration and dismiss Plaintiffs' non-individual PAGA claims.

E. On December 5, 2022, Plaintiffs' individual PAGA claims were compelled to arbitration, and Plaintiffs' non-individual PAGA claims were stayed pending completion of arbitration.

F. Following the filing of the actions, counsel for the Parties met and conferred with respect to the potential settlement of the action. Pursuant to these discussions, the Parties agreed to exchange informal PAGA data and engage in private mediation. The Parties subsequently exchanged informal PAGA class information.

G. Plaintiffs and Plaintiffs' Counsel have engaged in good faith, arms-length negotiations. On March 3, 2023, the Parties participated in a mediation before mediator Henry Bongiovi. A mediator's proposal was issued by Mr. Bongiovi, and the parties reached a resolution of this matter after a mediator's proposal, subject to the Approval of the Court, and

1 finalization of a formal Joint Stipulation of Settlement of PAGA Action. The Parties have now
2 entered into a more detailed, formalized Settlement Agreement for submission to the Court for
3 Approval.

4 **H.** Plaintiffs' Counsel has conducted an investigation of the law and facts relating
5 to the claims asserted in the Action and has concluded, taking into account the sharply contested
6 issues involved, the expense and time necessary to pursue the Action through trial and any
7 appeals, the risks and costs of further prosecution of the Action, the risk of an adverse outcome,
8 the uncertainties of complex litigation, and the substantial benefits to be received by the Named
9 Plaintiffs and the members of the PAGA Group pursuant to this Agreement, that a settlement
10 with Defendants on the terms and conditions set forth herein is fair, reasonable, adequate, and
11 in the best interests of the PAGA Group. Plaintiffs, on their own behalf and as representatives
12 pursuant to PAGA, has agreed to settle the Action with Defendants on the terms set forth herein.

13 **I.** Defendants have concluded that, because of the substantial expense of defending
14 against the Action, the length of time necessary to resolve the issues presented herein, the
15 inconvenience involved, and the concomitant disruption to their business operations, it is in its
16 best interests to accept the terms of this Agreement. Defendants deny each of the allegations and
17 claims asserted against it in the Action. However, Defendants nevertheless desires to settle the
18 Action for the purpose of avoiding the burden, expense and uncertainty of continuing litigation
19 and for the purpose of putting to rest the controversies engendered by the Action.

20 **J.** This Agreement is intended to and does effectuate the full, final and complete
21 resolution of all allegations and claims that were asserted, or could have been asserted, in the
22 Action by Plaintiffs. This Agreement does not cover the Arbitration Action.

23 **III. JURISDICTION**

24 The Court has jurisdiction over the Parties and the subject matter of this Action. The
25 Action includes claims that, while Defendants deny them in their entirety, would, if proven,
26 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
27 Approval of the resolution, pursuant to *Code of Civil Procedure* §664.6, the Court shall retain
28 jurisdiction of this action solely for the purpose of interpreting, implementing, and enforcing

1 this Agreement consistent with the terms set forth herein, and the Parties and their counsel
2 submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing
3 this Agreement and all orders and judgments entered in connection therewith.

4 **IV. STATEMENT OF NO ADMISSION**

5 **A.** Defendants deny liability to Plaintiffs and to the PAGA Group upon any claim
6 or cause of action. This Agreement does not constitute, and is not intended to constitute, an
7 admission by Defendants as to the merits, validity, or accuracy of any of the allegations or claims
8 made against it in the Action.

9 **B.** Nothing in this Agreement, nor any action taken in implementation thereof, nor
10 any statements, discussions or communications, nor any materials prepared, exchanged, issued
11 or used during the course of the negotiations leading to this Agreement, is intended by the Parties
12 to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible
13 in any way in this case or any other judicial, arbitral, administrative, investigative or other forum
14 or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance,
15 regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties
16 themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this
17 case or any other judicial, arbitral, administrative, investigative or other forum or proceeding,
18 as purported evidence of any violation of any federal, state, or local law, statute, ordinance,
19 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
20 purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before
21 the Court that has as its purpose the interpretation, implementation, or enforcement of this
22 Agreement or any orders or judgments of the Court entered in connection with the resolution.

23 **C.** None of the documents produced or created by Plaintiffs or the PAGA Group in
24 connection with the claims procedures or claims resolution procedures constitute, and they are
25 not intended to constitute, an admission by Defendants of any violation of any federal, state, or
26 local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law
27 or in equity.

28 **D.** Nothing in this Agreement will be construed as an admission or

acknowledgement of any kind that any group should or would be given collective treatment in the Action or in any other action or proceeding. Further, neither this Agreement nor the Court's actions with regard to this Agreement will be admissible in any court or other tribunal regarding the propriety of collective treatment. In the event that this Agreement is not approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiffs will not be deemed to have waived, limited or affected in any way any claims, rights or remedies in the Action, and Defendants will not be deemed to have waived, limited, or affected in any way any of their objections or defenses in the Action.

V. RELEASE AND DISMISSAL

A. Release as to PAGA Claims.

Upon Approval by the Court of this Settlement and Defendants' full funding of the Settlement Amount, Plaintiffs, as a representative of the State of California, the PAGA Group, and the State of California will release any and all claims and causes of action, known or unknown, contingent or accrued, against Defendants, Defendants' parents, subsidiaries, officers, directors, affiliates, their insurers, attorneys, shareholders, executives, managers, and all agents thereof (collectively "Released Parties"), arising out of the facts and claims asserted in the Action for civil penalties under the Private Attorney General Act of 2004 Cal. Lab. Code § 2698 based upon the facts alleged, for violations of the California Labor Code governing: meal and rest breaks; unpaid wages, including minimum wages, regular wages, overtime, and double time wages, and all theories for or related to nonpayment of such wages and/or payment of such wages at the incorrect rate(s) of pay; wage statement violations and/or failure to maintain accurate records; failure to timely pay wages during employment; separation pay violations; and any other penalties which could be asserted based on the allegations alleged against Defendants in Plaintiffs' LWDA letter and the Action, including but not limited to Labor Code §§ 201, 202, 203, 204, 210, 221, 225.6, 226, 226.3, 226.7, 510, 512, 1182.12, 1194, 1197, 1197.1, 1198, and the IWC Wage Order.

VI. SETTLEMENT ADMINISTRATOR

Plaintiffs and Defendants have selected CPT Group, Inc. as the Settlement Administrator

1 to administer the Settlement, which includes but is not limited to distributing and responding to
2 inquiries about the Notice of PAGA Resolution and calculating all amounts to be paid from the
3 Net Settlement Fund. Charges and expenses of the Settlement Administrator, estimated to be
4 Five Thousand Dollars (\$5,000.00), will be paid from the Settlement Amount. If the actual
5 Settlement Administrator fees are less than the Parties' estimation, the difference between the
6 actual and estimated Settlement Administrator fees will be included in the Net Settlement
7 Amount. The invoice for the PAGA Settlement Distribution is attached hereto as "**Exhibit B.**"

8 **VII. NOTICE**

9 **A.** Plaintiffs and Defendants, through their respective attorneys, have jointly
10 prepared a Notice of PAGA Resolution, in the form attached hereto as "**Exhibit A**" which in
11 substance will be provided to the members of the PAGA Group as follows:

12 (1) As soon as practicable following Approval of the Settlement, but no later
13 than fifteen (15) calendar days after the Effective Date, Defendants will provide to the Settlement
14 Administrator the PAGA List.

15 (2) The Settlement Administrator shall run all the addresses provided through
16 the United States Postal Service NCOA database (which provides updated addresses for any
17 individual who has moved in the previous four years who has notified the U.S. Postal Service of
18 a forwarding address) to obtain current address information.

19 (3) Within twenty-one (21) calendar days after the Settlement Administrator's
20 receipt of the PAGA List, the Settlement Administrator will mail the Notice of PAGA Resolution
21 together with a settlement payment to all PAGA Group members by first-class United States
22 mail, postage prepaid, with directions to the Postmaster to forward the Notice and return all
23 undeliverable Notices to the Settlement Administrator. For each Notice of PAGA Resolution and
24 settlement payment that is returned as undeliverable, the Settlement Administrator shall promptly
25 attempt to locate the Aggrieved Employee by performing an additional skip trace and shall re-
26 mail the Notice of PAGA Resolution and settlement check no later than ten (10) calendar days
27 following receipt of the undeliverable Notice of PAGA Resolution.

28 (4) The Notice of PAGA Resolution will be provided in English.

1 **VIII. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

2 **A. Distribution Formula.**

3 (1) Members of the PAGA Group will receive a lump sum payment in an
4 amount determined by the Settlement Administrator in accordance with the provisions of this
5 Agreement.

6 (2) The lump sum payment to each member of the PAGA Group will be
7 determined by dividing the Net Settlement Amount by the total number of pay periods worked
8 by all members of the PAGA Group during the Settlement Period (the "Pay Period Amount")
9 and then multiplying the Pay Period Amount by the number of pay periods worked by the
10 individual PAGA member.

11 **B. Funding of Resolution.**

12 (1) The funding of the Settlement Amount will be completed at one time with
13 funds provided to and escrowed by the Settlement Administrator. The funds used for the
14 Settlement Amount shall be paid to the Settlement Administrator by Defendants within twenty
15 (20) calendar days of the Effective Date.

16 (2) If a check is returned to the Settlement Administrator as undeliverable,
17 the Settlement Administrator shall promptly attempt to obtain a valid mailing address by
18 performing a skip trace search and, if another address is identified, shall mail the check to the
19 newly identified address. If the Settlement Administrator is unable to obtain a valid mailing
20 address through this process, the monies represented by the check shall be turned over according
21 to the below procedures.

22 (3) Settlement checks will specifically indicate that they are void if not
23 negotiated within one hundred eighty 180 days of their issuance. Any settlement checks that
24 remain uncashed one hundred eighty (180) or more calendar days after issuance by the
25 Settlement Administrator shall be voided. The Settlement Administrator will remit the entire
26 amount of each PAGA Group member's uncashed Net Settlement Payment to the LWDA in the
27 name of the PAGA Group member to whom the uncashed Net Settlement Payment was drafted.
28

1 **C. Time for Distribution of the Attorneys’ Fees, Costs and LWDA Payment.**

2 The Settlement Administrator shall cause the Court approved LWDA Payment to be
3 paid at the same time and manner as the Settlement Payments to the PAGA Group.

4 **IX. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

5 The amounts paid under this Agreement do not represent a modification of any
6 previously credited hours of service under any employee benefit plan, policy or bonus program
7 sponsored by Defendants. Such amounts will not form the basis for additional contributions to,
8 benefits under, or any other monetary entitlement under, benefit plans (self-insured or not)
9 sponsored by Defendants, policies or bonus programs. Any payments made under the terms of
10 this Settlement shall not be applied retroactively, currently or on a going forward basis as salary,
11 earnings, wages, or any other form of compensation for the purposes of Defendants’ benefit
12 plan, policy or bonus program. Defendants retains the right to modify the language of its benefit
13 plans, policies and bonus programs to effect this intent and to make clear that any amounts paid
14 pursuant to this Settlement are not for “hours worked,” “hours paid,” “hours of service,” or any
15 similar measuring term as defined by applicable plans, policies and bonus programs for purpose
16 of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or
17 benefits are not required by this Settlement.

18 **X. PLAINTIFFS’ COUNSELS’ OPTION NOT TO SEEK ATTORNEYS’ FEES AND**
19 **LITIGATION COSTS**

20 Plaintiffs’ Counsel shall not seek or receive any attorneys’ fees or costs from the
21 Settlement Amount.

22 **XI. TAXATION AND ALLOCATION**

23 **A.** For withholding tax characterization purposes and payment of taxes, the Net
24 Settlement Amount shall be deemed and is allocated by the Parties as follows: 100% as
25 penalties.

26 **B.** All PAGA Group members who cash their settlement check may receive an IRS
27 Form 1099 for their portion of the settlement, if deemed required by the Settlement
28 Administrator (in compliance with IRS guidelines).

1 Nothing in this Settlement is intended to constitute legal advice regarding federal, state,
2 and/or local tax obligations. The Parties, Defense Counsel and Plaintiffs' Counsel make no
3 representations as to the tax treatment or legal effect of the payments called for hereunder, and
4 Aggrieved Employees are not relying on any statement or representation by the Parties,
5 Plaintiffs' Counsel or Defense Counsel in this regard. Aggrieved Employees understand and
6 agree that they will be responsible for the payment of any employee taxes and penalties assessed
7 on the payment described herein and will hold the Parties, Plaintiffs' Counsel and Defense
8 Counsel free and harmless from and against any claims, liabilities, costs and expenses, including
9 attorney's fees, resulting in any way from personal tax treatment of the payments made pursuant
10 to this Agreement. To the extent that this Settlement or any of its attachments is interpreted to
11 contain or constitute advice regarding any state or federal tax issue, such advice is not intended
12 or written to be used, and cannot be used, by any person for the purpose of avoiding penalties
13 under the Internal Revenue Code. Neither the Parties, Plaintiffs' Counsel nor Defense Counsel
14 are responsible for any Aggrieved Employee's tax obligations regarding the allocation of the
15 settlement payments.

16 **XII. COURT APPROVAL**

17 This Agreement and the Resolution is contingent upon Approval by the Court. Plaintiffs
18 and Defendants agree to take all steps as may be reasonably necessary to secure Approval of the
19 Resolution, to the extent not inconsistent with the terms of this Agreement, and will not take
20 any action adverse to each other in obtaining Court Approval of the Resolution in all respects.

21 **XIII. APPRISAL AND CERTIFICATION BY THE SETTLEMENT ADMINISTRATOR**

22 The Settlement Administrator shall keep Plaintiffs' Counsel and Defense Counsel
23 apprised of all distributions from the Settlement Amount. Upon completion of administration of
24 the Settlement, the Settlement Administrator shall provide written certification of such
25 completion to Plaintiffs' Counsel and Defense Counsel. The Settlement Administrator shall also
26 provide Defense Counsel with a final accounting, including the names of payees and Net
27 Settlement Payments.

1 **XIV. MISCELLANEOUS PROVISIONS**

2 **A. Stay of Action.**

3 Named Plaintiffs and Defendants agree to the stay of all discovery in the Action, pending
4 Approval of the Resolution by the Court.

5 **B. Interpretation of This Agreement.**

6 (1) This Agreement constitutes the entire agreement between Plaintiffs and
7 Defendants. Except as expressly provided herein, this Agreement has not been executed in
8 reliance upon any other written or oral representations or terms, and no such extrinsic oral or
9 written representations or terms shall modify, vary or contradict its terms. In entering into this
10 Agreement, the Parties agree that this Agreement is to be construed according to its terms and
11 may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and
12 enforced under the laws of the State of California, both in its procedural and substantive aspects,
13 without regard to its conflict of laws provisions. Any claim arising out of or relating to this
14 Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior
15 Court of the State of California for the County of Los Angeles, and Plaintiffs and Defendants
16 hereby consent to the personal jurisdiction of the Court over them solely in connection
17 therewith. The foregoing is only limited to disputes concerning this Agreement and in no way
18 limits or negates the enforceability and effect of the underlying arbitration agreements signed
19 by employees of Defendants, specifically including but not limited to Plaintiffs, obligating them
20 to arbitrate any and all claims on an individual (and not on a class, collective, or representative)
21 basis.

22 (2) Plaintiffs, on their own behalf and on behalf of the PAGA Group, and
23 Defendants participated in the negotiation and drafting of this Agreement and had available to
24 them the advice and assistance of independent counsel. As such, neither Plaintiffs nor
25 Defendants may claim that any ambiguity in this Agreement should be construed against the
26 other.

27 (3) The terms and conditions of this Agreement constitute the exclusive and
28 final understanding and expression of all agreements between Plaintiffs and Defendants with

1 respect to the settlement of the Action. This Agreement may be modified only by a writing
2 signed by counsel for all Parties or their successors-in-interest.

3 **C. Further Cooperation.**

4 Plaintiffs and Defendants and their respective counsel shall proceed diligently to prepare
5 and execute all documents, to seek Approval from the Court, and to do all things reasonably
6 necessary or convenient to consummate this Agreement as expeditiously as possible.

7 **D. Confidentiality of Documents.**

8 Plaintiffs, and the Settlement Administrator, shall maintain the confidentiality of all
9 documents, deposition transcripts, declarations and other information obtained in the lawsuit,
10 unless necessary for appeal or such documents are ordered to be disclosed by the Judge or by a
11 subpoena.

12 **E. Counterparts.**

13 This Agreement may be executed in one or more actual or non-original counterparts, all
14 of which will be considered one and the same instrument and all of which will be considered
15 duplicate originals. This Agreement may be signed electronically or by facsimile, and an
16 electronic or facsimile signature is deemed valid and binding, and triggers all rights and
17 obligations under this Agreement.

18 **F. Authority.**

19 Each individual signing below warrants that he or she has or they have the authority to
20 execute this Agreement on behalf of the party for whom or which that individual signs.

21 **G. No Third-Party Beneficiaries.**

22 Named Plaintiffs, members of the PAGA Group, Defendants and Released Parties are
23 direct beneficiaries of this Agreement, but there are no third-party beneficiaries.

24 **H. Force Majeure.**

25 The failure of any party to perform any of its obligations hereunder shall not subject such
26 party to any liability or remedy for damages, or otherwise, where such failure is occasioned in
27 whole or in part by acts of God, fires, accidents, earthquakes, other natural disasters, explosions,
28 floods, wars, interruptions or delays in transportation, power outages, labor disputes or

shortages, shortages of material or supplies, governmental laws, restrictions, rules or regulations, sabotage, terrorist acts, acts or failures to act of any third parties, or any other similar or different circumstances or causes beyond the reasonable control of such party.

I. Deadlines Falling on Weekends or Holidays.

To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal/court holiday, that deadline shall be continued until the following business day.

J. Severability.

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Plaintiffs' Counsel, on behalf of the Parties and the PAGA Group, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

K. Defendants' Fees and Costs

All of Defendants' own legal fees, costs and expenses incurred in this Action shall be borne by Defendants.

APPROVED AS TO CONTENT

DATE: 5/22/2023, 2023



ID 2K6ZyM7G5BkKH08uTCxKxM

MELODIE BANUELOS

DATE: 5/17/2023, 2023



ID nGMdsgAqjV4eUAQ6vStryDPu

MARGARITA TORRES

DATE: June 16th, 2023



By: ROSA HERNANDEZ
For: QUALITY BEHAVIOR
SOLUTIONS and ROSA HERNANDEZ

DATE: June 16th, 2023

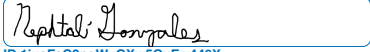


ROSA HERNANDEZ

APPROVED AS TO FORM

DATE: [Date] 2023

NEPHTALAW/ GUERRA & CASILLAS LLP

By: 
ID 11xoFaC2nqWvGXw5GxEw449X

Nephtali Gonzales
Ruben Guerra
Tizoc Perez-Casillas
Attorneys for Plaintiffs
MELODIE BANUELOS and MARGARITA
TORRES

DATE: [Date]

FISHER & PHILLIPS LLP

By:

Tyler T. Rasmussen
Attorney for Defendants
QUALITY BEHAVIOR SOLUTIONS and
ROSA HERNANDEZ

EXHIBIT A

<<FIRST_NAME>> <<LAST_NAME>>
<<ADDRESS 1>>
<<ADDRESS 2>>

Dear Current or Former Employee of Quality Behavior Solutions, Inc.:

You have received this notice because Quality Behavior Solutions, Inc. records indicate that you have worked for Quality Behavior Solutions, Inc. at some time between December 6, 2020 through _____. The parties to the lawsuit titled *Melodie Banuelos, et al v. Quality Behavior Solutions, et al.*, filed in the Superior Court of the State of California for the County of Los Angeles, Case No. 22STCV05014 (the “Action”), have reached a settlement that affects you. Plaintiffs Melanie Banuelos and Margarita Torres (“Plaintiffs”), as proxies of the State of California and on behalf of current and former employees of Defendant Quality Behavior Solutions, Inc. in California during the period from December 6, 2020 through _____ (“PAGA Employees”), filed suit against Defendant Quality Behavior Solutions, Inc. and Rosa Hernandez (“Defendants”) for civil penalties under the California Private Attorneys General Act (“PAGA”) for alleged Labor Code violations. Generally, Plaintiffs claim that Defendant Quality Behavior Solutions, Inc. failed to pay all wages owed and that Defendants failed to provide meal and rest breaks, failed to properly pay overtime, failed to reimburse necessary business expenses, failed to issue accurate itemized wage statements, and failed to pay all wages due at the time of termination.

Defendants Quality Behavior Solutions, Inc. and Rosa Hernandez strongly dispute Plaintiffs’ allegations and maintain that they have fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Action. However, to avoid the time and expense associated with further litigation, Plaintiffs and Defendants agreed to settle the case, which settlement has been approved by the Court

Pursuant to the release approved by the Court, Plaintiffs, as proxies for the State of California and on behalf of all PAGA Employees, released the Released Parties from any and all claims, rights, demands, liabilities, and causes of action for civil penalties under PAGA arising between December 6, 2020 through _____ that were asserted in the Action or that are reasonably related to the facts alleged in the Action, including in the initial and amended complaints in the Action and/or in Plaintiff’s August 5, 2021 notice letter to the Labor and Workforce Development Agency, including but not limited to alleged violations of California Labor Code sections 98.6, 201-204, 210, 221, 223, 225.5, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1182.12, 1194, 1194.2, 2699, 2802, 2804, and the applicable IWC Wage Order. This release only applies to claims for civil penalties under PAGA, and not any other claim or right that you may have. Under the PAGA statutes, penalties are divided between the State of California and aggrieved employees, with the State receiving 75 percent of the penalties.

The Released Parties are Defendants and their respective past and present parents, subsidiaries, affiliates, associates, owners, divisions, related companies, business concerns, agents, and attorneys, and each of them, and their respective past and present successors and predecessors in interest, and all of their respective past and present and future officers, directors, employees, shareholders, administrators, fiduciaries, trustees, beneficiaries, agents, attorneys, principals, heirs, assigns, representatives, accountants, auditors, consultants, insurers, and reinsurers.

According to Quality Behavior Solutions, Inc.'s records, you are a PAGA Employee and are therefore entitled to a share of the settlement. Enclosed is a check representing your share of the settlement. The check shall remain valid for one hundred and eighty (180) days. Checks that are not cashed within 180 calendar days of issuance will be voided and the funds will be distributed to the California State Controller's Unclaimed Property Fund in the name of the employee who did not cash the check. You will not be retaliated against for cashing your check. One hundred percent (100%) of your share of the settlement shall be deemed penalties and reported as miscellaneous income for which an IRS Form 1099 will be issued, if required by law. You shall be solely and legally responsible for paying any and all applicable taxes on your share of the settlement.

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuit.

If you have any questions, please contact:

Settlement Administrator

Name

Address

Telephone

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUIT. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASE.

**PROOF OF SERVICE
(CCP §§1013(a) and 2015.5)**

I, the undersigned, am at least 18 years old and not a party to this action. I am employed in the County of Orange with the law offices of Fisher & Phillips LLP and its business address is 2050 Main Street, Suite 1000, Irvine, California 92614.

On the below date, I served the following document(s) *** on the person(s) listed below by placing ☐ *the original* ☒ *a true copy* thereof enclosed in sealed envelope(s) addressed as follows:

Nephtali Gonzales
NEPHTALAW
125 12th Street, Suite 100 BALI
Oakland, CA 94607

Attorneys for Plaintiffs
MELODIE BANUELOS and
MARGARITA TORRES

T: (415) 756-4939
E: nephtaligonzales@nephtalaw.com

Ruben Guerra
Tizoc Perez-Casillas
GUERRA & CASILLAS LLP
617 South Olive Street, Suite 422
Los Angeles, CA 90014

T: (213) 437-9495
F: (213) 342-5503
E: ruben@guerracasillas.com
E: tizoc@guerracasillas.com
Cc: guile@guerracasillas.com

- ☐ **[by MAIL]** - I enclosed the document(s) in a sealed envelope or package addressed to the person(s) whose address(es) are listed above and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in Irvine California, in a sealed envelope with postage fully prepaid.
- ☐ **[by FAX]** - Based on an agreement of the parties to accept service by fax transmission, I faxed the document(s) to the person(s) at fax number(s) listed above from fax number (949) 851-0152. The fax reported no errors. A copy of the transmission report is attached.
- ☐ **[by OVERNIGHT DELIVERY]** - I enclosed the document(s) in an envelope or package provided by an overnight delivery carrier and addressed to the person(s) at the address(es) listed above. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight carrier.
- ☐ **[by ELECTRONIC SERVICE]** - Based on a court order or an agreement of the parties to accept service by electronic transmission, I electronically served the document(s) to the person(s) at the electronic service address(es) listed above.

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

Executed [Date] , at Irvine, California.

Print Name

By: _____
Signature

EXHIBIT 2

CASE NAME: BANUELOS v QBS

Date: April 11, 2023
Requesting Attorney: Tizoc Perez-Casillas
Plaintiff or Defense: Plaintiff
Firm Name: Guerra & Casillas LLP
Telephone: (213) 437-9495
Email: tizoc@guerracasillas.com

PAGA Disbursement Only
Aggrieved Employees: 165
Postage Total: \$108.00
Grand Total: \$6,492.00
DISCOUNTED FLAT FEE: \$5,000.00

The services and numbers reflected herein are an estimate provided by counsel. If the actual services and number are different, our cost estimate will change accordingly.

The attached Terms and Conditions are included as part of our cost proposal. By accepting our costs proposal for this matter, you are thereby agreeing to the Terms and Conditions.

CASE SETUP

Upon Intake of the Data, CPT will Scrub all Records to a Useable Format to Reduce Duplicates, Anomalies and Increase the Success Rate of Deliverability of the Class Notice. Aggrieved Employees will be Assigned a Unique Mailing ID which will be Used Throughout Administration. CPT will Maintain a Toll-Free Phone Number with IVR Capabilities and Live Call Center Support Representatives During Normal Business Hours (Monday-Friday, 9:00 AM - 5:30 PM, PST).

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Case Intake & Review	\$95.00	1	\$95.00
Project Manager: Notice Format	\$95.00	1	\$95.00
Programming: Data Base Setup	\$150.00	1	\$150.00
Live Call Center Support Reps.*	\$3.00	33	\$99.00
TOTAL			\$439.00

* Up to 120 days after disbursement

SSN VERIFICATION

Verify SSN for Validity with IRS / IRS Backup Withholdings

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: SSN Selection	\$150.00	1	\$150.00
Department Manager: Analysis & Reporting	\$95.00	3	\$285.00
IRS SSN Verification	\$0.20	165	\$33.00
TOTAL			\$468.00

DISTRIBUTION SERVICES

CPT will Establish and Manage the Qualified Settlement Fund (QSF) for up to One Year After Disbursement. Upon Approval, CPT will Perform all Necessary Calculations and Disburse Funds. CPT will Mail an 8.5"x11" MICR Check and Notice to Valid Aggrieved Employees. CPT Uses a Payee Positive Pay System to Reconcile Checks Cashed and Conducts Monthly Account Reconciliations for the QSF.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: Calculation Totals	\$150.00	2	\$300.00
Project Supervisor: Review of Distribution	\$150.00	3	\$450.00
Project Manager: Correspondence w/Parties	\$95.00	2	\$190.00
Obtain EIN, Setup QSF/Bank Account	\$150.00	3	\$450.00
Programming: Setup & Printing of Checks	\$150.00	3	\$450.00
National Change of Address Search (NCOA)	\$135.00	1	\$135.00
Print & Mail Notice, Checks & 1099	\$3.00	165	\$495.00
First-Class Postage (up to 1 oz.)*	\$0.60	165	\$99.00
TOTAL			\$2,569.00

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

POST-DISTRIBUTION & TAX REPORTING

CPT Estimates that 8% of the Checks will be Returned Undeliverable and Skip Traced to Locate a Current Address and Remailed Accordingly. CPT will Process all Requests for Check Re-Issues Continuously. CPT Prepares Annual Tax Reporting on Behalf of the QSF. Throughout the Duration of Administration, CPT will Provide the Parties with Bi-Weekly Status Reports. Upon the Conclusion of the Disbursement, CPT will Issue a Due Process Declaration.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Re-Issue Checks as Required	\$5.00	2	\$10.00
Project Supervisor: Account Reconciliation	\$150.00	6	\$900.00
Skip Trace for Best Address	\$1.00	13	\$13.00
Remail Undeliverable Checks	\$3.00	13	\$39.00
First-Class Postage (up to 1 oz.)	\$0.60	15	\$9.00
Project Supervisor: Reconcile Uncashed Chk	\$150.00	1	\$150.00
Programming: Weekly & Final Reports	\$150.00	1	\$150.00
Project Manager: Account Files Sent to Atty	\$95.00	1	\$95.00
Project Supervisor: Final Declaration	\$150.00	1	\$150.00
Annual Tax Reporting to IRS*	\$1,000.00	1	\$1,000.00
QSF Annual Tax Reporting	\$500.00	1	\$500.00
Unclaimed Funds Sent to LWDA	No Fee	1	No Fee
TOTAL			\$3,016.00

*CPT will file Federal and California taxes in accordance to current state and federal regulations. Additional charges will apply if the Settlement/Order/parties require(s) multiple state tax filings.

GRAND TOTAL	\$6,492.00
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TERMS AND CONDITIONS

These Terms and Conditions are made a part of, and incorporated by reference into, any cost proposal or Bid presented by CPT Group, Inc. to Client

1. Definitions.

- a) **"Affiliate"** means a party that partially (at least 50%) or fully controls, is partially or fully controlled by, or is under partial (at least 50%) or full common control with another party.
 - b) **"Approved Bank"** means a financial institution insured by the Federal Deposit Insurance Corporation with capital exceeding \$1 billion.
 - c) **"Case"** means the particular judicial matter identified by the name of plaintiff(s) and defendant(s) on the applicable Order.
 - d) **"Claims Administrator"** means CPT Group, Inc., a reputable third-party Claims Administrator selected by all the Parties (Plaintiff and Defense Counsel) to administer the Settlement or Notification Mailing.
 - e) **"Client"** means collectively Plaintiff Counsel and Defense Counsel.
 - f) **"Client Content"** means all Class Member written document communications relating to the Case, including claim forms, opt-out forms, and objections, which contain Client Data.
 - g) **"Client Data"** means proprietary or personal data regarding Client or any of its Class Members under this Agreement, as provided by Client.
 - h) **"Class Member"** means an individual who is eligible under the Settlement Agreement to receive a designated amount of the Settlement, including the named Plaintiff(s) in the Case and all other putative persons so designated or addressed therein.
 - i) **"Confidential Information"** means any non-public information of CPT or Client disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other party may have access, which a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" or some similar designation by the disclosing party. Confidential Information shall also include the terms of this Agreement, except where this Agreement specifically provides for disclosure of certain items. Confidential Information shall not, however, include the existence of the Agreement or any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.
 - j) **"Court Order"** means a legal command or direction issued by a court, judicial office, or applicable administrative body requiring one or more parties to the Case to carry out a legal obligation pursuant to the Case.
 - k) **"Defendant"** means the named party and/or parties in the Case against whom action is brought.
 - l) **"Defense Counsel"** means the attorney of record for the defendant(s) in the Case.
 - m) **"Intellectual Property Right"** means any patent, copyright, trade or service mark, trade dress, trade name, database right, goodwill, logo, trade secret right, or any other intellectual property right or proprietary information right, in each case whether registered or unregistered, and whether arising in any jurisdiction, including without limitation all rights of registrations, applications, and renewals thereof and causes of action for infringement or misappropriation related to any of the foregoing.
 - n) **"Order"** means a Product purchase in a schedule, statement of work, addendum, exhibit, or amendment signed by Client and CPT.
 - o) **"Parties"** shall mean collectively Defendants, Defense and Plaintiff as defined in the Settlement Agreement or Court Order.
 - p) **"Plaintiff"** means the named party and/or parties in the Case who are bringing the action.
 - q) **"Plaintiff Counsel"** means the attorney of record for plaintiff Class Members in the Case.
 - r) **"Products"** means any and all CPT Services, and work products resulting from Services.
 - s) **"Qualified Settlement Fund"** means the entity as defined by Treasury Regulation section 4686-1 under which a bank account is established to receive settlement funds from the Defendant in the Case, which such funds are then disbursed by CPT according to the Settlement Agreement and pursuant to Court Order.
 - t) **"Service"** means any service rendered by CPT specifically to Client, including, but not limited to: (i) notifications to Class Members; (ii) setting up a Qualified Settlement Fund with a financial institution; (iii) management of disbursement of funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement; (iv) provision of customer support relating to the Case; (v) management of Case claim forms and correspondence; and/or (vi) any administrative or consulting service.
 - u) **"Software"** means any and all of CPT's proprietary applications, including, without limitation, all updates, revisions, bug-fixes, upgrades, and enhancements thereto.
 - v) **"Settlement"** means the total dollar amount agreed to between parties to the Case, as negotiated by Plaintiff Counsel and Defense Counsel, to resolve the Case to mutual satisfaction.
 - w) **"Settlement Agreement"** means the contract between parties to the Case to resolve the same, which specifies amounts to be disbursed from the Qualified Settlement Fund to attorneys, CPT, and individual Class Members.
 - x) **"Term"** means the term of the Agreement, as set forth in the Order.
 - y) **"Transmission Methods"** means the secure authorized manner to send Client Data and/or Wire Information as specified on a schedule or Order hereto.
 - z) **"Wire Information"** means instructions for (i) Defense Counsel to transfer funds from Defendant to the Qualified Settlement Fund or (ii) CPT to transfer funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement.
2. Client Obligations. Client will ensure that it has obtained all necessary consents and approvals for CPT to access Client Data for the purposes permitted under this Agreement and shall only transmit Client Data and/or Wire Instructions to CPT via the Transmission Methods. Client shall use and maintain appropriate administrative, technical, and physical safeguards designed to protect Client Data provided under this Agreement. Client shall not send, or attempt to send, Client Data and/or Wire Instructions via email, facsimile, unprotected spreadsheet, USB flash drive or other external or removable storage device, cloud storage provider, or any other method not specified in the Transmission Methods. Notwithstanding the foregoing, Client acknowledges and understands that the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, and/or destroyed. Client further warrants that any Client Data and/or Wire Instructions it transmits shall be free of viruses, worms, Trojan horses, or other harmful or disabling codes which could adversely affect the Client Data and/or CPT. If Client is in breach of this section, CPT may suspend Services, in addition to any other rights and remedies CPT may have at law or in equity.
3. Security. The Parties and CPT shall each use reasonable administrative, technical, and physical safeguards that are reasonably designed to: (a) protect the security and confidentiality of any personally identifiable information provided by Class Members and/or Client under this Agreement; (b) protect against any anticipated threats or hazards to the security or integrity of such personally identifiable information; (c) protect against unauthorized access to or use of such personally identifiable information that could result in substantial harm or inconvenience to any individual; and (d) protect against unauthorized access to or use of such personally identifiable information in connection with its disposal. Each Party will respond promptly to remedy any known security breach involving the personally identifiable information provided by you and/or Client under this Agreement and shall promptly inform the other Parties of such breaches.
4. CPT Obligations. Provided that Client complies with all provisions of Section "Client Obligations", CPT will (i) maintain appropriate safeguards for the protection of Client Data, including regular back-ups, security and incident response protocols, and (ii) not access or disclose Client Data except (A) as compelled by law, (B) to prevent or address service or technical issues, (C) in accordance with this Agreement or the provisions of the Settlement Agreement, or (D) if otherwise permitted by Client.
5. Mutual Obligations.
- a) Resources. Each party agrees to: (i) provide the resources reasonably necessary to enable the performance of the Services; (ii) manage its project staffing, milestones, and attendance at status meetings; and (iii) ensure completion of its project deliverables and active participation during all phases of a Service project. The parties acknowledge that failure to cooperate during a Service project may delay delivery of the Service.

If there is a delay, the party experiencing the delay will notify the other party as soon as reasonably practicable, and representatives of each party will meet to discuss the reason for the delay and applicable consequences. Changes beyond the scope of an Order and/or a party's delay in performing its obligations may require an amended Order.

- b) **Incident Notification.** Each party will promptly inform the other parties in the event of a breach of Client Data in their possession and shall utilize best efforts to assist the other parties to mitigate the effects of such incident.
6. **Qualified Settlement Fund Account.** At Client's request, CPT shall be authorized to establish one or more bank accounts at an Approved Bank. The amounts held at the Approved Bank under this Agreement are at the sole risk of Client. Without limiting the generality of the foregoing, CPT shall have no responsibility or liability for any diminution of the funds that may result from the deposit thereof at the Approved Bank, including deposit losses, credit losses, or other claims made against the Approved Bank. It is acknowledged and agreed that CPT has acted reasonably and prudently in depositing funds at an Approved Bank, and CPT is not required to conduct diligence or make any further inquiries regarding such Approved Bank.
7. **Fees and Payment.** Pricing stated within the proposal is good for 90 Days. All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the Client data and /or notice documents. Client will be invoiced for any remaining fees according to the applicable Order. Pricing stated within any proposal from CPT to Client is for illustrative purposes only and is only binding upon an Order executed by CPT and Client. Payment of fees will be due within 30 days after the date of the invoice, except where this Agreement expressly prescribes other payment dates. All fees set forth in an Order are in U.S. dollars, must be paid in U.S. dollars, and are exclusive of taxes and applicable transaction processing fees. Late payments hereunder will incur a late charge of 1.5% (or the highest rate allowable by law, whichever is lower) per month on the outstanding balance from the date due until the date of actual payment. In addition, Services are subject to suspension for failure to timely remit payment therefor. If travel is required to effect Services, Client shall reimburse CPT for pre-approved, reasonable expenses arising from and/or relating to such travel, including, but not limited to, airfare, lodging, meals, and ground transportation.
8. **Term and Termination.**
- a) **Term.** The Term is set forth in the Order. The Agreement may be renewed by mutual written agreement of the parties.
- b) **Termination for Cause.** Either party may immediately terminate this Agreement if the other party materially breaches its obligations hereunder, and, where capable of remedy, such breach has not been materially cured within forty-five (45) days of the breaching party's receipt of written notice describing the breach in reasonable detail.
- c) **Bankruptcy Events.** A party may immediately terminate this Agreement if the other party: (i) has a receiver appointed over it or over any part of its undertakings or assets; (ii) passes a resolution for winding up (other than for a bona fide scheme of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect and such order is not discharged or stayed within ninety (90) days; or (iii) makes a general assignment for the benefit of its creditors.
- d) **Effect of Termination.** Immediately following termination of this Agreement, upon Client's written request, Client may retrieve Client Data via Client's secure FTP site in the same format in which the Client Data was originally inputted into the Software, at no additional charge. Alternatively, Client Data can be returned in a mutually agreed format at a scope and price to be agreed. CPT will maintain a copy of Client Data and Client Content for no more than four (4) years following the date of the final check cashing deadline for Class Members under the Settlement Agreement, after which time any Client Data and Client Content not retrieved will be destroyed.
- e) **Final Payment.** If Client terminates this Agreement due to Section "Termination", Client shall pay CPT all fees owed through the termination date. If CPT terminates the Agreement in accordance with Section "Termination," Client shall pay CPT all fees invoiced through the termination date, plus all fees remaining to be invoiced during the Term, less any costs CPT would have incurred had the Agreement not been terminated.

Confidentiality. Each of the parties agrees: (i) not to disclose any Confidential Information to any third parties except as mandated by law and except to those subcontractors of CPT providing Products hereunder who agree to be bound by confidentiality obligations no less stringent than those set forth in this Agreement; (ii) not to use any Confidential Information for any purposes except carrying out such party's rights and responsibilities under this Agreement; and (iii) to keep the Confidential Information confidential using the same degree of care such party uses to protect its own confidential information; provided, however, that such party shall use at least reasonable care. These obligations shall survive termination of this Agreement.

15. **Miscellaneous Provisions.**

- a) **Compelled Disclosure.** If receiving party is compelled to disclose any Confidential Information by judicial or administrative process or by other requirements of law, such party shall (i) promptly notify the other party, (ii) reasonably cooperate with the other party in such party's efforts to prevent or limit such compelled disclosure and/or obtain confidential treatment of the items requested to be disclosed, and (iii) shall disclose only that portion of such information which each party is advised by its counsel in writing is legally required to be disclosed.
- b) **Remedies.** If either party breaches any of its obligations with respect to confidentiality or the unauthorized use of Confidential Information hereunder, the other party shall be entitled to seek equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as money damages.
10. **Intellectual Property.** As between the parties, CPT will and does retain all right, title and interest (including, without limitation, all Intellectual Property Rights) in and to the Products. Client retains all ownership rights to Client Data.
11. **Indemnification.** Client agrees to indemnify, defend, and hold harmless CPT, its Affiliates, and the respective officer, directors, consultants, employees, and agents of each (collectively, Covered CPT Parties") from and against any and all third party claims and causes of action, as well as related losses, liabilities, judgments, awards, settlements, damages, expenses and costs (including reasonable attorney's fees and related court costs and expenses) (collectively, "Damages") incurred or suffered by CPT which directly relate to or directly arise out of (i) Client's breach of this Agreement; (ii) CPT's performance of Services hereunder; (iii) the processing and/or handling of any payment by CPT; (iv) any content, instructions, information or Client Data provided by Client to CPT in connection with the Services provided by CPT hereunder. The foregoing provisions of this section shall not apply to the extent the Damages relate to or arise out of CPT's willful misconduct. To obtain indemnification, indemnitee shall: (i) give written notice of any claim promptly to indemnitor; (ii) give indemnitor, at indemnitor's option, sole control of the defense and settlement of such claim, provided that indemnitor may not, without the prior consent of indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases indemnitee of all liability; (iii) provide to indemnitor all available information and assistance; and (iv) not take any action that might compromise or settle such claim.
12. **Warranties.** Each party represents and warrants to the other party that, as of the date hereof: (i) it has full power and authority to execute and deliver the Agreement; (ii) the Agreement has been duly authorized and executed by an appropriate employee of such party; (iii) the Agreement is a legally valid and binding obligation of such party; and (iv) its execution, delivery and/or performance of the Agreement does not conflict with any agreement, understanding or document to which it is a party. CPT WARRANTS THAT ANY AND ALL SERVICES PROVIDED BY IT HEREUNDER SHALL BE PERFORMED IN A PROFESSIONAL MANNER CONSISTENT WITH PREVAILING INDUSTRY STANDARDS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CPT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE.
13. **Liability.**
- a) **Liability Cap.** EXCEPT FOR A PARTY'S WILLFUL MISCONDUCT, EACH PARTY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, WILL BE LIMITED TO THE TOTAL CLAIMS ADMINISTRATOR FEES PAID OR PAYABLE BY CLIENT TO CPT HEREUNDER. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT EXPAND SUCH LIMIT. THE PARTIES ACKNOWLEDGE THAT THE FEES AGREED UPON BETWEEN CLIENT AND CPT ARE BASED IN PART ON THESE LIMITATIONS, AND THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ANY ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE FOREGOING LIMITATION SHALL NOT APPLY TO A PARTY'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT.
- b) **Exclusion of Consequential Damages.** NEITHER PARTY WILL BE LIABLE FOR LOST PROFITS, LOST REVENUE, LOST BUSINESS OPPORTUNITIES, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR ANY OTHER INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
14. **Communications.** CPT may list Client's name and logo alongside CPT's other clients on the CPT website and in marketing materials, unless and until Client revokes such permission. CPT may also list the Case name and/or number, and certain Qualified Settlement Fund information, on the CPT website and in marketing materials, unless stated otherwise in the Settlement Agreement.

- a) Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America, without regard to conflict of law principles. CPT and Client agree that any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof shall be brought exclusively in the state or federal courts of the State of California located in the County of Orange, and each of CPT and Client hereby irrevocably accepts the exclusive personal jurisdiction and venue of those courts for the purpose of any suit, action or proceeding.
- b) Force Majeure. Neither party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including without limitation acts of war, acts of God, earthquake, flood, weather conditions, embargo, riot, epidemic, acts of terrorism, acts or omissions of vendors or suppliers, equipment failures, sabotage, labor shortage or dispute, governmental act, failure of the Internet or other acts beyond such party's reasonable control, provided that the delayed party: (i) gives the other party prompt notice of such cause; and (ii) uses reasonable commercial efforts to correct promptly such failure or delay in performance.
- c) Counterparts. This Agreement may be executed in any number of counterparts and electronically, each of which shall be an original but all of which together shall constitute one and the same instrument.
- d) Entire Agreement. This Agreement contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the parties with respect to such subject matter. The schedules and exhibits hereto constitute a part hereof as though set forth in full herein.
- e) Modifications. Any modification, amendment, or addendum to this Agreement must be in writing and signed by both parties.
- f) Assignment. Neither party may assign this Agreement or any of its rights, obligations, or benefits hereunder, by operation of law or otherwise, without the other party's prior written consent; provided, however, either party, without the consent of the other party, may assign this Agreement to an Affiliate or to a successor (whether direct or indirect, by operation of law, and/or by way of purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of such party, where the responsibilities or obligations of the other party are not increased by such assignment and the rights and remedies available to the other party are not adversely affected by such assignment. Subject to that restriction, this Agreement will be binding on, inure to the benefit of, and be enforceable against the parties and their respective successors and permitted assigns.
- g) No Third-Party Beneficiaries. The representations, warranties, and other terms contained herein are for the sole benefit of the parties hereto and their respective successors and permitted assigns and shall not be construed as conferring any rights on any other persons.
- h) Statistical Data. Without limiting the confidentiality rights and Intellectual Property Rights protections set forth in this Agreement, CPT has the perpetual right to use aggregated, anonymized, and statistical data ("Statistical Data") derived from the operation of the Software, and nothing herein shall be construed as prohibiting CPT from utilizing the Statistical Data for business and/or operating purposes, provided that CPT does not share with any third-party Statistical Data which reveals the identity of Client, Client's Class Members, or Client's Confidential Information.
- i) Export Controls. Client understands that the use of CPT's Products is subject to U.S. export controls and trade and economic sanctions laws and agrees to comply with all such applicable laws and regulations, including the Export Administration Regulations maintained by the U.S. Department of Commerce and the trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control.
- j) Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision shall be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement shall remain in full force and effect.
- k) Notices. Any notice or communication required or permitted to be given hereunder may be delivered by hand, deposited with an overnight courier, sent by electronic delivery, or mailed by registered or certified mail, return receipt requested and postage prepaid to the address for the other party first written above or at such other address as may hereafter be furnished in writing by either party hereto to the other party. Such notice will be deemed to have been given as of the date it is delivered, if by personal delivery; the next business day, if deposited with an overnight courier; upon receipt of confirmation of electronic delivery (if followed up by such registered or certified mail); and five days after being so mailed.
- l) Independent Contractors. Client and CPT are independent contractors, and nothing in this Agreement shall create any partnership, joint venture, agency, franchise, sales representative or employment relationship between Client and CPT. Each party understands that it does not have authority to make or accept any offers or make any representations on behalf of the other. Neither party may make any statement that would contradict anything in this section.
- m) Subcontractors. CPT shall notify Client of its use of any subcontractors to perform Client-specific Services. CPT shall be responsible for its subcontractors' performance of Services under this Agreement.
- n) Headings. The headings of the sections of this Agreement are for convenience only, do not form a part hereof, and in no way limit, define, describe, modify, interpret, or construe its meaning, scope or intent.
- o) Waiver. No failure or delay on the part of either party in exercising any right, power or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power, or remedy.
- p) Survival. Sections of the Agreement intended by their nature and content to survive termination of the Agreement shall so survive.

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

MELODIE BANUELOS, an individual;
MARGARITA TORRES, an individual,

Plaintiffs,

v.

QUALITY BEHAVIOR SOLUTIONS, a
California corporation; ROSA
HERNANDEZ, an individual; and DOES 1
through 20, inclusive,

Defendants.

CASE NO.: 22STCV05014
[Unlimited Jurisdiction]

*Assigned for all purposes to the
Honorable Anne Richardson, Dept. 40*

**~~[PROPOSED]~~ ORDER GRANTING JOINT
STIPULATION AND AGREEMENT FOR
PAGA REPRESENTATIVE ACTION
SETTLEMENT**

Pursuant to Stipulation by the parties and good cause appearing:

Having considered the Parties submissions, and all legal authorities and documents
submitted in support thereof, including the Private Attorney General Act (Labor Code § 2698,
et seq.) Settlement Agreement (the “Settlement Agreement”), and good cause appearing,

IT IS HEREBY ORDERED THAT THE PARTIES’ REQUEST IS GRANTED,
subject to the following findings and orders:

1. All terms used herein shall have the same meaning as defined in the Settlement
Agreement attached as **Exhibit 1** to the Stipulation and Agreement for PAGA Representative
Action Settlement;

1 2. The Court hereby approves the terms set forth in the Settlement Agreement and
2 finds that the Settlement Agreement is, in all respects, fair, adequate, and reasonable and directs
3 the Parties to effectuate the Settlement Agreement according to its terms. The Court finds that
4 the Settlement Agreement has been reached as a result of informed and non-collusive arm's-
5 length negotiations. The Court further finds that the Parties were able to reasonably evaluate
6 their respective positions. The Court also finds that settlement now will avoid additional and
7 potentially substantial litigation costs, as well as delay and risks if the Parties were to continue
8 to litigate the cases;

9 3. The Settlement Agreement is not an admission by Defendants or by any other
10 Released Party, nor is this Order a finding of the validity of any allegations or of any
11 wrongdoing by any Defendants or any other Released Party. Neither this Order, the Settlement
12 Agreement, nor any document referred to herein, nor any action taken to carry out the
13 Settlement Agreement, may be construed as, or may be used as, an admission of any fault,
14 wrongdoing, omission, concession, or liability whatsoever by or against Defendants or any of
15 the other Released Parties;

16 4. Defendants shall pay the Aggrieved Employees pursuant to the procedure
17 described in the Settlement Agreement;

18 5. The Court hereby confirms Nephtali Gonzales; Ruben Guerra; and Tizoc Perez-
19 Casillas of NEPHTALAW/ GUERRA & CASILLAS LLP as PAGA Counsel;

20 6. The Court also approves up to \$5,000 in costs for the Settlement Administrator,
21 CPT Group, Inc. The payment of fees to PAGA Counsel shall be made in accordance with the
22 terms of the Settlement;

23 7. The Court further orders, adjudges and decrees that upon the approval by the
24 Court of this Settlement, Plaintiffs and each Aggrieved Employee, shall, for the Release Period
25 from December 6, 2020, through the date this Order is signed, fully release and forever
26 discharge Defendants and Defendants' parents, subsidiaries, officers, directors, affiliates, their
27 insurers, attorneys, shareholders, executives, managers, and all agents thereof from the
28 Released Claims.

1 8. “Released Claims” mean any and all claims, rights, demands, liabilities and causes
2 of action arising out of the facts and claims asserted in this Action for civil penalties under the
3 Private Attorney General Act of 2004 Cal. Lab. Code § 2698 based upon the facts alleged, for
4 violations of the California Labor Code governing: meal and rest breaks; unpaid wages, including
5 minimum wages, regular wages, overtime, and double time wages, and all theories for or related
6 to nonpayment of such wages and/or payment of such wages at the incorrect rate(s) of pay; wage
7 statement violations and/or failure to maintain accurate records; failure to timely pay wages
8 during employment; separation pay violations; and any other penalties which could be asserted
9 based on the allegations alleged against Defendants in Plaintiffs’ LWDA letter and the Action,
10 including but not limited to Labor Code §§ 201, 202, 203, 204, 210, 221, 225.6, 226, 226.3,
11 226.7, 510, 512, 1182.12, 1194, 1197, 1197.1, 1198, and the IWC Wage Order. In event
12 Defendants fail to deposit the Gross Settlement Amount with the Settlement Administrator, this
13 Release and Waiver of Claims shall NOT become effective.

14
15 Date: 07/31/2023, ~~2021~~

By: 
Honorable Anne Richardson

**PROOF OF SERVICE
(CCP §§1013(a) and 2015.5)**

I, the undersigned, am at least 18 years old and not a party to this action. I am employed in the County of Orange with the law offices of Fisher & Phillips LLP and its business address is 2050 Main Street, Suite 1000, Irvine, California 92614.

On the below date, I served the following document(s) **STIPULATION AND AGREEMENT FOR PAGA REPRESENTATIVE ACTION SETTLEMENT; [PROPOSED] ORDER GRANTING JOINT STIPULATION AND AGREEMENT FOR PAGA REPRESENTATIVE ACTION SETTLEMENT** on the person(s) listed below by placing ☐ the original ☒ a true copy thereof enclosed in sealed envelope(s) addressed as follows:

Nephtali Gonzales
NEPHTALAW
125 12th Street, Suite 100 BALI
Oakland, CA 94607

Attorneys for Plaintiffs
MELODIE BANUELOS and
MARGARITA TORRES

T: (415) 756-4939
E: nephtaligonzales@nephtalaw.com

Ruben Guerra
Tizoc Perez-Casillas
GUERRA & CASILLAS LLP
617 South Olive Street, Suite 422
Los Angeles, CA 90014

T: (213) 437-9495
F: (213) 342-5503
E: ruben@guerracasillas.com
E: tizoc@guerracasillas.com
Cc: luis@guerracasillas.com
Cc: guile@guerracasillas.com

- ☐ **[by MAIL]** - I enclosed the document(s) in a sealed envelope or package addressed to the person(s) whose address(es) are listed above and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in Irvine California, in a sealed envelope with postage fully prepaid.
- ☐ **[by FAX]** - Based on an agreement of the parties to accept service by fax transmission, I faxed the document(s) to the person(s) at fax number(s) listed above from fax number (949) 851-0152. The fax reported no errors. A copy of the transmission report is attached.
- ☒ **[by ELECTRONIC SERVICE]** - Based on a court order or an agreement of the parties to accept service by electronic transmission, I electronically served the document(s) to the person(s) at the electronic service address(es) listed above.

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

Executed July 7, 2023, at Irvine, California.

Adriana Miranda

Print Name

By: /s/ Adriana Miranda

Signature