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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES**

10 IRENE RIOS,

11 *Plaintiff,*

12 vs.

13 SAMARITANA MEDICAL CLINIC INC.;
14 PROVIDERS MEDICAL MANAGEMENT,
15 INC.; WILLIAM A. MARTINEZ; MMC-
16 HR, LLC; and DOES 1 to 25, inclusive,

17 *Defendant(s).*

Case No.: 22STCV34375

**DECLARATION OF HAROUT
MESSRELIAN IN SUPPORT OF
UNOPPOSED MOTION FOR APPROVAL
OF PAGA SETTLEMENT AND RELEASE**

Action filed: 10/26/22

Date: 1/16/24
Time: 8:30am
Dept: 48, Hon.
Thomas D. Long
Reservation ID:
112665401820

Submitted Herewith Under Separate Cover:

1. Unopposed Motion for Approval of PAGA Settlement and Release;
2. [Proposed] Order

DECLARATION OF HAROUT MESSRELIAN IN SUPPORT OF
UNOPPOSED MOTION FOR APPROVAL OF PAGA SETTLEMENT AND RELEASE

I, HAROUT MESSRELIAN, declare and state as follows:

1. I am an attorney duly licensed to practice before all the Courts of the State of California. I am the managing attorney of Messrelian Law Inc. and the attorney of record for Plaintiff Irene Rios (“Plaintiff”) in her lawsuit against Defendants Samaritana Medical Clinic Inc., Providers Medical Management, Inc.; William A. Martinez; and MMC-HR, LLC. Defendants Samaritana Medical Clinic Inc., Providers Medical Management, Inc. and William A. Martinez are collectively referred to herein as “Samaritana Defendants”.

2. I am experienced in handling employment law matters and specifically wage and hour cases, including PAGA claims. I have been practicing law since 2010. In my representation of employees, I have handled hundreds of individual and representative cases on behalf of employees with claims of minimum wages, overtime violations, as well as other wage claims, including meal breaks and rest breaks.

3. Except as otherwise indicated, I have personal knowledge of all matters set forth herein and, if called as a witness, could and would competently testify thereto under oath.

Factual and Procedural Background

4. Defendants Samaritana Medical Clinic Inc., Providers Medical Management, Inc. and William A. Martinez own and operate medical clinics. Plaintiff Irene Rios was classified as an hourly, non-exempt employee and worked for Samaritana Defendants as a medical assistant from February 2022 through March 2022 at the Samaritana Medical Clinic located at 510 S. Alvarado St, Los Angeles, CA 90057.

5. Plaintiff complied with the procedures of Labor Code § 2699.3 for bringing suit under the Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq. (“PAGA”). On April 14, 2022, Plaintiff Irene Rios on behalf of herself and Samaritana Defendants’ other California non-exempt hourly employees (hereafter collectively the “Aggrieved Employees”) gave written notice by electronic service to the California Labor and Workforce Development Agency (“LWDA”) and via certified mail to Samaritana Defendants

1 of their claims against Samaritana Defendants. In her notice to the LWDA, Plaintiff asserted on
2 behalf of herself and the Aggrieved Employees that Defendant (1) failed to compensate for all
3 hours worked and to pay minimum wages (Labor Code Sections 1194, 1197, 1197.1); (2) failed
4 to pay overtime compensation (Labor Code Section 510); (3) failed to provide rest breaks (Labor
5 Code Section 226.7); (4) failed to provide meal breaks (Labor Code Sections 512, 226.7); (5)
6 failed to timely pay wages due during employment (Labor Code Section 204); (6) failed to
7 provide accurate itemized wage statements (Labor Code Section 226); (7) failed to keep accurate
8 and complete payroll records (Labor Code Section 1174/1174.5); (8) failed to pay wages at the
9 end of employment (Labor Code section 203); (9) and failed to reimburse business expenses.
10 Plaintiff filed her initial lawsuit on October 26, 2022 in the Superior Court for the State of
11 California, County of Los Angeles, Case No. 22STCV34375. On February 23, 2023, Plaintiff
12 filed a First Amended Complaint alleging causes of action against Defendants for: 1) Failure To
13 Compensate For All Hours Worked; 2) Failure To Pay Minimum Wages; 3) Failure To Pay
14 Overtime; 4) Failure To Provide Accurate Itemized Wage Statements; 5) Failure To Pay Wages
15 Owed Every Pay Period; 6) Failure To Pay Wages When Employment Ends; 7) Failure To Give
16 Rest Breaks; 8) Failure To Give Meal Breaks 9) Failure To Reimburse Business Expenses; 10)
17 Private Attorneys General Act ("PAGA"); 11) Sexual Harassment In Violation Of Fair
18 Employment And Housing Act ("FEHA"); 12) Failure To Prevent Harassment In Violation Of
19 FEHA; 13) Negligent Retention And Supervision; 14) Wrongful Constructive Discharge In
20 Violation Of Public Policy; And 15) Violation Of California Business And Professions Code
21 Section 17200. The First Amended Complaint is the operative complaint in the Action. The
22 Tenth Cause of Action for penalties under PAGA is pursuant to the following legal theories:
23 (a) failure to pay all minimum wages owed; (b) failure to pay all overtime wages owed; (c) failure
24 to provide compliant meal periods, or premium pay for non-compliant meal periods; (d) failure
25 to authorize and permit compliant rest periods, or provide premium pay for non-complaint rest
26 periods; (e) failure to provide accurate, itemized wage statements and/or otherwise maintain
27 accurate records; (f) failure to timely pay wages during employment and/or upon separation of
28 employment; and (g) failure to reimburse business expenses. After investigation, Plaintiff will

1 be dismissing Defendant MMC-HR concurrently with the filing of this motion as MMC-HR
2 was not involved in the claims for labor code violations that form the predicate of the PAGA
3 cause of action.

4 6. Through informal discovery, Samaritana Defendants produced records and
5 represented that they employed approximately 119 workers falling within Plaintiff's Aggrieved
6 Employees definition for the period from April 14, 2021 (one year before Plaintiff's initial
7 LWDA notice) through September 19, 2023, and that there are paychecks issued for a total of
8 approximately 3,507 pay periods worked for that same time period.

9 7. The Settlement Agreement covers PAGA Members, which are Aggrieved
10 Employees employed on or after April 14, 2021, through the date of Settlement Approval.

11 8. Samaritana Defendants deny any liability or wrongdoing of any kind whatsoever
12 associated with the lawsuit and the Representative PAGA Claim. It is the desire of the Parties
13 to fully, finally, and forever compromise, and discharge all claims known or unknown related
14 to those alleged in Plaintiff's lawsuit.

15 9. On September 19, 2023, the Parties attended a full day mediation session with
16 experienced mediator Hon. Frederick P. Aguirre. At the mediation, the Parties agreed to settle
17 the Action. Before agreeing to the terms of the Settlement, the Parties engaged in informal
18 discovery regarding Defendant's policies, practices, operations, time and payroll information
19 and other topics. In advance of mediation, Defendant produced Plaintiff's personnel files, time
20 and payroll data for Plaintiff, and time records and payroll records for 25 employees falling
21 within Plaintiff's Aggrieved Employees definition for the period from April 14, 2021 through
22 September 10, 2023, which is a 21% sample. Through extensive arm's length negotiations at
23 the mediation and only after discovery and investigation were performed, the Parties agreed to
24 settlement terms. Attached as **Exhibit 1** is a true and accurate copy of the "Individual and
25 PAGA Settlement Agreement" ("Settlement Agreement") along with the redlines to the model
26 LASC Model PAGA Settlement Agreement as well as the PAGA notice that will be sent to the
27 PAGA Members covered by the Settlement Agreement.

28 10. The Parties conducted investigation of the facts and law both before and after the

lawsuit was filed. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code violations claimed by Plaintiff. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the Settlement for the consideration and on the terms set forth in this Motion are fair, reasonable and adequate and are in the best interests of Plaintiff, the PAGA Members, and Samaritana Defendants in light of all known facts and circumstances and the risks inherent in litigation, especially in this post-pandemic era when most businesses are still struggling to remain afloat, much less prosper and make a large profit.

11. The Parties further recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the maximum potential benefits, especially in light of the post- pandemic era and the business climate.

12. Plaintiff alleges that the strongest claims are that Plaintiff and other PAGA Members were not provided timely, uninterrupted meal and rest breaks. Samaritana Defendants vehemently deny that there were any meal and rest break violations, especially in light of the fact that Samaritana Defendants presented evidence that they maintained Labor-Code-compliant meal and rest policies.

13. Plaintiff contends that the civil penalty statutes applicable to the Action arise from violations of the California Labor Code, including, but not limited to, Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, and 2699(f)(2). Under these civil penalty statutes, an employee who suffers a Labor Code violation may be awarded a sum of money for each pay period in which he or she was underpaid. However, under Labor Code § 2699(e)(2), the Court can reduce an award of civil penalties if the award is unjust, arbitrary, oppressive, or confiscatory.

14. Under the civil penalty formulas applicable under PAGA, Plaintiff estimated a **maximum** exposure of approximately \$169,800 for civil penalties for Plaintiff's strongest disputed claims of failure to provide meal and rest periods. Plaintiff's analysis, which Defendant

1 vehemently disputes, revealed a 48.6% violation rate for either late, short, or interrupted meal
2 periods for shifts over 6 hours. Since the total number of pay periods in the PAGA period was
3 3,507 and since only 66.4% of the sample shifts were over 6 hours, the total number of pay
4 periods to consider for potential meal break violations was 2329 (66.4% x 3507 pay periods).
5 As such, with the 48.6% violation rate, the maximum exposure would be \$56,600.00, which is
6 calculated as \$50 penalty multiplied by 1132 pay periods (48.6% of the 2329 pay periods).
7 Plaintiff extrapolated the same 48.6% rate for rest break violations. Since 96.2% of the sample
8 shifts were over 3.5 hours, the total number of pay periods to consider for potential rest break
9 violations was 3,374 (96.2% x 3507 pay periods). As such, with a 48.6% violation rate, the
10 maximum exposure would be \$164,000 (\$100 penalty per pay period multiplied by 1640 pay
11 periods, which is 48.6% x 3374 pay periods). As such, the aggregate maximum exposure for
12 meal and rest break claims would be \$220,600.00. Assuming that Plaintiff's calculations and
13 analysis are accurate, the maximum exposure presumes that the Court will not reduce the penalty
14 award as unjust, arbitrary, oppressive, or confiscatory. For the rest period violations, it also
15 presumes that the meal and rest period violation rates were identical.

16 15. Moreover, Plaintiff is aware of no California state courts awarding Plaintiff
17 multiple PAGA penalties for the same violation for the same pay period under different Labor
18 Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to "stack"
19 civil penalties arising under the various Labor Code statutes. Furthermore, judges have awarded
20 extremely small sums to PAGA claimants in the past. In addition, Samaritana Defendants would
21 make an argument that any presumption of meal or rest period violations could be rebutted by
22 evidence and therefore they are not a predicate for civil penalties for improper wage statements
23 and untimely final wages under Labor Code secs. 201-204, 226, 226.3, and 2699. Samaritana
24 Defendants also adamantly dispute all of Plaintiff's allegations in the operative Complaint.

25 16. The source of penalties available is under PAGA, which allows employees to
26 recover civil penalties for certain violations of the Labor Code so long as the penalties are not
27 unjust, arbitrary, oppressive, or confiscatory. There are no State Court decisions under the
28 PAGA to date with substantial awards of civil penalties. There is a substantial risk that the Court

1 could reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence
2 of willful and intentional conduct. The PAGA expressly counsels against such awards. *See Lab.*
3 *Code* § 2699(e)(2) ("...a court may award a lesser amount than the maximum civil penalty
4 amount specified by this part if, based on the facts and circumstances of the particular case, to
5 do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.").
6 Further, although class certification is not required for a PAGA claim, Samaritana Defendants
7 could contend that Plaintiff cannot show that the PAGA claims are manageable.

8 17. As such, Samaritana Defendants could also convince the Court to dismiss the
9 claims due to unmanageability. *Wesson v. Staples The Office Superstore, LLC* (2021) 68
10 Cal.App.5th 746 ("*Wesson*"); *Feltz v. Cox Communs. Cal.* (October 21, 2021) 2021 U.S. Dist.
11 LEXIS 207087. On September 9, 2021, the California Court of Appeal issued the significant
12 decision in *Wesson v. Staples the Office Superstore, LLC*, holding that courts have authority to
13 ensure that PAGA claims are manageable, and that courts may limit or strike unmanageable
14 PAGA claims. Defendant contends that Plaintiff's allegations require a host of individualized
15 inquiries which would arguably devolve into a series of mini-trials based on whether each
16 employee voluntarily elected to unilaterally waive a provided meal period or authorized rest
17 break, based on position titles, job duties and the type of work they perform. (*See, e.g., Brinker*,
18 53 Cal.4th at 1004.) In *Ortiz v. CVS Caremark Corp.*, the court dismissed a PAGA claim because
19 it was unmanageable. 2014 WL 1117614, at *3–4 (N.D. Cal. 2014). In *Ortiz v. CVS Caremark*
20 *Corp.*, the court dismissed a PAGA claim because it was unmanageable. 2014 WL 1117614, at
21 *3–4 (N.D. Cal. 2014). The *Ortiz* court cited the "multitude of individualized assessments" that
22 case would have required in ordering dismissal. *Id.* at *4. Several other courts have adopted
23 *Ortiz*, and dismissed PAGA claims where, as here, there are a large number of allegedly
24 aggrieved individuals whose claims require individual assessments. *See, e.g., Litty v. Merrill*
25 *Lynch & Co.*, 2014 WL 5904904, at *3 (C.D. Cal. 2014); *Bowers v. First Student, Inc.*, 2015
26 WL 1862914, at *4 (C.D. Cal. 2015); *see also Stafford v. Dollar Tree Stores, Inc.*, 2014 WL
27 6633396, at *2–4 (E.D. Cal. 2014) (bifurcating trial of plaintiff's claim from representative
28 claims: "in light of the number of potential aggrieved employees, judicial economy favors

1 deferring the representative portion of the PAGA claim”); *Amey v. Cinemark USA Inc.*, 2015
2 WL 2251504, at *16 (N.D. Cal. May 13, 2015). DS, ¶ 24. The risk of an unmanageable trial is
3 heightened in a representative PAGA claim because the burden of proof rests with the plaintiff
4 to establish violations of the Labor Code “with respect to each and every individual on whose
5 behalf [they] seek[] to recover civil penalties.” *Molina v. Dollar Tree Stores, Inc.*, 2013 U.S.
6 Dist. LEXIS 138642, at *33-34 (C.D. Cal. Aug. 9, 2013); *Hibbs-Rines v. Seagate Techs, LLC*,
7 2009 WL 513496, at *4 (N.D. Cal. Mar. 2, 2009). Moreover, in a PAGA case the plaintiff must
8 prove liability with respect to “each and every individual” through representative evidence – but
9 without sacrificing the defendant’s due process right to present proof of their affirmative
10 defenses. *Elkins v. Superior Court*, 41 Cal. 4th 1337, 1357 (2007); *Walmart Stores, Inc. v.*
11 *Dukes*, 131 S. Ct. 2541, 2561 (2011); *Duran v. U.S. Bank Nat’l Ass’n*, 59 Cal. 4th 1, 33-34
12 (2014). Plaintiff would be required to establish a violation of the Labor Code in each pay period
13 of each and every one of the approximately 119 employees. The Court could find that this is an
14 impractical task and require the PAGA Members to bring individual claims instead of a PAGA
15 representative claim.

16 18. The Parties further recognize that the issues presented in the Action are likely
17 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
18 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
19 to the maximum potential benefits to the PAGA Members and Plaintiff from continued
20 litigation.

21 19. The settlement of the Action involves monetary relief to all PAGA Members,
22 Plaintiff, her attorneys, and the State of California.

23 20. Furthermore, Plaintiff recognizes that continued litigation presents significant
24 risks that support a significant downward departure from Plaintiff’s estimated civil penalties
25 amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable
26 compromise amount for these claims and is in the best interest of Plaintiff and PAGA Members
27 and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, Case No. 12-55479 (9th Cir.
28 June 3, 2014) 2014 WL 2465049, * 3. The PAGA settlement and its terms are fair, just,

1 reasonable, adequate, and equitable to Defendant, Plaintiff, and the State, especially in light of
2 the current economic climate, and are the product of good faith, and informed arms-length
3 negotiations between the Parties consistent with public policy and fully comply with applicable
4 provisions of law.

5 21. As such, the settlement of PAGA penalties in the gross sum of \$120,000.00, of
6 which 75% of the net amount after attorney's fees [\$40,000.00], attorney costs [\$4,556.97], and
7 settlement administrator fees [\$4,864.21], which is \$52,934.11 will be paid to the LWDA and
8 25%, which equates to \$17,644.71, will be distributed to the PAGA Members, is reasonable and
9 appropriate under the circumstances.

10 ***Plaintiff's Individual Settlement***

11 22. Plaintiff's individual settlement agreement was negotiated separate from the
12 PAGA settlement and the parties agreed that the consideration Plaintiff received pursuant to the
13 individual settlement agreement was to settle her individual claims. As part of this Settlement
14 Agreement, Plaintiff also provided Defendant with a general release of all claims, whether
15 known or unknown, including unknown claims covered by Civil Code Section 1542. Plaintiff
16 has no conflict of interest with the absent Aggrieved Employees and is adequate to represent
17 the Aggrieved Employees. Plaintiff's individual settlement includes her claims for sexual
18 harassment under the Fair Employment and Housing Act and wrongful constructive
19 termination in violation of public policy.

20 ***Attorneys' Fees and Costs***

21 23. I represent Plaintiff on a straight contingency basis. My firm's request for
22 \$40,000 in attorney fees and \$4,556.97 in litigation costs is fair and reasonable. I also expect to
23 perform additional work on this case if the Court grants final approval of the Settlement,
24 including supervision of the Settlement Administrator's disbursement of the settlement funds to
25 the Aggrieved Employees. "Empirical studies show that, regardless of whether the percentage
26 method or the lodestar method is used, fee awards in class actions average around one-third of
27 the recovery. *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 47 fn. 11 (quoting *Shaw v.*
28 *Toshiba America Information Systems, Inc.* (E.D. Tex. 2000) 91 F.Supp.2d 942, 972; *See also*
Lafitte v. Robert Half Int'l Inc. (Cal. Aug. 11, 2016) 1 Cal.5th 480, 503, 376 P.3d 672, 686

1 (holding that courts can use the percentage method for the calculation of attorneys' fees). This
2 is also consistent with Plaintiff's Counsel's experience in cases involving PAGA claims. This
3 award is justified here because Plaintiff's counsel achieved a strong result for the PAGA
4 Members and the State while bearing the substantial burdens of contingency representation.

5 24. My previous experience in litigating wage and hour actions also supports the
6 reasonableness of the fee request, as does the caliber of opposing counsel. My previous
7 experience in similar matters was integral in evaluating the strengths and weaknesses of the
8 case against Samaritana Defendants and the reasonableness of the Settlement. Because it is
9 reasonable to compensate me commensurate with my skill, reputation, and experience,
10 attorney's fees of approximately one-third of the Gross Settlement Amount is reasonable.
11 Likewise, the caliber and experience of opposing counsel in labor and employment litigation,
12 Michael Schiller of Law Offices of Michael I. Schiller and Ronald Arias of Buchalter, supports
13 the fairness and reasonableness of the requested fee award.

14 25. Plaintiff reiterates her request that the Court award her counsel one third of the
15 recovery as attorney fees. The award of attorney's fees sought is justified by the contingency
16 nature of the attorney-client relationship, my experience in litigating wage and hour cases, the
17 high caliber of defense counsel, the risks of non-payment and non-reimbursement, the delay in
18 payment and cost reimbursement, and the great results Plaintiff's Counsel has achieved for the
19 Aggrieved Employees.

20 26. The litigation costs expended to aid in the representation of the PAGA Members
21 include the following: lawsuit filing fee of \$454.22, PAGA initial filing fees of \$75.00; expert
22 data analysis fee of \$1,900.00, mediation fees of \$2,025.00, and this motion's filing fees of
23 \$102.75. All of these costs are documented and reasonably incurred.

24
25 ***Settlement Administration Costs***

26 27. With regard to the settlement administration costs provision, it is reasonable.
27 Before agreeing to Phoenix Settlement Administrators, the parties sought and reviewed bids
28

1 from other reputable third-party administrator and Phoenix Settlement Administrators' bid was
2 comparable.

3 ***Notice of Settlement to the LWDA***

4 28. Pursuant to Lab. Code § 2699(1)(2), my firm submitted a copy of the Settlement
5 with the LWDA at the same time the Settlement is being filed with the Court. True and correct
6 copies of this submission with the LWDA and the confirmation email are collectively attached
7 as **Exhibit 2** to this declaration. My firm will further provide a copy of the Court's Order and
8 Judgment to the LWDA within ten (10) calendar days after entry of said judgment or order as
9 required by Labor Code sections 2699(1)(2)-(3).

10 I declare under the penalty of perjury of the laws of the State of California that the
11 foregoing is true and correct to the best of my knowledge.

12 Executed on December 20, 2023, at Glendale, California.

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16 HAROUT MESSRELIAN,
17 Declarant
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EXHIBIT 1

INDIVIDUAL AND PAGA SETTLEMENT AGREEMENT

This Individual and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Irene Rios (“**Plaintiff**”) and defendants Samaritana Medical Clinic Inc., Providers Medical Management, Inc., and William A. Martinez (collectively, “**Samaritana Defendants**”). The Agreement refers to Plaintiff and Samaritana Defendants collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1. “Action” means the Plaintiff’s Individual and PAGA lawsuit alleging sexual harassment, failure to prevent sexual harassment, wrongful discharge, negligent retention and supervision, wage and hour causes of action, PAGA, and violation of California Bus. & Prof. Code 17200 *et seq.* against Samaritana Defendants, captioned *Irene Rios v. Samaritana Medical Clinic Inc., et al.*, LASC Case No. 22STCV34375 initiated on October 26, 2022 and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863, Phone: 800-523-5773, Fax: 949-209-2503, www.phoenixclassaction.com, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the PAGA Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means a person employed in California by defendant Samaritana Medical Clinic Inc or defendant Providers Medical Management, Inc. and classified as a nonexempt, hourly employee during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in defendant Samaritana Medical Clinic Inc or defendant Providers Medical Management, Inc.’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Court” means the Superior Court of California, County of Los Angeles.
- 1.8. “Defense Counsel” means counsel for Samaritana Defendants: Ronald J Arias, Esq. of

Buchalter, A Professional Corporation; and Michael I. Schiller, Esq. of Law Offices of Michael I. Schiller.

- 1.9. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the day the Court enters Judgment.
- 1.10. “Gross Settlement Amount” means \$150,000.00, which is the total amount Samaritana Defendants agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay the Plaintiff non-PAGA Payment, Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.11. “Individual PAGA Payment” means an Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. “Net PAGA Settlement Amount” means the PAGA Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16. “PAGA Counsel” means Harout Messrelian, Esq. of Messrelian Law Inc., the attorneys representing the Plaintiff in the Action.
- 1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.18. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Samaritana Defendants for at least one day during the PAGA Period.
- 1.19. “PAGA Period” means the period from April 14, 2021 to the Effective Date.ⁱⁱ

- 1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.21. "PAGA Notice" means Plaintiff's April 14, 2022 letter to Samaritana Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. "PAGA Penalties" means the total amount of PAGA civil penalties (\$70,135.79) to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$17,533.95) and the 75% to LWDA (\$52,601.84) in settlement of PAGA claims.
- 1.23. "PAGA Settlement Amount" means \$120,000.00, which is the Gross Settlement Amount less the Plaintiff non-PAGA Payment.
- 1.24. "Plaintiff" means Irene Rios, the named plaintiff in the Action.
- 1.25. "Plaintiff non-PAGA Payment" means \$30,000.00, which is the amount allocated from the Gross Settlement Amount to settle Plaintiff's individual non-PAGA claims in the Action.
- 1.26. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.27. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.28. "Release(s)" is defined in Plaintiff's Release Section 5.1.
- 1.29. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.30. "Samaritana Defendants" means named defendants Samaritana Medical Clinic Inc., Providers Medical Management, Inc., and William A. Martinez.

2. RECITALS.

- 2.1. On October 26, 2022, Plaintiff commenced this Action by filing a Complaint against defendants Samaritana Medical Clinic Inc., Providers Medical Management, Inc., and Eduardo G. Sanchez. (Eduardo G. Sanchez was named as a defendant in error, and was dismissed.) On February 23, 2023, Plaintiff filed a First Amended Complaint alleging causes of action against Samaritana Defendants and defendant MMC-HR, LLC for: 1) Failure To Compensate For All Hours Worked; 2) Failure To Pay Minimum Wages; 3) Failure To Pay Overtime; 4) Failure To Provide Accurate Itemized Wage Statements; 5) Failure To Pay Wages Owed Every Pay Period; 6) Failure To Pay Wages When Employment Ends; 7) Failure To Give Rest Breaks; 8) Failure To Give Meal Breaks 9)

Failure To Reimburse Business Expenses; 10) Private Attorneys General Act ("PAGA"); 11) Sexual Harassment In Violation Of Fair Employment And Housing Act ("FEHA"); 12) Failure To Prevent Harassment In Violation Of FEHA; 13) Negligent Retention And Supervision; 14) Wrongful Constructive Discharge In Violation Of Public Policy; And 15) Violation Of California Business And Professions Code Section 17200. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint."). Samaritana Defendants, filed a Motion To Strike portions of the First Amended Complaint. Samaritana Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and deny any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Samaritana Defendants and the LWDA by sending the PAGA Notice.
- 2.3. On September 19, 2023, the Parties participated in an all-day mediation presided over by Hon. Frederick Aguirre (Ret.) which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, the time and pay records of 25 employees within the PAGA representative class as a 20% sampling of the PAGA representative class.
- 2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are aware of only one other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Samaritana Defendants promise to pay \$150,000.00 and no more as the Gross Settlement Amount. Samaritana Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. Samaritana Defendants will pay the Plaintiff non-PAGA Payment amount of \$30,000.00 directly to PAGA Counsel and Plaintiff, with \$27,000 to "Messrelan Law Inc Client Trust" for which a tax form 1099 will be issued, and \$3,000 (less lawful withholdings and deductions) to "Irene Rios" for which a tax form W2 will be issued. The Administrator will disburse the PAGA Settlement Amount of \$120,000.00 (the Gross Settlement Amount less the Plaintiff non-PAGA Payment) without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Samaritana Defendants.
- 3.2. Payments from the PAGA Settlement Amount. The Administrator will make and deduct the following payments from the PAGA Settlement Amount, in the amounts specified by the Court in the Final Approval:
 - 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33% which

is currently estimated to be \$40,000 and PAGA Counsel Litigation Expenses Payment of not more than \$5,000. Samaritana Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net PAGA Settlement Amount. Releasee(s) shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Samaritana Defendants harmless, and indemnifies Samaritana Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$4,864.21 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$4,864.21, the Administrator will retain the remainder in the Net PAGA Settlement Amount.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$70,135.79 to be paid from the \$120,000.00, with 75% (\$52,601.84) allocated to the LWDA PAGA Payment and 25% (\$17,533.95) allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$17,533.95) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net PAGA Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Samaritana

Defendants estimates there are 119 Aggrieved Employees who worked a total 3,507 of PAGA Pay Periods.

- 4.2. Aggrieved Employee Data. Within 21 days of the Effective Date, Samaritana Defendants will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Samaritana Defendants has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Samaritana Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.
- 4.3. Funding of Gross Settlement Amount. Samaritana Defendants shall fully fund the Plaintiff non-PAGA Payment by paying Plaintiff directly no later than 21 days after the Effective Date. Samaritana Defendants shall fully fund the PAGA Settlement Amount by transmitting the funds to the Administrator no later than 21 days after the Effective Date.
- 4.4. Payments from the PAGA Settlement Amount. Within 14 days after Samaritana Defendants funds the PAGA Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator

need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate Samaritana Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Samaritana Defendants fully funds the entire Gross Settlement Amount Plaintiff and PAGA Counsel will release claims against all Releasee(s) as follows:

5.1 Plaintiff's Release. As a material inducement to enter into this Agreement, Plaintiff hereby irrevocably and unconditionally fully and forever releases, waives, and discharges the Samaritana Defendants, and each and all of the Samaritana Defendants' current and former owners, stockholders, predecessors, successors, assigns, agents, directors, officers, employees managers, supervisors, representatives, attorneys, benefit plans, insurers, parent companies, divisions, subsidiaries, affiliates (and current and former owners, stockholders, predecessors, successors, assigns, agents, directors, officers, employees, managers, supervisors, representatives, attorneys (including PAGA Counsel) benefit plans and insurers of such parent companies, divisions, subsidiaries and affiliates), and all persons acting by, through, under or in concert with any of them (individually and collectively herein also referred to as "Releasee(s)") from any and all charges, claims, causes of action, suits, losses, demands, complaints, injuries, costs, obligations, damages, penalties, liabilities, attorney's fees, and expenses (including but not limited to medical expenses and/or insurance premiums) of any kind whatsoever, whether now known or unknown, suspected or claimed, foreseen or unforeseen, which Plaintiff has or may claim to have against any Releasee(s) relating to or arising out of any matter, fact, injury, incident, circumstances or thing whatsoever which occurred on or prior to date Plaintiff executes this Agreement, including, without limitation, any and all claims that were made or could have been asserted in the Action and any and all claims arising out of and/or relating to Plaintiff's employment with the Samaritana Defendants and/or the termination of Plaintiff's employment from the Samaritana Defendants.

The released, waived, and discharged claims also include, but are not limited to, all claims of any kind arising under Title VII of the Civil Rights Act of 1964 and the

Civil Rights Act of 1991; the Americans with Disabilities Act; the Age Discrimination in Employment Act of 1967, as amended; the Equal Pay Act; the Employee Retirement Income Security Act; the Family and Medical Leave Act; the Fair Labor Standards Act, the California Fair Employment and Housing Act, the California Family Rights Act, the California Labor Code, the California Government Code, the California Business & Professions Code, and/or any other federal, state or local laws or regulations, including but not limited to those prohibiting employment discrimination, retaliation, and harassment.

The released, waived, and discharged claims also include, but are not limited to any claims for unfair competition, defamation, invasion of privacy, infliction of emotional distress, disability discrimination, discrimination, harassment, wrongful termination, constructive termination, retaliation, failure to take reasonable steps to prevent harassment or discrimination, failure to engage in the interactive process, pain and suffering, misrepresentation or fraudulent inducement, breach of any express or implied contract, breach of the covenant of good faith and fair dealing, interference with contract, negligence, bonuses or other benefits under any employee benefit plan or program, medical expenses, future medical expenses, punitive damages, penalties or claims under any federal, state, or local laws, rules or regulations, public policy, contract or tort laws, or any claim of retaliation under such laws, or any claim arising under common law, or under the California and/or the United States Constitution or any amendments thereto, or any other claim which could be asserted against Releasee(s) or which arise out of Plaintiff's employment and/or termination of employment and/or any and all agreements with the Samaritana Defendants and/or the Releasee(s). This release covers both claims that Plaintiff knows about and those Plaintiff may not know about.

To the extent Plaintiff releases persons or entities who are not signatories to this Agreement, Plaintiff acknowledges and agrees that Plaintiff's Release is made for each of their express benefit and use.

The Parties acknowledge and agree that Plaintiff's Release does not cover claims that cannot lawfully be released.

- 5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.

- 5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Releasee(s) from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Releasee(s) from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are aware of only one other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and

documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Administrator, to serve as the Administrator and verified that, as a condition of appointment, Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES

Based on its records, Samaritana Defendants estimates that, as of the date of the settlement, (1) there were 119 Aggrieved Employees who worked 3,507 Pay Periods during the PAGA Period.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

- 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and

appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net PAGA Settlement Amount.

10. ADDITIONAL PROVISIONS.

- 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Samaritana Defendants that any of the allegations in the Operative Complaint have merit or that Samaritana Defendants has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Samaritana Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Samaritana Defendants reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Samaritana Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 10.2 Neutral Reference. Upon receiving any employment verification inquiries for Plaintiff, Samaritana Defendants' Human Resources Department will provide only Plaintiff's dates of employment and position(s) held with the Company, unless otherwise required by law.
- 10.3 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.4 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Samaritana Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.5 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and

supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 10.6 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.7 No Tax Advice. Neither Plaintiff, PAGA Counsel, Samaritana Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.8 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.10 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.11 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.12 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. Nothing in this agreement prevents any party from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that a party have reason to believe is unlawful.
- 10.13 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Samaritana Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose,

and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Samaritana Defendants unless, prior to the Administrator's payment of all Settlement Funds, Samaritana Defendants makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

10.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.15 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.16 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Harout Messrelian, Esq. of Messrelian Law Inc.
500 N. Central Ave., Suite 840
Glendale, CA 91203
hm@messrelianlaw.com

To Samaritana Defendants:

Ronald J. Arias of Buchalter, A Professional Corporation,
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
rarias@buchalter.com;

Michael I. Schiller, Esq. of Law Offices of Michael I. Schiller,
21515 Hawthorne Blvd., Suite 1150
Torrance, CA 90503
michaelschiller@mschillerlaw.com

10.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties

will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

IRENE RIOS
Plaintiff


Irene Rios Nov 21, 2023 15:47 PST

Date Signed: Nov 21, 2023

SAMARITANA MEDICAL CLINIC INC.
Defendant

By: 
Name: Samirita Medical Clinic Inc.
Its: Samirita Medical Clinic Inc.
Date Signed: 11/21/23

HAROUT MESSRELIAN, Messrelian Law, Inc.
Counsel for Plaintiff


Date Signed: 11-21-23

PROVIDERS MEDICAL MANAGEMENT, INC.
Defendant

By: 
Name: Providers Medical Management, Inc.
Its: Providers Medical Management, Inc.
Date Signed: 11/21/23

RONALD J. ARIAS, Buchalter
Counsel for Samaritana Defendants


Date Signed: November 27, 2023

WILLIAM A. MARTINEZ
Defendant

Date Signed: 11/21/23

MICHAEL I. SCHILLER, Law Offices of Michael I. Schiller
Counsel for Samaritana Defendants


Date Signed: November 21 2023

~~MODEL~~ **INDIVIDUAL AND PAGA SETTLEMENT AGREEMENT**

This Individual and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff

Irene Rios (“Plaintiff”) and defendants Samaritana Medical Clinic Inc., Providers Medical Management, Inc., and William A. Martinez (collectively, “Samaritana Defendants”)—
~~(“Plaintiff”) and defendant XYZ — (“XYZ”).~~ The Agreement refers to Plaintiff and ~~XYZ~~Samaritana Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s Individual and PAGA lawsuit alleging sexual harassment, failure to prevent sexual harassment, wrongful discharge, negligent retention and supervision, wage and hour causes of action, PAGA, and violation of California Bus. & Prof. Code 17200 et seq. against Samaritana Defendants, captioned Irene Rios v. Samaritana Medical Clinic Inc., et al., LASC Case No. 22STCV34375 initiated on October 26, 2022 and PAGA lawsuit alleging wage and hour violations against XYZ captioned _____ initiated on _____ and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means _____ Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863, Phone: 800-523-5773, Fax: 949-209-2503, www.phoenixclassaction.com, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the ~~Gross PAGA~~ Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means ~~{e.g., a person employed in California by defendant Samaritana Medical Clinic Inc or defendant Providers Medical Management, Inc. employed by XYZ in California and classified as a nonexempt, hourly employee — who worked for XYZ during the PAGA Period}.~~ _____
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in ~~XYZ~~ defendant Samaritana Medical Clinic Inc or defendant Providers Medical Management, Inc.’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

- 1.7. "Court" means the Superior Court of California, County of Los Angeles.
- 1.8. "Defense Counsel" means counsel for Samaritana Defendants: Ronald J Arias, Esq. of Buchalter, A Professional Corporation; and Michael I. Schiller, Esq. of Law Offices of Michael I. Schiller.
- 1.9. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of ~~the latest of the following occurrences: (a)~~ the day the Court enters Judgment.
- 1.10. "Gross Settlement Amount" means \$150,000.00, which is the total amount ~~XYZ~~Samaritana Defendants agrees to pay under the Settlement except as provided in Paragraph 9 below. ~~The~~e
- 1.11.

- 1.12. Gross Settlement Amount will be used to pay the Plaintiff non-PAGA Payment, Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.
- 1.13. "Individual PAGA Payment" means ~~an~~the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.14. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.15. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.16. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.17. "Net PAGA Settlement Amount" means the ~~Gross PAGA~~ Settlement Amount, less the following payments in the amounts approved by the Court: ~~Individual PAGA Payments,~~ the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.18. "PAGA Counsel" means Harout Messrelian, Esq. of Messrelian Law Inc., the attorneys representing the Plaintiff in the Action.
- 1.19. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.20. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for ~~XYZ~~Samaritana Defendants for at least one day during the PAGA Period.
- 1.21. "PAGA Period" means the period from _____ April 14, 2021 to ~~the~~ Effective Date."
- 1.22. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.23. "PAGA Notice" means Plaintiff's _____ April 14, 2022 letter to ~~XYZ Samaritana Defendants~~ and the LWDA ~~[and Plaintiff's _____ letter to XYZ and the LWDA]~~ providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.24. "PAGA Penalties" means the total amount of PAGA civil penalties (\$70,135.79) to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees.
- 1.25. (\$_____17,533.95) and the 75% to LWDA (\$52,601.84) in settlement of

PAGA claims.

- 1.26. "PAGA Settlement Amount" means \$120,000.00, which is the Gross Settlement Amount less the Plaintiff non-PAGA Payment.
- 1.27. "Plaintiff" means _____ Irene Rios, the named plaintiff in the Action.
- 1.28. "Plaintiff non-PAGA Payment" means \$30,000.00, which is the amount allocated from the Gross Settlement Amount to settle Plaintiff's individual non-PAGA claims in the Action.
- 1.29. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.30. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.31. "Releasee(s) Released Parties" means: XYZ and each of its former and present directors, officers, shareholders, owners, [members], attorneys, insurers, predecessors, successors, assigns [subsidiaries] [affiliates] as defined in Plaintiff's Release Section 5.1[.].
- 1.32. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.33. "XYZSamaritana Defendants" means named dDefendants Samaritana Medical Clinic Inc., Providers Medical Management, Inc., and William A. Martinez.

2. RECITALS.

- 2.1. On October 26, 2022, Plaintiff commenced this Action by filing a Complaint ~~alleging causes of action against XYZ~~ defendants Samaritana Medical Clinic Inc., Providers Medical Management, Inc., and Eduardo G. Sanchez for _____. (Eduardo G. Sanchez was named as a defendant in error, and was dismissed.) [The Complaint is the operative complaint in the Action (the "Operative Complaint.")] [On _____ February 23, 2023, Plaintiff filed a {e.g., First Amended Complaint} alleging causes of action against XYZSamaritana Defendants and defendant MMC-HR, LLC for for: 1) Failure To Compensate For All Hours Worked; 2) Failure To Pay Minimum Wages; 3) Failure To Pay Overtime; 4) Failure To Provide Accurate Itemized Wage Statements; 5) Failure To Pay Wages Owed Every Pay Period; 6) Failure To Pay Wages When Employment Ends; 7) Failure To Give Rest Breaks; 8) Failure To Give Meal Breaks 9) Failure To Reimburse Business Expenses; 10) Private Attorneys General Act ("PAGA"); 11) Sexual Harassment In Violation Of Fair Employment And Housing Act ("FEHA"); 12) Failure To Prevent Harassment In Violation Of FEHA; 13) Negligent Retention And Supervision; 14) Wrongful Constructive Discharge In Violation Of Public Policy; And 15) Violation Of California Business And Professions Code Section 17200_____. The {e.g., First Amended} Complaint is the operative complaint in

the Action (the "Operative Complaint.")]. Samaritana Defendants, filed a Motion To Strike portions of the First Amended Complaint. XYZSamaritana Defendants denyies the allegations in the Operative Complaint, ~~denies deny~~ any failure to comply with the laws identified in in the Operative Complaint and ~~denies deny~~ any and all liability for the causes of action alleged. _

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to XYZSamaritana Defendants and the LWDA by sending the PAGA Notice.

2.3. On _____ (type in additional dates)
_____ September 19, 2023,

2.4. the Parties participated in an all-day mediation presided over by Hon. Frederick Aguirre (Ret.)_____ which led to this Agreement to settle the Action.

3. (~~describe alternative means of negotiation~~) _____.

3.1. Prior to ☒ mediation — ☐ ~~negotiating the Settlement~~, Plaintiff obtained, through _

3.2. ☐ formal _____ ☐ informal _ —discovery, the time and pay records of 25 employees within the PAGA representative class as a 20% sampling of the PAGA representative class

3.3. The Parties, PAGA Counsel and Defense Counsel represent that they are ~~not~~ aware of any only one other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

4. MONETARY TERMS.

- 4.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, XYZSamaritana Defendants promises to pay \$—150,000.00 and no more as the Gross Settlement Amount. XYZSamaritana Defendants has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. “Samaritana Defendants will pay the Plaintiff non-PAGA Payment amount of \$30,000.00 directly to Plaintiff PAGA Counsel and Plaintiff, with \$27,000 to “Messrelian Law Inc Client Trust” for which a tax form 1099 will be issued, and \$3,000 (less lawful withholdings and deductions) to “Irene Rios” for which a tax form W2 will be issued. The Administrator will disburse the entire the PAGA Settlement Amount of \$120,000.00 (the Gross Settlement Amount less the Plaintiff non-PAGA Payment) without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to XYZSamaritana Defendants.
- 4.2. Payments from the Gross Settlement Amount PAGA Settlement Amount. The Administrator will make and deduct the following payments from the ~~Gross Settlement Amount~~ PAGA Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 4.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33—% which is currently estimated to be \$40,000 — and PAGA Counsel Litigation Expenses Payment of not more than \$5,000—. XYZSamaritana Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the ~~Net Settlement Amount~~ Net PAGA Settlement Amount. ~~Released Parties~~ Releasee(s) shall have no liability to PAGA Counsel or any other Plaintiff’s Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds XYZSamaritana Defendants harmless, and indemnifies XYZSamaritana Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 4.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$4,864.21— except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$4,864.21—, the Administrator will retain the remainder in the ~~Net Settlement Amount~~ Net PAGA Settlement Amount.
- 4.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of

\$70,135.79
to be paid from the ~~Gross Settlement Amount~~ \$120,000.00, with 75%
(~~\$52,601.84~~ ~~Amount~~) allocated to the LWDA PAGA Payment and 25%
(~~\$17,533.95~~)
allocated to the Individual PAGA Payments.

- 4.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a)
dividing the amount of the Aggrieved Employees' 25% share of PAGA
Penalties (\$ 17,533.95) by the total number of PAGA Period
Pay Periods worked.

by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

- 4.2.3.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the ~~Net Settlement Amount~~ Net PAGA Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

5. SETTLEMENT FUNDING AND PAYMENTS.

- 5.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, ~~XYZSamaritana Defendants~~ estimates there are _____ 119 Aggrieved Employees who worked a total 3,507 _____ of PAGA Pay Periods.
- 5.2. Aggrieved Employee Data. Within ~~{e.g., 1521}~~ days of the Effective Date, ~~XYZSamaritana Defendants~~ will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. ~~XYZSamaritana Defendants~~ has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which ~~XYZSamaritana Defendants~~ must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.
- 5.3. Funding of Gross Settlement Amount. ~~Samaritana Defendants~~ shall fully fund the Plaintiff non-PAGA Payment by paying Plaintiff directly no later than ~~{21}~~ days after the Effective Date. ~~XYZSamaritana Defendants~~ shall fully fund the ~~Gross-PAGA Settlement Amount~~ by transmitting the funds to the Administrator no later than ~~{421}~~ days after the Effective Date.
- 5.4. Payments from the Gross PAGA Settlement Amount. Within ~~{e.g., 141-4}~~ days after ~~XYZSamaritana Defendants~~ funds the ~~Gross-PAGA Settlement Amount~~, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

5.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement

Administrator must update the recipients' mailing addresses using the National Change of Address Database.

5.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within {7} days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

5.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks {to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

5.4.4. The payment of Individual PAGA Payments shall not obligate ~~XYZ~~Samaritana Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASES OF CLAIMS. Effective on the date when ~~XYZ~~Samaritana Defendants fully funds the entire Gross Settlement Amount Plaintiff and PAGA Counsel will release claims against all Releasee(s) ~~Released Parties~~ as follows:

5.1 Plaintiff's Release. As a material inducement to enter into this Agreement, Plaintiff hereby irrevocably and unconditionally fully and forever releases, waives, and discharges the Samaritana Defendants, and each and all of the Samaritana Defendants' current and former owners, stockholders, predecessors, successors, assigns, agents, directors, officers, employees managers, supervisors, representatives, attorneys, benefit plans, insurers, parent companies, divisions, subsidiaries, affiliates (and current and former owners, stockholders, predecessors, successors, assigns, agents, directors, officers, employees, managers, supervisors, representatives, attorneys (including PAGA Counsel) benefit plans and insurers of such parent companies, divisions, subsidiaries and affiliates), and all persons acting by, through, under or in concert with any of them (individually and collectively herein also referred to as "Releasee(s))" from any and all charges, claims, causes of action, suits, losses, demands, complaints, injuries, costs, obligations, damages, penalties, liabilities, attorney's fees, and expenses (including but not limited to medical expenses and/or insurance premiums) of any kind whatsoever, whether now known or unknown, suspected or claimed, foreseen or unforeseen, which Plaintiff has or may claim to have against any Releasee(s) relating to or arising out of any matter, fact, injury, incident, circumstances or thing whatsoever which occurred on or prior to date Plaintiff executes this Agreement, including, without limitation, any and all claims

that were made or could have been asserted in the Action and Arbitration and any and all claims arising out of and/or relating to Plaintiff's employment with the Samaritana Defendants and/or the termination of Plaintiff's employment from the Samaritana Defendants.

The released, waived, and discharged claims also include, but are not limited to, all claims of any kind arising under Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1991; the Americans with Disabilities Act; the Age Discrimination in Employment Act of 1967, as amended; the Equal Pay Act; the Employee Retirement Income Security Act; the Family and Medical Leave Act; the Fair Labor Standards Act, the California Fair Employment and Housing Act, the California Family Rights Act, the California Labor Code, the California Government Code, the California Business & Professions Code, and/or any other federal, state or local laws or regulations, including but not limited to those prohibiting employment discrimination, retaliation, and harassment.

The released, waived, and discharged claims also include, but are not limited to any claims for unfair competition, defamation, invasion of privacy, infliction of emotional distress, disability discrimination, discrimination, harassment, wrongful termination, constructive termination, retaliation, failure to take reasonable steps to prevent harassment or discrimination, failure to engage in the interactive process, pain and suffering, misrepresentation or fraudulent inducement, breach of any express or implied contract, breach of the covenant of good faith and fair dealing, interference with contract, negligence, bonuses or other benefits under any employee benefit plan or program, medical expenses, future medical expenses, punitive damages, penalties or claims under any federal, state, or local laws, rules or regulations, public policy, contract or tort laws, or any claim of retaliation under such laws, or any claim arising under common law, or under the California and/or the United States Constitution or any amendments thereto, or any other claim which could be asserted against Releasee(s) or which arise out of Plaintiff's employment and/or termination of employment and/or any and all agreements with the Samaritana Defendants and/or the Releasee(s). This release covers both claims that Plaintiff knows about and those Plaintiff may not know about.

To the extent Plaintiff releases persons or entities who are not signatories to this Agreement, Plaintiff acknowledges and agrees that Plaintiff's Release is made for each of their express benefit and use.

The Parties acknowledge and agree that Plaintiff's Release does not cover claims that cannot lawfully be released. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences [that occurred during the PAGA Period], including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits,

~~unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.~~

- 5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or ~~Released~~ Party.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the ~~Releasee(s) Released Parties~~ from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint ~~[,] and~~ the PAGA Notice.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the ~~Releasee(s) Released Parties~~ from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

7. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are ~~not~~ aware of ~~any~~ only one other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than {30} days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected

7.2 Administrator, to serve as the Administrator and verified that, as a condition of appointment, Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.3 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.4 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.5 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

9. ~~AGGRIEVED EMPLOYEE SIZE ESTIMATES~~ ~~and ESCALATOR CLAUSE~~

Based on its records, ~~XYZ~~ Samaritana Defendants estimates that, as of the date of the ~~Settlement Agreement~~ settlement, (1) there ~~were~~ are 119 Aggrieved Employees who worked 3,507 Pay Periods during the PAGA Period. 7

10. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the ~~Net Settlement Amount~~ Net PAGA Settlement Amount.

11. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by ~~XYZSamaritana Defendants~~ that any of the allegations in the Operative Complaint have merit or that ~~XYZSamaritana Defendants~~ has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that ~~XYZSamaritana Defendants~~'s defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, ~~XYZSamaritana Defendants~~ reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest ~~XYZSamaritana Defendants~~'s defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2 Neutral Reference. Upon receiving any employment verification inquiries for Plaintiff, Samaritana Defendants' Human Resources Department will provide only Plaintiff's dates of employment and position(s) held with the Company, unless otherwise required by law.

10.3 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.4 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and ~~XYZSamaritana Defendants~~,

respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.5 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things,

modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 10.6 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.7 No Tax Advice. Neither Plaintiff, PAGA Counsel, ~~XYZ~~Samaritana Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.8 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.10 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.11 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.12 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. Nothing in this agreement prevents any party from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that a party have reason to believe is unlawful.
- 10.13 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by ~~XYZ~~Samaritana Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual

agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from ~~XYZ~~Samaritana Defendants unless, prior to the Administrator's payment of all

10.14

- 10.15 Settlement Funds, ~~XYZ~~Samaritana Defendants makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 10.16 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.17 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.18 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Harout Messrelian, Esq. of Messrelian Law Inc.
500 N. Central Ave., Suite 840
Glendale, CA 91203
hm@messrelianlaw.com

To ~~XYZ~~Samaritana Defendants:

Ronald J. Arias of Buchalter, A Professional Corporation,
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
rarias@buchalter.com;

Michael I. Schiller, Esq. of Law Offices of Michael I. Schiller,
21515 Hawthorne Blvd., Suite 1150
Torrance, CA 90503
michaelschiller@mschillerlaw.com

- 10.19 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement

10.22

~~i~~This Form PAGA Settlement Agreement has been approved by the Court, the complex litigation judges and a 2022 Ad Hoc Wage and Hour Committee co-chaired by Judge David Cunningham and Judge Amy Hogue and comprised of 16 attorneys who regularly represent plaintiffs and defendants in wage and hour cases. It was drafted for settlements of single plaintiff PAGA claims against a single employer (XYZ). The parties will need to revise this form if there are multiple Plaintiffs or multiple Defendants. For settlements of wage and hour class actions that include PAGA claims, please use the Form Class Action and PAGA Settlement Agreement and Class Notice.

~~* See endnote ii above. THE COURT ASKS ALL COUNSEL USING THIS MODEL AGREEMENT TO ATTACH A REDLINED VERSION TO THEIR MOTIONS OR APPLICATIONS FOR APPROVAL SO THAT THE COURT CAN EASILY SEE EXACTLY HOW THE PARTIES HAVE MODIFIED THIS MODEL AGREEMENT.~~

~~** The Parties are free to negotiate a payment plan structure, if appropriate, and payment deadlines~~
~~that fully comply with and recognize their obligations and liabilities that XYZ's Defendant's actions have caused the~~
~~injury to the Plaintiff's. The Plaintiff's are not required to agree to any payment plan structure or payment deadlines~~

Mailing Date

NOTICE OF SETTLEMENT UNDER THE CALIFORNIA PRIVATE ATTORNEYS GENERAL ACT

Name

Address

Dear NAME:

Irene Rios v. Samaritana Medical Clinic Inc. et al.

Los Angeles County Superior Court Case No. 22STCV34375

You are receiving the enclosed check in settlement of a lawsuit entitled *Irene Rios v. Samaritana Medical Clinic Inc et al.* Case No. 22STCV34375. In the lawsuit, Irene Rios (“Plaintiff”) pursued various claims against Samaritana Medical Clinic Inc., Providers Medical Management, Inc. and William A. Martinez (“Defendants”) under Labor Code § 2699 *et seq.*, the California Private Attorneys General Act of 2004 (“PAGA”). Defendants deny all of the allegations and liability for any claims in this case. The Court has approved the Settlement on behalf of the following employees (“Aggrieved Employees”): all current and former non-exempt employees of Defendants in California during the time period from April 14, 2021 to _____ (the “PAGA Period”).

The enclosed check for \$_____ is your share of the Settlement. Your settlement amount represents penalties and will be reported on an IRS Form 1099. Your check is valid for 180 days from the date of mailing. Funds attributable to any uncashed check will be sent to the State Controller’s Office Unclaimed Property Fund in the name of the Aggrieved Employee.

As a result of the Settlement, all Aggrieved Employees and the California Labor and Workforce Development Agency (“LWDA”) have released Defendants and their present, former, or future parents, owners, subsidiaries, and any affiliated or related persons or entities and each of its officers, directors, employees, partners, shareholders, attorneys and agents, and any other predecessors, successors, assigns, or legal representatives from the following Released Claims: all claims and/or causes of action under PAGA which are based upon the factual allegations set forth in the operative complaint and/or Plaintiff’s PAGA notice to the LWDA and arising at any time during the PAGA Period, including but not limited to claims for PAGA penalties for violations of Labor Code sections 201, 202, 203, 204 and/or 204b, 210, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1197, 1198, 2802, 2698 and 2699 *et seq.* The Aggrieved Employees’ Released Claims are limited to claims for civil penalties under PAGA.

EXHIBIT 2