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Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

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

Plaintiff,

vs.

ARCH HEALTH PARTNERS, an unknown
business entity; PACIFIC ACCOUNTABLE
MANAGEMENT, LLC, a California limited
liability company; and DOES 1 through 100,
inclusive ,

Defendants.

Case No.: 37-2019-00041863-CU-OE-CTL

Honorable Timothy Taylor
Department C-72

CLASS ACTION

**DECLARATION OF OVSANNA
TAKVORYAN IN SUPPORT OF
PLAINTIFF'S NOTICE OF MOTION AND
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

[Plaintiff's Motion for Preliminary Approval of
Class Action Settlement; Declaration of
Proposed Class Representative (Mireya
Arteaga); and [Proposed] Order filed
concurrently herewith]

Date: November 18, 2022
Time: 1:30 p.m.
Department: C-72

Complaint Filed: August 9, 2019
Trial Date: None Set

DECLARATION OF OVSANNA TAKVORYAN

I, Ovsanna Takvoryan, hereby declare as follows:

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

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

EDUCATION

2. Since October 2008, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, the firm is attorney of record in over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”) representative actions. The firm has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California. Below is a summary of the experience and qualifications of attorneys at Lawyers *for* Justice, PC who most recently and primarily have been responsible for the representation of Plaintiff in connection with the above-captioned matter. Additional attorney and non-attorney staff have also worked on the above-captioned matter.

3. Edwin Aiwazian is the Managing Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In

1 addition, he has previously served as a pro bono mediator for the Los Angeles County Superior
2 Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA
3 Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University.
4 From approximately September 2002 to approximately December 2002, he served as a Judicial
5 Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the
6 Ninth Circuit. From approximately June 2002 to approximately August 2002, he served as a
7 Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second
8 Appellate District. In December of 2004, he obtained a license to practice law from the California
9 State Bar. From approximately December 2004 to approximately August 2008, he was employed
10 by Girardi & Keese. At Girardi & Keese, his practice focused on class actions and other complex
11 cases involving toxic torts and products liability. In addition, he gained substantial experience on
12 cases involving insurance bad faith, premises liability, and medical negligence. While employed
13 by Girardi & Keese, he argued approximately one hundred (100) motions, took or defended
14 approximately one hundred fifty (150) depositions, and prepared dozens of expert witnesses for
15 deposition or trial. Since in or around October of 2008, through his work at Lawyers *for* Justice,
16 PC, he has almost exclusively focused on the prosecution of consumer and employment class
17 actions, involving wage-and-hour claims, race discrimination, unfair business practices, or
18 consumer fraud. While employed by Lawyers *for* Justice PC, he has argued over one hundred
19 (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of
20 expert witnesses for deposition or trial, and attended over one hundred seventy-five (175)
21 mediations. Together with other attorneys at the firm, and in many cases in conjunction with co-
22 counsel, he has successfully litigated cases involving the executive, administrative, and other
23 overtime exemptions to the State of California and federal overtime compensation requirements.
24 Under his supervision, Lawyers *for* Justice, PC has successfully obtained class certification by
25 contested motion practice in approximately fifteen (15) cases in the last decade, and litigated over
26 1,000 class action or representative action cases.

27 4. Arby Aiwazian is a Member and Shareholder of Lawyers *for* Justice, PC. He
28 received his Bachelor of Arts degree from University of California, Los Angeles and graduated

1 magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School.
2 From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the
3 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
4 From approximately August 2008 to approximately December 2008 he served as a Judicial Extern
5 to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit.
6 He was admitted to practice law in California in 2010. He is admitted to practice before all courts
7 of the State of California and all United States District Courts in the State of California. He has
8 worked on many wage-and-hour class action and representative action cases, taking the lead in
9 taking and defending depositions, arguing motions, and attending mediations. He has played an
10 integral role in preparing matters for class certification, including and not limited to, successful
11 certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No.
12 BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No.
13 BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No.
14 RG13680477). Under his and Edwin Aiwazian's supervision, dozens of class action or
15 representative cases have resulted in settlements that have been granted court approval, including
16 and not limited to, those listed in paragraph 6 herein. He has worked on over one hundred (100)
17 class action or representative action cases which have resulted in settlement.

18 5. Joanna Ghosh is a Senior Member of Lawyers for Justice, PC. She received a
19 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of
20 Science degree from the London School of Economics in 2007, and a Juris Doctor degree from
21 Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010)
22 and in New York (since 2013) and is also admitted to practice in all U.S. District Courts in
23 California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme
24 Court. She has taken and defended dozens of depositions and successfully handled motion practice
25 in class action cases regarding discovery (including and not limited to, regarding class contact
26 information), class certification (both contested class certification and stipulated class
27 certification), arbitration agreements, coordination, intervention. She has successfully handled
28 briefing and oral argument on appeal, and obtained notable decisions regarding the Private

Attorneys General Act and employer efforts to compel arbitration, e.g., *Betancourt v. Prudential Overall Supply*, 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8 Cal.5th 175 (2019). She also has extensive experience with class action and/or representative action settlements. Under her, Edwin Aiwarzian, and Arby Aiwarzian's supervision, the firm has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. She is a member of the California Employment Lawyers Association.

6. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor of Arts degree from Occidental College in 1998 and earned my Juris Doctor degree from the University of California, Los Angeles in 2001. I was admitted to practice law in California in 2001. I am admitted to practice before all courts of the State of California and all federal district courts in the State of California. I have worked on many wage and hour class action and PAGA representative matters, and my work has included, *inter alia*, researching and drafting pleadings, administrative notice exhaustion, mediation, drafting, negotiating, and finalizing settlement agreements, engaging in motion practice, claims evaluation and analysis, and making court appearances. Prior to working at Lawyers *for* Justice, PC, I founded my own boutique law firm in 2009 and in 2018 became a partner of an international law firm with over 240 attorneys worldwide, where I served as the administrative partner of the Los Angeles office and led the Global Finance Practice team. I have structured and negotiated a broad spectrum of complex commercial transactions and provided legal advice on potential risks and issues across various industries in a wide range of legal areas. I have also served as lead counsel on a jury trial. I currently serve on the Board of the Charlotte and Elise Merdinian Armenian Evangelical School and the Armenian Bar Association's Board of Governors, and I am a Former Executive Committee Chair of the Beverly Hills Bar Association.

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**EXAMPLES OF RESULTS IN WAGE-AND-HOUR CLASS ACTION AND
REPRESENTATIVE ACTION CASES**

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

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

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

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

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

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

1 Superior Court Case Number is S-1500-CV-273194-LHB.

2 f) LFJ, in association with co-counsel therein, represented the plaintiff in a
3 wage-and-hour class and PAGA representative action against a national wholesale distributor of
4 plumbing and builder supplies, involving allegations of misclassification of multiple salaried
5 “manager” positions. On May 22, 2014, the court granted final approval of the class and PAGA
6 representative action settlement. The Sacramento County Superior Court Case Number is 34-
7 2012-00136285.

8 g) LFJ, in association with co-counsel therein, represented the plaintiff in a
9 wage-and-hour class action against a multinational corporation that provides global workplace
10 solutions, involving allegations of misclassification of the “Operations Manager” position. On
11 September 16, 2014, the court granted plaintiff’s motion for class certification. The Los Angeles
12 County Superior Court Case Number is BC478769.

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

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

24 j) LFJ, in association with co-counsel therein, represented the plaintiffs in a
25 wage-and-hour class and PAGA representative action against a national retailer of upscale
26 hardware and home furnishings, on behalf of non-exempt employees. On April 28, 2016, the court
27 granted final approval of the class and PAGA representative action settlement. The Los Angeles
28 County Superior Court Case Numbers are BC516795 and JCCP4794, and the Judicial Council

1 Coordination Proceeding Number is 4794.

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

6 l) LFJ, in association with co-counsel therein, represented the plaintiffs in a
7 wage-and-hour class action against a national retailer of apparel, accessories, and home products,
8 involving allegations of misclassification of the “Department Manager” position. On August 12,
9 2016, the court granted the plaintiffs’ motion for class certification in part and certified a class. On
10 August 6, 2019, the court granted final approval of the class action settlement. The Alameda
11 County Superior Court Case Number is RG13680477.

12 m) LFJ represented the plaintiff in a PAGA representative action against a real
13 estate and property management company, on behalf of non-exempt employees. On November 4,
14 2016, the court granted approval of the PAGA representative action settlement. The Orange
15 County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

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

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

25 p) LFJ, on behalf of the plaintiff and respondent in a PAGA representative
26 action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the
27 employer’s motion to compel arbitration, which resulted in a published opinion by the California
28 Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply* (Cal.

1 App. 4th Dist., Mar. 7, 2017) 9 Cal.App.5th 439, review denied, cert. denied (U.S. Supreme Court
2 Docket No. 17-254). The Riverside County Superior Court Case Numbers are RIC1503952 and
3 RICJCCP5046, and the Judicial Council Coordination Proceeding Number is 5046.

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

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

14 s) LFJ, in association with co-counsel therein, represented the plaintiffs in a
15 wage-and-hour class and PAGA representative action against a lumber and hardware company on
16 behalf of non-exempt employees. On April 26, 2017, the court granted final approval of the class
17 and PAGA representative action settlement. The Orange County Superior Court Case Number is
18 30-2014-00747750-CU-OE-CXC.

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

24 u) LFJ represented the plaintiff in a wage-and-hour class and PAGA
25 representative action against a food company on behalf of non-exempt employees. On June 30,
26 2017, the court granted final approval of the class and PAGA representative action settlement. The
27 Sacramento County Superior Court Case Number is 34-2015-00175871.
28

1 v) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
2 representative action against a chocolate company on behalf of non-exempt employees. On July
3 19, 2017, the court granted final approval of the class and PAGA representative action settlement.
4 The Alameda County Superior Court Case Number is RG15764300.

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

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

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

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

25 aa) LFJ, in association with co-counsel therein, represented the plaintiffs in a
26 wage-and-hour class and PAGA representative action against a global provider of flexible office
27 space solutions. On February 15, 2018, the court granted final approval of the class and PAGA
28 representative action settlement. The Los Angeles County Superior Court Case Number is

1 BC498401.

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

6 cc) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
7 representative action against a behavioral health service provider on behalf of non-exempt
8 employees. On November 13, 2018, the court granted final approval of the class and PAGA
9 representative action settlement. The Alameda County Superior Court Case Number is
10 RG16811450.

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

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

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

26 gg) LFJ, in association with co-counsel therein, represented the plaintiffs in a
27 wage-and-hour class and PAGA representative action against a national retailer of apparel and
28 fashion accessories, on behalf of non-exempt employees. On October 9, 2019, the court granted

1 the plaintiffs' motion for class certification in part and certified a class. On May 14, 2021, the
2 court granted final approval of the class and PAGA representative action settlement. The
3 Sacramento County Superior Court Case Number is 34-2015-00175330-CU-OE-GDS.

4 hh) LFJ, in association with co-counsel therein, on behalf of the plaintiff and
5 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed
6 and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a
7 notable decision from the California Supreme Court clarifying the law regarding PAGA claims,
8 *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. On February 21, 2020, the court granted approval
9 of the PAGA representative action settlement. The San Diego County Superior Court Case
10 Number is 34-2015-00175330.

11 ii) LFJ, in association with co-counsel therein, represents the plaintiff in a
12 wage-and-hour class and PAGA representative action against a medical equipment supplier on
13 behalf of non-exempt employees. On February 13, 2020, the court granted the plaintiff's motion
14 for class certification and certified a class. The San Bernardino County Superior Court Case
15 Number is CIVDS1505744.

16 jj) LFJ, in association with co-counsel therein, represents the plaintiff in a
17 wage-and-hour class and PAGA representative action against a large national drug testing
18 laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the
19 plaintiff's motion for class certification and certified a class. The San Diego County Superior
20 Court Case Number is 37-2018-00019611-CU-OE-CTL.

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

27 ll) LFJ, in association with co-counsel therein, represents the plaintiffs in a
28 wage-and-hour class action against manufacturer and supplier of power products and services on

1 behalf of non-exempt employees. On July 31, 2020, the court granted in part the plaintiffs' motion
2 for class certification and certified a class. The San Diego County Superior Court Case Number is
3 37-2015-00025968-CU-OE-CTL.

4 mm) LFJ represents the plaintiff in a wage-and-hour class action against a
5 nutritional products manufacturer on behalf of non-exempt production line employees. On
6 December 13, 2021, the court granted the plaintiff's motion for class certification in part and
7 certified a class. The Solano County Superior Court Case Number is FCS051001.

8 SUMMARY OF WORK PERFORMED

9 8. Marked and attached hereto as "**EXHIBIT A**" is the Joint Stipulation of Class and
10 PAGA Settlement ("Settlement," "Agreement," or "Settlement Agreement") entered into by and
11 between Plaintiff Mireya Arteaga, individually and on behalf of all others similarly situated and
12 other aggrieved employees, on the one hand, and Defendants Arch Health Partners, Inc. and
13 Pacific Accountable Management, LLC (together "Defendants"), on the other hand. Plaintiff and
14 Defendants (together the "Parties") and their counsel have approved the proposed Notice of Class
15 Action Settlement ("Class Notice"), which is attached to the Settlement Agreement as "Exhibit
16 A" and respectfully request that the Court approve it as well.

17 9. Based on information provided by Defendants, as of February 15, 2022, the Class is
18 estimated to consist of approximately one thousand three hundred and one (1,301) individuals.

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

27 11. Class Counsel has litigated the case for over three years and was actively preparing
28 the matter for class certification and trial. The Parties have engaged in extensive settlement

1 negotiations and participated in a formal, full-day mediation conducted by Mark Rudy, Esq., a
2 well-respected mediator experienced in mediating complex labor and employment matters. Prior
3 to and during the mediation and settlement discussions, the Parties exchanged extensive
4 information and engaged in discussions regarding their evaluations of the case and various aspects
5 of the case, including but not limited to, the risks and delays of further litigation, the risks to the
6 Parties of proceeding with class certification and/or representative adjudication, the law relating
7 to off-the-clock theory, meal and rest periods, PAGA representative actions, and wage-and-hour
8 law and enforcement, as well as the evidence produced and analyzed, and the possibility of
9 appeals, among other things. During all settlement discussions, the Parties conducted their
10 negotiations at arm's length in an adversarial position. Arriving at a settlement that was acceptable
11 to all Parties was not easy. Defendants and its counsel felt strongly about their ability to prevail
12 on the merits and at certification, and Plaintiff and Class Counsel believed that they would be able
13 to obtain class certification and prevail at trial. After conducting investigations, formal and
14 informal discovery, and exchange of information, extensive settlement negotiations, and with the
15 aid of the mediator's evaluation, the Parties have agreed that the matter is well-suited for
16 settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and
17 risks to both sides that would attend further litigation. The Settlement is a fair, reasonable, and
18 adequate resolution of the Released Claims of Plaintiff and Settlement Class Members, against the
19 Released Parties.

20 12. The Parties used the pre-mediation time to investigate the veracity, strength, and
21 scope of the claims, and Class Counsel was preparing the action for class certification and trial.
22 Prior to engaging in mediation, Plaintiff conducted significant investigation and formal and
23 informal discovery regarding the facts of the case, including and not limited to, the exchange,
24 review, and analysis of a large volume of documents and data obtained from Defendants, Plaintiff,
25 and other sources. Class Counsel propounded multiple sets of formal written discovery requests
26 onto Defendants. The volume of data and documents that Class Counsel reviewed and analyzed
27 included and was not limited to: Plaintiff and other Class Members' employment records,
28 PowerPoint presentations (such as the 2017 annual training presentation, Time and Attendance

1 Presentation, Employee Benefit presentation, HR tasks and intro to Paycom presentation, Intro to
2 Nextgen EPM presentation), Defendants' Employee Handbooks, internal memoranda, job titles
3 and descriptions, policies (such as Defendants' Unlawful Harassment policy, Nondiscrimination
4 policy, Meal and Rest Period policy, Specimen Collection and Labeling policy, and Conflict of
5 Interest Disclosure), acknowledgement forms (such as Plaintiff and other Class Member's
6 Acknowledgement of Receipt of Employee Handbook, Acknowledgement of Standards of
7 Conduct, Acknowledgement of Injury and Illness Prevention Program Information, HIPAA
8 Privacy Education Form, Acknowledgement of Return of Company Property, and Medicare Fraud,
9 Waste, and Abuse Policy Acknowledgment), Personnel Action Forms, offer letters to Plaintiff and
10 other Class Member, Plaintiff and other Class Member's time and pay data (including, but not
11 limited to, timecards, payroll records, and wage statements), Plaintiff and other Class Member's
12 compensation and employment history (such as employee separation reports, earnings statements,
13 checks, corrective action forms, order of withholding from earnings, employee check listings,
14 performance reviews), meal and break schedule, confidentiality agreements, exercise and fitness
15 center waiver, and official notices by IWC to be posted for employees, among other information
16 and documents. Class Counsel interviewed Plaintiff and other Class Members to gather facts and
17 to identify potential witnesses. Counsel for the Parties also met and conferred on numerous
18 occasions, e.g., to discuss issues relating to the pleadings, discovery, and the production of
19 documents and data prior to the mediation. Plaintiff's Counsel also drafted pleadings and the
20 mediation brief and prepared for and attended court proceedings, mediation, and settlement
21 negotiations, among other tasks. Class Counsel also took the depositions of Defendants' Person
22 Most Knowledgeable designee and prepared for and defended the deposition of Plaintiff.

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

1 14. The Settlement provides for a Gross Settlement Amount of Three Million Two
2 Hundred Fifty Thousand Dollars (\$3,250,000.00). The Net Settlement Amount is the Gross
3 Settlement Amount less the following amounts subject to approval by the Court: (1) Class Counsel
4 Fees and Costs to Class Counsel, which consists of attorneys' fees in an amount not to exceed
5 thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$1,137,500.00) and reimbursement
6 of litigation costs and expenses of up to Thirty-Two Thousand Dollars (\$32,000.00) to Class
7 Counsel; (2) Enhancement Payment of up to Twelve Thousand Five Hundred Dollars (\$12,500.00)
8 to Plaintiff; (3) PAGA Payment of Two Hundred Fifty Thousand Dollars (\$250,000.00); and (4)
9 Settlement Administration Costs, which are currently estimated at Fifteen Thousand Dollars
10 (\$15,000.00) to the Settlement Administrator. Assuming that the amounts allocated under the
11 Settlement toward these payments are awarded by the Court, the Net Settlement Amount that will
12 be available for distribution to Settlement Class Members is currently estimated to be One Million
13 Eight Hundred and Three Thousand Dollars (\$1,803,000.00). Additionally, twenty-five percent
14 (25%) of the PAGA Payment (i.e., Net PAGA Penalties), which is \$62,500.00 out of \$250,000.00,
15 will be distributed to PAGA Aggrieved Employees. The Maximum Settlement Amount will be
16 fully distributed in accordance with the terms of the Settlement and there is no reversion to
17 Defendants.

18 15. The Parties have agreed to retain Simpluris, Inc. ("Simpluris" or "Settlement
19 Administrator") to handle the notice and settlement administration process. The Parties
20 respectfully request that the Court appoint Simpluris to serve as the Settlement Administrator.
21 Defendants will provide Simpluris a complete list of all Class Members in a password protected
22 and formatted in a readable Microsoft Office Excel spreadsheet and will include each Class
23 Member's full name, last known mailing address, last known telephone number (if available),
24 Social Security Number, the number of work weeks he or she worked during the Class Period,
25 and the number of work weeks he or she worked during the PAGA Period (collectively, "Class
26 Data and List"), and Simpluris will calculate each Class Member's estimated share of the Net
27 Settlement Amount ("Individual Settlement Payment") and each PAGA Aggrieved Employee's
28 estimated share of the PAGA Payment ("Individual PAGA Payment"). Simpluris will also receive

1 Requests for Exclusion, Notices of Objection, and disputes regarding weeks worked by Class
2 Members during the Class Period and/or disputes regarding weeks worked by PAGA Aggrieved
3 Employees during the PAGA Period; provide necessary reports and declarations; calculate,
4 subtract, and transmit necessary taxes and withholdings; prepare and submit informational and
5 other tax filings and documents; issue and transmit all payments provided for by the Settlement,
6 including and not limited to, mailing Settlement Payment Checks to the Settlement Class Members
7 and PAGA Aggrieved Employees; and perform any other usual and customary duties for
8 administering a class action settlement. Settlement Administration Costs are currently estimated
9 at Fifteen Thousand Dollars (\$15,000.00) and will be paid out of the Gross Settlement Amount,
10 subject to approval of the Court.

11 16. Based on investigation and information discovered, Class Counsel believes that
12 there is sufficient evidence to support the allegations made in the lawsuit, including the allegations
13 that Defendants, with respect to Plaintiff, Class Members, and PAGA Aggrieved Employees, *inter*
14 *alia*, failed to properly pay overtime wages for all hours worked, failed to provide compliant meal
15 and rest periods and associated premium pay, failed to timely pay wages during employment and
16 upon termination of employment, failed to provide compliant wage statements, failed to maintain
17 requisite payroll records, failed to reimburse necessary business-related expenses, and thereby
18 engaged in unfair business practices and conduct giving rise to civil penalties recoverable under
19 the Private Attorneys General Act of 2004 (California Labor Code section 2698, et seq.). Plaintiff
20 also asserted that Class Members were expected to perform similar job duties and were subject to
21 the same or similar operations and employment policies, practices, and procedures. Additionally,
22 Plaintiff asserted that Defendants' recordkeeping practices with respect to Plaintiff and the Class
23 Members were substantially the same during the time period at issue. As a result of said alleged
24 uniform practices, Plaintiff claims that Class Members were not paid all of the compensation that
25 was owed to them by Defendants. Thus, in Class Counsel's view, it is clear that the outcome of
26 this litigation would be determined by Defendants' uniform operations and employment practices,
27 policies, and procedures that Plaintiff alleges applied across Defendants' non-exempt employees
28 in California during the relevant time period.

1 17. Class Counsel is aware of the defenses and position of Defendants but believes that
2 Plaintiff could potentially obtain class certification despite many obstacles. Plaintiff and Class
3 Counsel have also taken into account the uncertainty and risk of the outcome of further litigation,
4 and the difficulties and delays inherent in such litigation, including those involved in class
5 certification and/or representative adjudication. Plaintiff and Class Counsel further recognize the
6 burdens of proof necessary to establish liability for the claims asserted in the lawsuit, Defendants'
7 defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiff and Class
8 Counsel have also considered the Parties' settlement discussions, as well as the evaluations of the
9 mediator, who is experienced and well-regarded in complex labor and employment matters.

10 18. Defendants, on the other hand, denied and continue to deny any liability and
11 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further deny that
12 the lawsuit is appropriate for class treatment or representative adjudication for any purpose other
13 than the Settlement. Defendants believe that they would ultimately succeed in the matter. Both
14 sides have also had the opportunity to interview witnesses and review documents and information
15 relating to Plaintiff's and Class Members' employment with Defendants, and Defendants'
16 operations and employment policies, practices, and procedures. The Parties also reviewed and
17 analyzed a volume of documents and data to determine the potential value and strength of the
18 claims. The available information enabled Class Counsel to assess and value the class and PAGA
19 claims and prepare violation, damages, and penalties analyses and models. Accordingly, the
20 Parties have conducted adequate investigation and discovery to be sufficiently informed of the
21 nature and extent of the class and PAGA claims, and to enable both sides to fully evaluate the
22 Settlement for its fairness, adequacy, and reasonableness. The Parties have agreed that the matter
23 is well-suited for settlement given the legal issues relating to Plaintiff's principal claims, as well
24 as the costs and risks to both sides that would attend further litigation. The Settlement takes into
25 account the strengths and weaknesses of each side's position and the uncertainty of how the case
26 might have concluded at certification, trial, and/or appeals.

27 19. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees
28 in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount

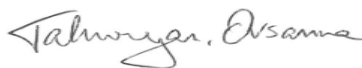
(i.e., \$1,137,500.00) and reimbursement of litigation costs and expenses not to exceed Thirty-Two Thousand Dollars (\$32,000.00), which will be paid out of the Gross Settlement Amount, subject to approval by the Court. It should be noted that Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

20. The Settlement Agreement provides for payment of up to Twelve Thousand Five Hundred Dollars (\$12,500.00) to Plaintiff as an Enhancement Payment, to be paid out of the Gross Settlement Amount subject to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed her, and actively tried to obtain information that would benefit the Class. For example, Plaintiff reviewed and responded to requests for production of documents, prepared for and attended a full-day of deposition, and reviewed her transcript thereafter. Accordingly, it is appropriate and just for Plaintiff to receive an Enhancement Payment for her services on behalf of the Class, State of California, and PAGA Aggrieved Employees, in addition to her Individual Settlement Payment and Individual PAGA Payment.

21. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interests of Plaintiff, the Class, PAGA Aggrieved Employees, and the State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the case, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

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

Executed on this 21st day of October 2022, at Glendale, California.



Ovsanna Takvoryan

EXHIBIT A

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

2 This Joint Stipulation of Class Action and PAGA Settlement and Release (“Agreement,”
3 “Settlement,” or “Settlement Agreement”) is made and entered into by and between Plaintiff
4 Mireya Arteaga (“Plaintiff” or “Class Representative”), as an individual and on behalf of all
5 others similarly situated and aggrieved employees, and Defendants Arch Health Partners, Inc.
6 and Pacific Accountable Management, LLC (together, “Defendants”). This Settlement
7 Agreement shall be binding on Plaintiff and Class Members (as defined herein) and on
8 Defendants, subject to the terms and conditions hereof and the approval of the Court.

9 **A. RECITALS**

10 1. On August 9, 2019, Plaintiff commenced a putative class action entitled *Mireya*
11 *Arteaga v. Arch Health Partners, et al.*, Superior Court of California for the County of San Diego,
12 Case No. 37-2019-00041864-CU-OE-CTL (the “Action”) against Defendants. As set forth in the
13 Class Action Complaint for Damages (“Complaint”), Plaintiff asserts class-wide claims for:
14 (1) Unpaid Overtime (Labor Code §§ 510 and 1198); (2) Meal Period Violations (Labor Code §§
15 226.7 and 512); (3) Rest Period Violations (Labor Code § 226.7); (4) Unpaid Minimum Wages
16 (Labor Code §§ 1194, 1197, and 1197.1); (5) Waiting Time Penalties (Labor Code §§ 201 and
17 202); (6) Failure to Pay Wages Timely During Employment (Labor Code § 204); (7) Wage
18 Statement Penalties (Labor Code § 226); (8) Failure to Maintain Accurate Payroll Records (Labor
19 Code §§ 1174); (9) Unreimbursed Business Expenses (Labor Code §§ 2800 and 2802); and (10)
20 Unfair Competition (Business & Professions Code §§ 17200 et seq.).

21 2. On April 29, 2022, Plaintiff filed a letter with the California Labor and Workforce
22 Development Agency (“LWDA”) alleging claims against Defendants for violations of Labor
23 Code and IWC Wage Orders pursuant to California Private Attorneys General Act of 2004,
24 California Labor Code section 2698, *et seq.* (“PAGA”).

25 3. The Parties will stipulate to the filing of a First Amended Complaint in the Action
26 to add an eleventh (11th) cause of action for penalties under PAGA (the “Operative Complaint”).

27 4. Defendants deny all material allegations set forth in the Complaint and the
28 LWDA Letter. Notwithstanding, in the interest of avoiding further litigation, the Parties desire

1 to fully and finally settle the Action and Released Claims, as defined below.

2 5. On February 15, 2022, the Parties participated in mediation with Mark Rudy,
3 Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the
4 assistance of the Mediator and his evaluations the Parties reached the settlement that is
5 memorialized herein. The settlement discussions were conducted at arm’s-length, and the
6 settlement is the result of an informed and detailed analysis of Defendants’ potential liability
7 and total exposure in relation to the costs and risks associated with continued litigation of the
8 Action.

9 6. Counsel for Plaintiff have diligently investigated the claims alleged in the
10 Action, including any and all applicable defenses, and the applicable law. The investigation
11 included, *inter alia*, the exchange of information, data, and documents and review of corporate
12 policies and practices. The Parties also engaged in formal discovery, including but not limited
13 to, Plaintiff’s deposition and the deposition of a “person most knowledgeable” from defendant
14 Arch Health Partners, Inc. Based on the documents produced, as well as counsel for Plaintiff’s
15 own independent investigation and evaluation, counsel believes that the settlement with
16 Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair,
17 reasonable, and adequate and is in the best interest of the alleged putative class in light of all
18 known facts and circumstances, including the risk of significant delay and uncertainty
19 associated with litigation and various defenses asserted by Defendants.

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

25 **B. DEFINITIONS**

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

28 1. “**Class Counsel**” or “**Plaintiff’s Counsel**” mean Edwin Aiwazian, Arby

1 Aiwazian, Joanna Ghosh, and Ovsanna Takvoryan, of Lawyers for Justice, PC.

2 2. **“Class Counsel Fees and Costs”** means such award of fees and costs and
3 expenses as the Court may authorize to be paid to Class Counsel for the services they have
4 rendered and will render to Plaintiff and the Class in the Action. Defendants agrees not to oppose
5 Class Counsel fees of up to thirty-five percent (35%) of the Gross Settlement Amount, *i.e.* the
6 sum of One Million One Hundred Thirty-Seven Thousand Five Hundred Dollars (\$1,137,500.00),
7 and costs in the amount of up to Thirty-Two Thousand Dollars (\$32,000.00).

8 3. **“Class Data and List”** means a complete list of all Class Members that
9 Defendants will diligently and in good faith compile from its records and provide to the
10 Settlement Administrator within fifteen (15) business days after Preliminary Approval. The
11 Class Data and List will be password protected and formatted in a readable Microsoft Office
12 Excel spreadsheet and will include each Class Member’s full name, last known mailing address,
13 last known telephone number (if available), Social Security Number, the number of work weeks
14 he or she worked during the Class Period, and the number of work weeks he or she worked
15 during the PAGA Period. The Class Data and List provided to the Settlement Administrator will
16 be treated as confidential and will not be disclosed to anyone, except as may be required to
17 applicable tax authorities, pursuant to Defendants’ express written consent, by order of the Court,
18 or to carry out the reasonable steps described in this Settlement to locate missing Class Members.

19 4. **“Class Member(s)”** or **“Class”** mean all individuals who are or were employed
20 by Defendants as non-exempt employees in California during the Class Period.

21 5. **“Class Notice”** means the Notice of Class Action Settlement, substantially in the
22 form attached as **“Exhibit A.”**

23 6. **“Class Period”** means the time period from August 9, 2015 through July 15,
24 2022.

25 7. **“Class Representative”** or **“Plaintiff”** means Mireya Arteaga.

26 8. **“Court”** means the Superior Court of the State of California for the County of
27 San Diego.

28 9. **“Defendants”** means Arch Health Partners, Inc. and Pacific Accountable

1 Management, LLC.

2 10. **“Defendants’ Counsel”** or **“Defense Counsel”** mean Danielle Hultenius Moore
3 and Bret Martin of Fisher & Phillips LLP.

4 11. **“Effective Date”** means the later of: (a) the Court’s final approval of the
5 settlement if no objections by or on behalf of Class Members have been filed and not
6 withdrawn; (b) the time for appeal has expired if an objection has been filed and no appeal
7 has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed with
8 no rights to pursue further remedies or relief (no more appeals, writs, or other appellate
9 proceedings).

10 12. **“Enhancement Payment”** means the amount that the Court authorizes to be paid
11 to Plaintiff, in addition to her Individual Settlement Payment and Individual PAGA Payment, in
12 recognition of her efforts and risks in assisting with the prosecution of the Action. Subject to the
13 Court granting final approval, the Parties agree that Plaintiff shall be paid an Enhancement
14 Payment up to Twelve Thousand Five Hundred Dollars (\$12,500.00) from the Gross Settlement
15 Amount.

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

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

21 15. **“Gross Settlement Amount”** means the amount of Three Million Two Hundred
22 Fifty Thousand Dollars (\$3,250,000.00) to be paid by Defendants in full resolution of all
23 Released Claims and the Action. The Gross Settlement Amount includes all Individual
24 Settlement Payments to Settlement Class Members, the Enhancement Payment to Plaintiff,
25 Settlement Administration Costs to the Settlement Administrator, the PAGA Payment and Class
26 Counsel Fees and Costs to Class Counsel.

27 16. **“Individual PAGA Payment”** means the amount payable from the Net PAGA
28 Penalties to each PAGA Aggrieved Employee.

1 17. **“Individual Settlement Payment”** means the amount payable from the Net
2 Settlement Amount to each Settlement Class Member.

3 18. **“Net Settlement Amount”** means the balance of the Gross Settlement Amount
4 remaining after deduction of the Court approved Enhancement Payment to Plaintiff, Settlement
5 Administration Costs, the PAGA Payment, and Class Counsel Fees and Costs. The entire Net
6 Settlement Amount is the maximum amount that will be available for distribution to Settlement
7 Class Members.

8 19. **“Notice of Objection”** means a Class Member’s valid and timely written
9 objection to the Settlement, which must be in writing and include: (a) the case name and number
10 of the Action; (b) the objector’s full name, signature, address, and telephone number, (c) a
11 written statement of all grounds for the objection accompanied by any legal support for such
12 objection, and (d) copies of any papers, briefs, or other documents upon which the objection is
13 based.

14 20. **“PAGA Aggrieved Employee”** mean all individuals who are or were employed
15 by Defendants as non-exempt employees in California during the PAGA Period.

16 21. **“PAGA Payment”** means the portion of the Gross Settlement Amount that the
17 Parties have agreed will be allocated to resolve all claims, penalties, and remedies under
18 California Lab. Code section 2698, *et seq.* The amount of the PAGA Payment is subject to Court
19 approval pursuant to California Labor Code section 2699(l). The Parties have agreed that Two
20 Hundred Fifty Thousand Dollars (\$250,000.00) of the Gross Settlement Amount shall be
21 allocated to the resolution of the PAGA Aggrieved Employees’ claims arising under PAGA.
22 Pursuant to the PAGA, seventy-five percent (75%) of the PAGA Payment, *i.e.* the sum of One
23 Hundred Eighty Seven Thousand Five Hundred Dollars (\$187,500.00), shall be paid to the
24 California Labor and Workforce Development Agency (the “LWDA Payment”). The remaining
25 twenty-five percent (25%) of the PAGA Payment, *i.e.* the sum of Sixty Two Thousand Five
26 Hundred Dollars (\$62,500.00) (“Net PAGA Penalties”), shall be distributed to the PAGA
27 Aggrieved Employees.

28 22. **“PAGA Period”** means the time period from August 9, 2018 through July 15,

1 2022.

2 23. **“Parties”** means Plaintiff and Defendants, collectively, and “Party” means either
3 Plaintiff or Defendants.

4 24. **“Preliminary Approval”** means entry of the Court order granting preliminary
5 approval of the Settlement Agreement.

6 25. **“Released Claims”** means: (a) all claims that were or could have been pled in the
7 Operative Complaint based on facts and allegations made therein for violation of Labor Code
8 sections 201, 202, 203, 204, 210, 226, 226.2, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197,
9 1197.1, 2800 and 2802, that accrued during the Class Period; and (b) all claims that were or could
10 have been pled in the Operative Complaint based on facts and allegations made therein for
11 penalties under the California Private Attorneys' General Act predicated on the violation of Labor
12 Code sections 201, 202, 203, 204, 210, 226, 226.2, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197,
13 1197.1, 2800 and 2802 and/or the IWC Wage Orders, that accrued during the PAGA Period.
14 Released Claims include, but are not necessarily limited to, minimum wages, overtime and double
15 time wages (including, but not limited to, any claims for additional wages owed due to
16 “rounding,” “off the clock work,” and/or not factoring bonuses, shift differentials, and other
17 forms of incentive pay into the regular rate of pay); meal and rest breaks; failure to maintain
18 accurate employment records; wage statement violations; separation pay violations; failure to pay
19 wages timely during employment; failure to keep requisite payroll records; failure to reimburse
20 business expenses; and unfair business practices, as well as any damages, restitution,
21 disgorgement, civil penalties, statutory penalties, taxes, interest or attorneys’ fees or costs
22 resulting therefrom.

23 26. **“Released Parties”** means Defendants and their respective present and former
24 officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers,
25 reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, assigns,
26 as well as any individual or entity that could be alleged to be jointly liable with Defendants.

27 27. **“Request for Exclusion”** means a timely letter submitted by a Class Member
28 indicating a request to be excluded from the Settlement. The Request for Exclusion must:

(a) clearly state that the Class Member does not wish to be included in the Settlement; (b) set forth the name, address, telephone number, and last four digits of the Social Security Number of the Class Member requesting exclusion; (c) be signed by the Class Member; (d) be returned by mail to the Settlement Administrator at the specified address indicated in the Class Notice; and (e) be postmarked on or before the Response Deadline.

28. **“Response Deadline”** means forty-five (45) days after the Settlement Administrator initially mails the Class Notice to Class Members.

29. **“Settlement Administration Costs”** means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Agreement, which are estimated at Fifteen Thousand Dollars (\$15,000.00). Any portion of the Settlement Administration Costs not used or approved by the Court shall be added to the Net Settlement Amount.

30. **“Settlement Administrator”** means Simpluris, Inc., or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering this Settlement.

31. **“Settlement Class Members”** means all Class Members who do not submit a valid and timely Request for Exclusion.

32. **“Settlement Payment Check”** means the payment of the Individual Settlement Payment to Settlement Class Members and Individual PAGA Payment to PAGA Aggrieved Employees.

C. ADMINISTRATION OF SETTLEMENT

1. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm’s-length negotiations, mediation, and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement.

2. Non-Reversionary Settlement. This is a “non-reversionary” settlement. Under no circumstances will any portion of the Gross Settlement Amount revert to Defendants. Class Members will not have to make a claim in order to receive an Individual Settlement Payment. Distributions, in the form of Individual Settlement Payments, will be made directly to each Settlement Class Member and PAGA Aggrieved Employee.

3. Funding of the Gross Settlement Amount. Defendants will transfer the Gross Settlement Amount and employer’s share of payroll taxes due on the wages portion of the Individual Settlement Awards to the Settlement Administrator in two installments. The first one-half of the Gross Settlement Amount and the employer’s share of the payroll taxes shall be tendered within fifteen (15) days of the Effective Date. The second one-half of the Gross Settlement Amount and the employer’s share of the payroll taxes shall be tendered by the later of (a) nine (9) months after the due date of the first installment or (b) July 15, 2023.

4. Class Counsel Fees and Costs. Defendants agree not to oppose or impede any application or motion by Class Counsel for attorneys’ fees of up to thirty-five percent (35%) of the Gross Settlement Amount, *i.e.* the sum of One Million One Hundred Thirty-Seven Thousand Five Hundred Dollars (\$1,137,500.00), and costs in the amount of up to Thirty-Two Thousand Dollars (\$32,000.00), which shall be paid from the Gross Settlement Amount. It is understood by Class Counsel that the Court has final discretion in any fee award. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel reflecting the awarded attorneys’ fees, costs, and expenses. Any portion of the Class Counsel Fees and Costs not awarded to Class Counsel shall be added to the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. Notwithstanding any other provision of this Agreement, if the Court should fail to award attorneys’ fees to Class Counsel in the full amount provided for in this Agreement, no order of the Court or modification of any order of the Court concerning the amount of any attorneys’ fees to be paid by Defendants to Class Counsel pursuant to this settlement shall constitute grounds for cancellation or termination of the Agreement or grounds for limiting any other provision of the Judgment. It is agreed that no order of the Court, including any order concerning attorneys’ fees, may alter or otherwise increase the Gross Settlement

1 Amount.

2 5. Class Representative Enhancement Payment. Defendants agree not to oppose or
3 impede any application or motion by Plaintiff for an Enhancement Payment of up to Twelve
4 Thousand Five Hundred Dollars (\$12,500.00). The Enhancement Payment shall be paid from
5 the Gross Settlement Amount and shall be paid in addition to Plaintiff's Individual Settlement
6 Payment as a Settlement Class Member and Individual PAGA Payment as a PAGA Aggrieved
7 Employee. It is understood by Class Counsel and Plaintiff that the Court has final discretion in
8 any Enhancement Payment. The Settlement Administrator shall issue an IRS Form 1099 to
9 Plaintiff reflecting the Enhancement Payment. Plaintiff shall be solely and legally responsible
10 to pay any and all applicable taxes on the Enhancement Payment and shall hold harmless
11 Defendants from any claim or liability for taxes, penalties, or interest arising as a result of the
12 Enhancement Payment. Any portion of the Enhancement Payment not awarded to Plaintiff shall
13 be added to the Net Settlement Amount and shall be distributed to Settlement Class Members as
14 provided in this Agreement.

15 6. Settlement Administration Costs. The Settlement Administrator shall be paid for
16 the reasonable costs of administration of the Settlement from the Gross Settlement Amount,
17 currently estimated at Fifteen Thousand Dollars (\$15,000.00). These costs, which shall be paid
18 from the Gross Settlement Amount, shall include, *inter alia*, the required tax reporting on the
19 Individual Settlement Payments and Individual PAGA Payments, the issuing of 1099 IRS Forms,
20 establishing a Qualified Settlement Fund, administering and distributing the Gross Settlement
21 Amount and Class Counsel Fees and Costs, and providing necessary reports and declarations.
22 Any portion of the Settlement Administration Costs not allowed shall be added to the Net
23 Settlement Amount and shall be distributed to Settlement Class Members as provided in this
24 Agreement.

25 7. PAGA Payment. Subject to Court approval, the Parties agree that the amount of
26 Two Hundred Fifty Thousand Dollars (\$250,000.00) of the Gross Settlement Amount shall be
27 designated for satisfaction of claims for civil penalties under the PAGA.

28 8. LWDA Payment. The Settlement Administrator shall pay seventy-five percent

(75%) of the PAGA Payment, *i.e.* the sum of One Hundred Eighty Seven Thousand Five Hundred Dollars (\$187,500.00), to the LWDA.

9. Net PAGA Penalties. The Settlement Administrator shall distribute the remaining twenty-five percent (25%) of the PAGA Payment, *i.e.* the sum of Sixty Two Thousand Five Hundred Dollars (\$62,500.00), to PAGA Aggrieved Employees. The Net PAGA Penalties shall be used to satisfy Individual PAGA Payments to PAGA Aggrieved Employees in accordance with the terms of this Agreement. The Settlement Administrator will allocate the Individual PAGA Payments by first dividing the Net PAGA Penalties by the total number of work weeks worked by PAGA Aggrieved Employees during the PAGA Period. That value will then be multiplied by the number of work weeks worked by each respective PAGA Aggrieved Employee during the PAGA Period. PAGA Aggrieved Employees are entitled to 100% of the Net PAGA Penalties. Defendants maintain no reversionary right to any portion of the Net PAGA Penalties.

10. Net Settlement Amount. The Net Settlement Amount shall be used to satisfy Individual Settlement Payments to Settlement Class Members in accordance with the terms of this Agreement. The Settlement Administrator will allocate the Individual Settlement Payments by first dividing the Net Settlement Amount by the total number of work weeks worked by Class Members during the Class Period. That value will then be multiplied by the number of work weeks worked by each respective Class Member during the Class Period. Class Members are entitled to 100% of the Net Settlement Amount. Defendants maintain no reversionary right to any portion of the Net Settlement Amount. If there are any timely submitted Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payments for each Settlement Class Member so that the amount actually distributed to Class Members equals 100% of the Net Settlement Amount.

11. Escalator Clause. Defendants estimate the class consists of approximately 114,586 work weeks as of February 15, 2022, and this estimate serves as the basis for Plaintiff accepting the Settlement. Should the total number of work weeks increase by more than 10%, Defendants shall increase the Gross Settlement Amount proportionately over the 10% grace (*i.e.*, meaning if

the work weeks increase by 11%, the Gross Settlement Amount will increase by 1%). Alternatively, if the escalator clause is triggered, Defendants may choose to end the Class Period on the date that the increase was triggered.

12. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Settlement Class Members, the Individual PAGA Payments made to PAGA Aggrieved Employees, the Enhancement Payment made to Plaintiff, as well as any other payments made pursuant to this Agreement, shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members may be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plans. Rather, it is the Parties' intention that this Settlement will not affect any rights, contributions, or amounts to which any Settlement Class Member or PAGA Aggrieved Employee may be entitled under any benefit plans.

13. Settlement Administration Process. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement. The Settlement Administrator shall provide the following services:

- a. Establish and maintain a Qualified Settlement Fund account;
- b. Calculate the amount of the Settlement each Class Member is eligible to receive;
- c. Verify the last known address for each Class Member through a generally utilized, national address update database prior to mailing the Class Notice;
- d. Print and mail the Class Notice;
- e. Establish and maintain a toll-free informational telephone support line to assist Class Members who have questions regarding the Class Notice;
- f. Conduct additional address searches for mailed Class Notices that are returned as undeliverable and, to the extent new and more current addresses are found, also reprint and re-mail Class Notices accordingly;
- g. Field inquiries from Class Members, and administer any Requests for

1 Exclusion. This service will include settlement proceed calculations, printing and issuance of
2 checks, and preparation of 1099 Forms;

3 h. Distribute and pay the Enhancement Payment, Individual Settlement
4 Payments, Individual PAGA Payments, the LWDA Payment, and fees and costs awarded to Class
5 Counsel; and

6 i. Provide declarations and/or other information to the Court as requested.

7 14. Delivery of the Class List and Data. Within fifteen (15) business days of
8 Preliminary Approval, Defendants shall provide the Class List and Data to the Settlement
9 Administrator.

10 15. Notice by First-Class U.S. Mail. Within ten (10) business days after receiving the
11 Class List and Data from Defendants, the Settlement Administrator shall mail a Class Notice to
12 all Class Members via regular First-Class U.S. Mail, using the most current, known mailing
13 addresses identified in the Class List and Data subject to Section C.15 below.

14 16. Confirmation of Contact Information in the Class List. Prior to mailing, the
15 Settlement Administrator shall perform a search based on the National Change of Address
16 Database for information to update and correct for any known or identifiable address changes.

17 17. Class Notices. All Class Members will be mailed a Class Notice. Each Class
18 Notice will provide: (1) information regarding the nature of the Action; (2) a summary of the
19 Settlement's principal terms; (3) the Class definition; (4) each Class Member's estimated
20 Individual Settlement Payment and the formula for calculating Individual Settlement Payments,
21 if they do not request to be excluded; (5) each Class Member's estimated Individual PAGA
22 Payment and the formula for calculating Individual PAGA Payments; (6) the dates that comprise
23 the Class Period and PAGA Period; (7) instructions on how to submit a valid Request for
24 Exclusion, or Notice of Objection; (8) instructions on how to submit a dispute as to the data
25 provided by Defendants regarding the total number of work weeks worked by Class Members
26 during the Class Period and/or regarding the total number of work weeks worked by PAGA
27 Aggrieved Employees during the PAGA Period; (9) the deadlines by which the Class Member
28 must submit a Request for Exclusion or Notice of Objection; (10) the date for the final approval

1 hearing; and (11) the claims to be released. The Class Notice will also inform Class Members
2 that, in order to receive the Individual Settlement Payment and Individual PAGA Payment, they
3 do not need to do anything except keep the Settlement Administrator apprised of their current
4 mailing addresses.

5 18. Re-Mailing of Returned Notices. Any Class Notices returned to the Settlement
6 Administrator as non-deliverable on or before the Response Deadline shall be re-sent promptly
7 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
8 Administrator shall indicate the date of such re-mailing on the Class Notice. If no forwarding
9 address is provided, the Settlement Administrator shall promptly attempt to determine the correct
10 address using a skip-trace, or other search using the name, address and/or Social Security Number
11 of the Class Member involved and shall then perform a re-mailing. Those Class Members who
12 receive a re-mailed Class Notice shall have their Response Deadline extended fifteen (15) days
13 from the original Response Deadline.

14 19. Request for Exclusion Procedures. Any Class Member, other than Plaintiff, may
15 opt-out from the Settlement by submitting a written Request for Exclusion to the Settlement
16 Administrator postmarked by the Response Deadline. A Request for Exclusion must: (1) clearly
17 state that the Class Member does not wish to be included in the Settlement; (2) set forth the name,
18 address, telephone number, and last four digits of the Social Security Number of the Class
19 Member requesting exclusion; (3) be signed by the Class Member; (4) be returned by mail to the
20 Settlement Administrator at the specified address indicated in the Class Notice; and (5) be
21 postmarked on or before the Response Deadline. The date of the postmark shall be the exclusive
22 means to determine whether a Request for Exclusion is timely. By submitting such a Request for
23 Exclusion, a Class Member shall be deemed to have exercised his or her option to opt out of the
24 Settlement and not be bound by this Agreement, except that in light of the binding nature of a
25 PAGA judgment on non-party employees, Class Members employed during the PAGA Period
26 who exclude themselves from this Settlement shall still be bound by the release of any claims
27 under the California Private Attorneys' General Act that accrued during the PAGA Period and
28 are encompassed within the Released Claims. At no time shall any of the Parties or their counsel

1 seek to solicit or otherwise encourage Class Members to submit a Request for Exclusion. Class
2 Counsel shall not represent any Class Members with respect to any such request.

3 20. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
4 Member who does not affirmatively opt-out of the Settlement by submitting a valid and timely
5 Request for Exclusion shall be bound by all terms of the Settlement to the fullest possible extent,
6 including those pertaining to the Released Claims, as well as any Judgment that may be entered
7 by the Court. Additionally, Class Members employed during the PAGA Period shall be bound
8 by the release of any claims under the California Private Attorneys General Act that accrued
9 during the PAGA Period and are encompassed within the Released Claims, as well as any
10 Judgment that may be entered by the Court thereon, regardless of whether they opt-out of the
11 Settlement.

12 21. Objection Procedures. Any Class Member who does not opt-out of the Settlement
13 (i.e., Settlement Class Member) can object to the terms of the Settlement by submitting a timely
14 and complete written objection (“Objection”). In order to be complete and timely, Objections
15 must: (1) contain the Settlement Class Member’s full name, telephone number, address, and the
16 last four digits of his or her Social Security number; (2) list the case name and number of the
17 Action; (3) state each specific reason in support of the objection and any legal support for each
18 objection; (4) if the objecting Settlement Class Member is represented by counsel, the name,
19 phone number, mailing address, and email address of such counsel; and (5) be filed with the Clerk
20 of the San Diego County Superior Court of the State of California and served by mail to the
21 Settlement Administrator, file-stamped and post-marked on or before the Response Deadline. At
22 no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class
23 Members to submit written objections to the Settlement or appeal from the Order and Judgment.
24 Class Counsel shall not represent any Class Members with respect to any such objections to this
25 Settlement. Any Class Member who submits a valid Request for Exclusion shall not be allowed
26 to object to this Settlement.

27 22. Defendants’ Right to Rescind. If ten percent (10%) or more of the Class opts-out
28 of the Settlement by submitting valid and timely Requests for Exclusion as set forth in the Class

1 Notice, Defendants shall have the right (but need not) in their sole discretion to rescind and void
2 the entire Settlement, no later than five (5) court days prior to the date of the Final Approval
3 Hearing. If Defendants exercise this option, Defendants shall pay only costs of Settlement
4 administration incurred up to that date. Defendants shall not be responsible for paying any of the
5 attorneys' fees or costs set forth in this Settlement Agreement, or any other fees and/or costs
6 incurred by Class Counsel to effectuate this Settlement. Defendants' termination of this
7 Settlement shall have the same effect as would non-approval of the Settlement by the Court: the
8 Parties shall revert to their previous positions, with all parties to this Settlement to stand in their
9 same position, without prejudice, as if the Settlement Agreement had been neither entered into
10 nor filed with the Court, and Defendants will not stipulate to class certification.

11 23. Settlement Administrator's Reports of Information. The Settlement Administrator
12 shall provide Defense Counsel and Class Counsel a weekly report which certifies the number of
13 Class Members who have submitted valid Requests for Exclusion. Additionally, the Settlement
14 Administrator will provide to counsel for both Parties any updated reports regarding the
15 administration of the Settlement as needed or requested. The Settlement Administrator shall also
16 forward to Parties' counsel any Notices of Objection received immediately upon receipt. Further,
17 the Settlement Administrator shall immediately forward any Request for Exclusion to the Parties'
18 counsel so that they can determine whether the Request for Exclusion is valid and timely.

19 24. Distribution of Payments. Within fifteen (15) calendar days of Defendants funding
20 the Gross Settlement Amount, the Settlement Administrator shall pay: (1) the Individual
21 Settlement Payments to Settlement Class Members and Individual PAGA Payments to PAGA
22 Aggrieved Employees; (2) the LWDA Payment to the Labor and Workforce Development
23 Agency; (4) the Enhancement Payment to Plaintiff Mireya Torres; and (5) Class Counsel Fees
24 and Costs to Class Counsel. The Settlement Administrator shall also issue a payment to itself for
25 services performed in connection with the Settlement.

26 25. Non-Negotiated Settlement Checks. Any Settlement Payment Checks shall be
27 negotiable until one hundred and eighty (180) calendar days after mailing to the Settlement Class
28 Members and PAGA Aggrieved Employees. Those funds represented by settlement checks

1 returned as undeliverable and the funds which correspond with the settlement checks that are not
2 negotiated within one hundred and eighty (180) calendar days after mailing shall be transferred
3 to the California Secretary of State Controller's Office—Office of Unclaimed Property Fund
4 under the unclaimed property laws in the name of the Settlement Class Members and PAGA
5 Aggrieved Employees.

6 26. Certification of Completion. Upon completion of administration of the Settlement,
7 the Settlement Administrator shall provide a written declaration under oath to certify such
8 completion to the Court and counsel for all Parties.

9 27. Administration Costs if Settlement Fails or is Delayed. If an objection to the
10 Settlement is filed with the Court, regardless of the ultimate outcome of any appeals taken, or if
11 the Settlement is voided, any costs incurred by the Settlement Administrator shall be borne
12 equally by Defendants and Plaintiff, unless otherwise specified in this Agreement.

13 28. Tax Allocation of Individual Settlement Payments. All Individual Settlement
14 Payments shall be allocated as follows: eighty percent (80%) as penalties and interest and
15 reported on an IRS Form 1099; and twenty percent (20%) shall be attributed to wages and
16 reported via an IRS Form W-2. Settlement Class Members are responsible for their share of the
17 payroll taxes, which shall be deducted from their Individual Settlement Payments. Defendants
18 are responsible for the employer share of payroll taxes, in addition to the Gross Settlement
19 Amount, and these taxes will not be deducted from the Gross Settlement Amount.

20 29. Tax Allocation of Individual PAGA Payments. All Individual PAGA Payments
21 shall be allocated 100% as penalties. The amount of payments shall be reported on an IRS Form
22 1099 by the Settlement Administrator.

23 30. Administration of Taxes by the Settlement Administrator. The Settlement
24 Administrator shall be responsible for issuing to Plaintiff, Settlement Class Members, PAGA
25 Aggrieved Employees and Class Counsel, 1099 forms or other tax forms as may be required by
26 law for all amounts paid pursuant to this Agreement.

27 31. Tax Liability. Defendants, Defense Counsel, the Settlement Administrator, and
28 Plaintiff's Counsel make no representation as to the tax treatment or legal effect of the payments

called for hereunder, and Plaintiff and Settlement Class Members are not relying on any statement, representation, or calculation by Defendants, Defense Counsel, Plaintiff's Counsel, or by the Settlement Administrator in this regard. Plaintiff and Settlement Class Members understand and agree that they will be solely responsible for the payment of any and all taxes and penalties assessed on their respective payments described herein and will defend, indemnify, and hold Defendants, Defense Counsel, Plaintiff's Counsel and the Settlement Administrator free and harmless from and against any claims resulting from treatment of such payments as non-taxable penalties/damages.

32. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF

1 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
2 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
3 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
4 AGREEMENT.

5 **D. RELEASE OF CLAIMS BY PLAINTIFF, THE SETTLEMENT CLASS, AND**
6 **PAGA AGGRIEVED EMPLOYEES**

7 1. Release of Claims by Plaintiff. As a condition to obtaining the Enhancement
8 Payment provided for herein, Plaintiff (on behalf of herself and her spouse, heirs, executors,
9 administrators, trustees, and/or permitted assigns) also agrees to a general release of any and all
10 claims against Defendants and the Released Parties (as defined above)—which shall include
11 without limitation any and all claims which in any way relate to Plaintiff’s employment with
12 Defendants, under State or Federal law, in tort, common law, statute, contract, or equity, whether
13 pled in the Operative Complaint or not, including but not limited to any claims under the FLSA,
14 Title VII, ADA, FEHA, ADEA, PAGA, California Labor Code, or any Industrial Welfare
15 Commission Wage Order—now existing or arising in the future, based on any act, omission,
16 event, occurrence, or nonoccurrence from the beginning of time to the date of execution hereof.
17 Plaintiff further expressly waives and relinquishes, to the fullest extent permitted by law, the
18 provisions, rights and benefits of Section 1542 of the California Civil Code, which provides: “**A**
19 **general release does not extend to claims that the creditor or releasing party does not know**
20 **or suspect to exist in his or her favor at the time of executing the release and that, if known**
21 **by him or her, would have materially affected his or her settlement with the debtor or**
22 **released party.**”

23 2. Release of Claims by Settlement Class Members. Upon the payment of the Gross
24 Settlement Amount, Plaintiff and all Settlement Class Members, as well as their spouses, heirs,
25 executors, administrators, trustees, and/or permitted assigns, hereby do and shall be deemed to
26 have fully, finally and forever released, settled, compromised, relinquished and discharged, to the
27 fullest extent possible, any and all of the Released Parties of and from any and all Released
28 Claims.

1 3. Release of Claims by PAGA Aggrieved Employees. Upon the payment of the
2 Gross Settlement Amount, Plaintiff and all PAGA Aggrieved Employees, as well as their spouses,
3 heirs, executors, administrators, trustees, and/or permitted assigns, hereby do and shall be deemed
4 to have fully, finally and forever released, settled, compromised, relinquished and discharged, to
5 the fullest extent possible, any and all of the Released Parties of and from any and claims under
6 the California Private Attorneys' General Act that accrued during the PAGA Period and are
7 encompassed within the Released Claims.

8 **E. FINAL AND PRELIMINARY APPROVAL**

9 1. Preliminary Approval Hearing. Plaintiff shall obtain a hearing before the Court to
10 request the Preliminary Approval of the Settlement, conditional certification of the Class, and the
11 entry of a Preliminary Approval Order: (i) approving of the proposed Settlement, and (ii) setting
12 a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order shall
13 provide for the Class Notice to be sent to all Class Members as specified herein. In conjunction
14 with the Preliminary Approval hearing, Plaintiff shall submit this Agreement, which sets forth
15 the terms of this Settlement, and will include the proposed Class Notice, attached to this
16 Agreement as **Exhibit A**.

17 2. Final Settlement Approval Hearing. Upon expiration of the deadlines to submit
18 Requests for Exclusion or Notices of Objection to the Settlement, and with the Court's
19 permission, a Final Approval/Settlement Fairness Hearing shall be conducted to determine the
20 Final Approval of the Settlement along with the amounts properly payable for (i) Individual
21 Settlement Payments; (ii) the PAGA Payment; (ii) the Class Counsel Fees and Costs; (iii) the
22 Enhancement Payment; and (iv) Settlement Administration Costs. Class Counsel will be
23 responsible for drafting all documents necessary to obtain final approval. Class Counsel will also
24 be responsible for drafting the attorneys' fees and costs application to be heard at the Final
25 Approval Hearing.

26 3. Entry of Judgment and Continued Jurisdiction of the Court. Concurrent with the
27 Motion for Final Approval, the Parties shall also jointly seek the entry of Judgment consistent
28 with the terms of this Agreement. After entry of the Judgment, the Court shall have continuing

jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

4. Nullification of Settlement. In the event that the Settlement does not become final for any reason, then this Agreement, and any documents generated to bring it into effect, shall be null and void. Any order or judgment entered by the Court in furtherance of this Agreement shall likewise be treated as void from the beginning.

F. CLASS CERTIFICATION & NON-ADMISSION OF LIABILITY

1. Class Action Certification. The Parties are agreeing to class certification for settlement purposes only. This Agreement shall not constitute, in this or any other proceeding, an admission of any kind by Defendants, including without limitation, that certification of a class for trial or any other purpose is appropriate or proper or that Plaintiff or any Class Member can establish any of the requisite elements for class treatment of any of the claims in this Action. If, for any reason, the Settlement is not finally approved, this Agreement will be void and the Parties will be restored to their respective positions in the lawsuit as if they had not entered into this Agreement. The Parties further agree that this Agreement or any documents or orders issued related to this Settlement will not be admissible, other than according to the Settlement's terms, in this or any other proceeding as evidence that either: (i) a class action should be certified, or (ii) Defendants are liable to Plaintiff or any Class Member.

2. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, that they have violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendants of any such

violations or failures to comply with any applicable law, regulation, or legal requirement. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission of any nature on the part of Defendants, or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

G. DISPUTES

1. Disputes Regarding Language of Settlement Agreement. If the Parties have a dispute with regard to the language of the Agreement, the Parties agree to attempt to informally resolve the dispute by engaging Mark Rudy to mediate such dispute.

2. Disputes Regarding Individual Settlement Payments and/or Individual PAGA Payments. In the event that Class Members and/or PAGA Aggrieved Employees have a dispute as to the data provided by Defendants regarding the total number of work weeks worked by Class Members and/or regarding the total number of work weeks worked by PAGA Aggrieved Employees, Class Members and PAGA Aggrieved Employees will have the opportunity to provide documentation and/or an explanation. Absent evidence rebutting Defendants' records, Defendants' records will be presumed determinative. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments as well as the Individual PAGA Payments under the terms of this Agreement, and that determination shall be binding.

3. Disputes Regarding Administration of Settlement. Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

4. Enforcement Actions. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of

1 this Settlement, or to declare rights and/or obligations under this Settlement, the prevailing Party
2 or Parties shall be entitled to recover from the non-prevailing Party or Parties reasonable
3 attorneys' fees and costs, including expert witness fees incurred in connection with any
4 enforcement actions.

5 **H. MISCELLANEOUS TERMS**

6 1. Confidentiality Preceding Preliminary Approval. The Parties and their counsel
7 agree that they will not report the Settlement in any medium or in any publication, and shall not
8 issue any press releases, initiate any contact with the press, respond to any press inquiry, post
9 information on any social media or website, or have any communication with the press about the
10 fact, amount, or terms of the Settlement.

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

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

18 4. Entire Agreement. This Agreement and any attached Exhibits constitute the
19 entirety of the Parties' Settlement terms. No other prior or contemporaneous written or oral
20 negotiations or agreements may be deemed binding on the Parties.

21 5. Amendment or Modification. This Agreement may be amended or modified only
22 by a written instrument signed by the Parties or their successors-in-interest.

23 6. Authorization to Enter into Agreement. Counsel for all Parties warrant and
24 represent they are expressly authorized by the Parties whom they represent to negotiate this
25 Agreement and to take all appropriate actions required or permitted to be taken by the Parties
26 pursuant to this Agreement to effectuate its terms and to execute any other documents required
27 to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each
28 other and use their best and good-faith efforts to effect the implementation of the Settlement. If

1 the Parties are unable to reach agreement on the form or content of any document needed to
2 implement the Settlement, or on any supplemental provisions that may become necessary to
3 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve
4 such disagreement.

5 7. Execution and Counterparts. This Agreement is subject only to the execution of
6 all Parties. However, the Agreement may be executed in one or more counterparts. All executed
7 counterparts and each of them, including facsimile and scanned copies of the signature page, shall
8 be deemed to be one and the same instrument provided that counsel for the Parties shall exchange
9 among themselves original signed counterparts.

10 8. Binding on Successors and Assigns. This Agreement shall be binding upon, and
11 inure to the benefit of, the successors, heirs, or assigns of the Parties hereto, as previously defined.

12 9. California Law Governs. All terms of this Agreement and Exhibits hereto shall be
13 governed by and interpreted according to the laws of the State of California.

14 10. Invalidity of Any Provision. Before declaring any provision of this Agreement
15 invalid, the Court shall first attempt to construe the provision as valid to the fullest extent possible
16 consistent with applicable precedents so as to define all provisions of this Agreement valid and
17 enforceable. Any invalid, illegal, or unenforceable provision determined by the Court shall in no
18 way affect any other provision if Defendants and Class Counsel, on behalf of the Parties and the
19 Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable
20 provision had never been included in this Agreement.

21 11. Captions. The captions and section numbers in this Agreement are inserted for the
22 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
23 provisions of this Agreement.

24 12. Waiver. No waiver of any condition or covenant contained in this Agreement or
25 failure to exercise a right or remedy by any of the Parties hereto shall be considered to imply or
26 constitute a further waiver by such party of the same or any other condition, covenant, right or
27 remedy.

28 13. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms

1 and conditions of this Agreement. Accordingly, this Agreement shall not be construed more
2 strictly against one Party than another merely by virtue of the fact that it may have been prepared
3 by counsel for one of the Parties, it being recognized that, because of the arm's-length
4 negotiations between the Parties, all Parties have contributed to the preparation of this
5 Agreement.

6 14. Representation by Counsel. The Parties acknowledge that they have been
7 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
8 and that this Agreement has been executed with the consent and advice of counsel. Further,
9 Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

10 15. Cooperation and Execution of Necessary Documents. All Parties shall cooperate
11 in good faith and execute all documents to the extent reasonably necessary to effectuate the terms
12 of this Agreement.

13 16. Binding Agreement. The Parties warrant that they understand and have full
14 authority to enter into this Agreement, and further intend that this Agreement shall be fully
15 enforceable and binding on all Parties, and agree that it shall be admissible and subject to
16 disclosure in any proceeding to enforce its terms.

17 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this
18 Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and
19 Defendants:

20 **IT IS SO AGREED.**

21
22 Dated: 10/18/2022, 2022

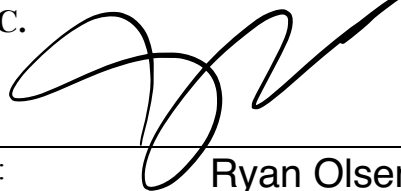
Plaintiff MIREYA ARTEAGA

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Mireya Arteaga

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Defendant ARCH HEALTH PARTNERS, INC.



Dated: 10/19/2022, 2022

By: _____
Title: **Ryan Olsen**
President and CEO
On behalf of Arch Health Partners, Inc.

Defendant PACIFIC ACCOUNTABLE MANAGEMENT, LLC



Dated: 10/19/2022, 2022

By: _____
Title: **Ryan Olsen**
CEO and CFO
On behalf of Pacific Accountable Management, LLC

APPROVED AS TO FORM

Dated: _____, 2022

LAWYERS for JUSTICE, PC

By: _____
EDWIN AIWAZIAN
Attorneys for Plaintiff Mireya Arteaga

Dated: October 20, 2022

FISHER & PHILLIPS LLP

By:  _____
DANIELLE HULTENIUS MOORE
BRET MARTIN
Attorneys for Defendants Arch Health Partners, Inc. and Pacific Accountable Management, LLC

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**Defendant ARCH HEALTH PARTNERS,
INC.**

Dated: _____, 2022

By:
Title:
On behalf of Arch Health Partners, Inc.

**Defendant PACIFIC ACCOUNTABLE
MANAGEMENT, LLC**

Dated: _____, 2022

By:
Title:
On behalf of Pacific Accountable Management,
LLC

APPROVED AS TO FORM

Dated: October 18, 2022

LAWYERS *for* JUSTICE, PC

By: 
EDWIN AIWAZIAN
Attorneys for Plaintiff Mireya Arteaga

Dated: _____, 2022

FISHER & PHILLIPS LLP

By: _____
DANIELLE HULTENIUS MOORE
BRET MARTIN
*Attorneys for Defendants Arch Health Partners,
Inc. and Pacific Accountable Management,
LLC*

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Mireya Arteaga v. Arch Health Partners, et al.

Superior Court of California for the County of San Diego, Case No. 37-2019-00041863-CU-OE-CTL

PLEASE READ THIS CLASS NOTICE CAREFULLY.

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

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

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

YOU ARE NOTIFIED THAT: A class action settlement has been reached between Plaintiff Mireya Arteaga ("Plaintiff") and Defendants Arch Health Partners, Inc. and Pacific Accountable Management, LLC ("Defendants") in the case entitled *Mireya Arteaga v. Arch Health Partners, et al.*, San Diego County Superior Court, Case No. 37-2019-00041863-CU-OE-CTL ("Action"), which may affect your legal rights. On [date of Preliminary Approval] the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all individuals who are or were employed by Defendants as non-exempt employees in California during the Class Period.

"Class Member" means a member of the Class.

"Class Period" means the time period from August 9, 2015 to July 15, 2022.

"PAGA Aggrieved Employees" means all individuals who are or were employed by Defendants as non-exempt employees in California during the PAGA Period.

"PAGA Period" means the time period from August 9, 2018 to July 15, 2022.

II. BACKGROUND OF THE ACTION

On October 9, 2019, Plaintiff Mireya Arteaga commenced the Action by filing a Class Action Complaint for Damages ("Complaint") against Defendants. On April 29, 2022, Plaintiff Mireya Arteaga provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that she contends were violated ("LWDA Notice"). On [date First Amended Complaint was filed], Plaintiff amended the Complaint to add a cause of action under the Private Attorneys General Act of 2004. Plaintiff alleges that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide compliant wage statements, keep requisite payroll records, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business & Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under California Labor Code section 2698, *et seq.* ("PAGA"). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendants deny all of the allegations in the Action and that they violated any law.

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

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Mireya Arteaga as representative of the Class (“Class Representative”), and the following counsel as counsel for the Class (“Class Counsel”):

Edwin Aiwarzian, Esq.
Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
Ovsanna Takvoryan, Esq.
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment and Individual PAGA Payment (if eligible), but you have the opportunity to request exclusion from the Settlement (in which case you will not receive an Individual Settlement Payment), object to the Settlement, and/or dispute the weeks worked credited to you for the Class Period and/or PAGA Period, if you so choose, as explained more fully in Sections III and IV below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiff or Class Members. Plaintiff and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, PAGA Aggrieved Employees, and the State of California. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total settlement amount is Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount, less the following payments which are subject to approval by the Court: (1) Class Counsel Fees and Costs, consisting of attorneys’ fees in an amount not to exceed 35% of the Gross Settlement Amount (*i.e.*, \$1,137,500.00) and reimbursement of litigation costs and expenses, in an amount not to exceed Thirty-Two Thousand Dollars (\$32,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Twelve Thousand Five Hundred Dollars (\$12,500.00) to Plaintiff for her services in the Action; (3) Settlement Administration Costs in an amount currently estimated at Fifteen Thousand Dollars (\$15,000.00) to the Settlement Administrator; and (4) the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Payment”). The PAGA Payment will be distributed 75% (\$187,500.00) to the LWDA (“LWDA Payment”) and 25% (\$62,500.00) to PAGA Aggrieved Employees (“Net PAGA Penalties”).

Class Members are entitled to receive payment under the Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of weeks worked by each Class Member who was employed by Defendant as a non-exempt employee in California during the Class Period.

PAGA Aggrieved Employees are entitled to receive payment under the Settlement of their *pro rata* share of the Net PAGA Penalties (“Individual PAGA Payment”) based on the number of weeks worked by each PAGA Aggrieved Employee who was employed by Defendant as a non-exempt employee in California during the PAGA Period.

The Settlement Administrator calculated the Individual Settlement Payments by first dividing the Net Settlement Amount by the total number of weeks worked by Class Members during the Class Period, and then multiplying that number by the number of weeks worked by each respective Class Member during the Class Period.

The Settlement Administrator calculated the Individual PAGA Payments by first dividing the Net PAGA Penalties by the total number of weeks worked by PAGA Aggrieved Employees during the PAGA Period, and then multiplying that number

by the number of weeks worked by each respective PAGA Aggrieved Employee during the PAGA Period.

Class Members who do not submit a valid and timely Request for Exclusion (“Settlement Class Members”) will be issued payment of their final Individual Settlement Payment and their Individual PAGA Payment, if applicable, upon the Court’s final approval of the Settlement.

Class Members who submit a valid and timely Request for Exclusion, will only be issued their Individual PAGA Payment, if applicable, upon the Court’s final approval of the Settlement.

Each Individual Settlement Payment will be allocated as twenty percent (20%) wages, which will be reported on an IRS Form W-2, and eighty percent (80%) penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Payment shall be subject to reduction for the employee’s share of payroll taxes due on the wages portion of the Individual Settlement Payment, resulting in a net payment to the Settlement Class Member. The employer’s share of payroll taxes and contributions in connection with the wages portion of the Individual Settlement Payment (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported on an IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Aggrieved Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to under the Settlement.**

B. Your Weeks Worked Based on Defendant’s Records

According to Defendant’s records, you have been credited with [REDACTED] weeks worked during the Class Period and with [REDACTED] weeks worked during the PAGA Period.

If you wish to dispute the number of weeks worked credited to you, you must submit a written letter (“Workweeks Dispute”), which must be in writing and: (a) include the case name and number of the Action (*Mireya Arteaga v. Arch Health Partners, Inc., et al.*, 37-2019-00041863-CU-OE-CTL); (b) include your full name, signature, address, telephone number, and last four digits of your Social Security number; (c) include a clear statement that you dispute the number of weeks worked credited to you and what you contend is the correct the number to be credited to you for the Class Period and/or the PAGA Period; (e) include information and/or documentation demonstrating that the number of weeks worked that you contend should be credited to you is correct; and (f) be submit by mail or fax to the Settlement Administrator at the specified address and/or fax number listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Payment and Individual PAGA Payment

As explained above, your estimated Individual Settlement Payment is based on the number of weeks worked during the Class Period credited to you and your estimated Individual PAGA Payment is based on the number of weeks worked during the PAGA Period credited to you.

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

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

The settlement approval process may take multiple months. Your Individual Settlement Payment and/or Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and/or

Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

D. Released Claims

Upon the Effective Date and the full funding of the Gross Settlement Amount, all Settlement Class Members, as well as their spouses, heirs, executors, administrators, trustees, and/or permitted assigns, shall be deemed to have fully, finally and forever released, settled, compromised, relinquished and discharged, to the fullest extent possible, any and all of the Released Parties of and from any and all Released Claims.

“Released Claims” means: (a) all claims that were or could have been pled in the Operative Complaint based on facts and allegations made therein for violation of Labor Code sections 201, 202, 203, 204, 210, 226, 226.2, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 2800 and 2802, that accrued during the Class Period; and (b) all claims that were or could have been pled in the Operative Complaint based on facts and allegations made therein for penalties under the California Private Attorneys' General Act predicated on the violation of Labor Code sections 201, 202, 203, 204, 210, 226, 226.2, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 2800 and 2802 and/or the IWC Wage Orders, that accrued during the PAGA Period. Released Claims include, but are not necessarily limited to, minimum wages, overtime and double time wages (including, but not limited to, any claims for additional wages owed due to “rounding,” “off the clock work,” and/or not factoring bonuses, shift differentials, and other forms of incentive pay into the regular rate of pay); meal and rest breaks; failure to maintain accurate employment records; wage statement violations; separation pay violations; failure to pay wages timely during employment; failure to keep requisite payroll records; failure to reimburse business expenses; and unfair business practices, as well as any damages, restitution, disgorgement, civil penalties, statutory penalties, taxes, interest or attorneys’ fees or costs resulting therefrom.

“Released Parties” means Defendants and their respective present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, assigns, as well as any individual or entity that could be alleged to be jointly liable with Defendants.

Upon the Effective Date and full funding of the Gross Settlement Amount, all PAGA Aggrieved Employees, as well as their spouses, heirs, executors, administrators, trustees, and/or permitted assigns, shall be deemed to have fully, finally and forever released, settled, compromised, relinquished and discharged, to the fullest extent possible, any and all of the Released Parties of and from any and claims under the California Private Attorneys' General Act that accrued during the PAGA Period and are encompassed within the Released Claims.

E. Class Counsel Fees and Costs

Class Counsel will seek attorneys’ fees in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., an amount of up to \$1,137,500.00) and reimbursement of litigation costs and expenses in an amount of up to Thirty-Two Thousand Dollars (\$32,000.00) (collectively, “Class Counsel Fees and Costs”), subject to approval by the Court. The Class Counsel Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Fifteen Thousand Dollars (\$15,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweek Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

G. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Twelve Thousand Five Hundred Dollars (\$12,500.00) (“Enhancement Payment”), in recognition of her services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to her Individual Settlement Payment and Individual PAGA Payment (if applicable) that she is entitled to under the Settlement.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and issued your Individual Settlement Payment and Individual PAGA Payment, if applicable, unless you decide to exclude yourself from the Settlement.

Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Claims described in Section III.D above.

As a Class Member, you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the Settlement, you must submit a letter (“Request for Exclusion”) indicating a request to be excluded from the Settlement, which must be in writing and: (a) include the case name and number of the Action (*Mireya Arteaga v. Arch Health Partners, Inc., et al.*, 37-2019-00041863-CU-OE-CTL); (b) include your full name, signature, address, telephone number, and last four digits of your Social Security number; (c) include a statement indicating that you do not wish to be included in the Settlement; and (d) be submitted by mail or fax to the Settlement Administrator at the specified address and fax number below, postmarked **on or before [Response Deadline]**.

[Settlement Administrator]

[Address]

[Fax Number]

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

PAGA Aggrieved Employees (Class Members who were employed by Defendant during the PAGA Period), will be issued Individual PAGA Payments and will be bound by the release of claims by PAGA Aggrieved Employees described in Section III.D above, even if they submit a Request for Exclusion.

C. Object to the Settlement

You can object to the terms of the Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection (“Notice of Objection”) to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

A Notice of Objection must be in writing and: (a) include the case name and number of the Action (*Mireya Arteaga v. Arch Health Partners, Inc., et al.*, 37-2019-00041863-CU-OE-CTL); (b) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (c) include a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) include copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department C-72 of the San Diego County Superior Court, located at Hall of Justice, 330 W Broadway, San Diego, CA 92101 on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. At the Final Approval Hearing, the Court also will be asked to approve and award Class Counsel Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

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

Please visit the Court's website for the most up-to-date information regarding the impact of COVID-19 on the operations of the Court and any requirements that may apply for accessing Court facilities: <https://www.ventura.courts.ca.gov/index.html>.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and documents filed in the Action by making an appointment with the Records Department, located at Hall of Justice, 330 W Broadway, San Diego, CA 92101, during business hours, or online by visiting the following website: <https://courtindex.sdcourt.ca.gov/CISPublic/casesearch>, selecting "civil" as the case type, "San Diego" as the case location, and typing in the numerals "201900041863" in the case number field.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.