

Morris v. The Permanente Medical Group, Inc.
(Sacramento Sup. Ct. Case No. 34-2022-00332012 (Class Action))

Morris v. The Permanente Medical Group, Inc.
(Sacramento Sup. Ct. Case No. 34-2022-00332023 (PAGA Action))

Ortega-Calbert, et al. v. The Permanente Medical Group, Inc.
(Solano Sup. Ct. Case No. FCS059433)

Hughes v. The Permanente Medical Group, Inc.
(Alameda Sup. Ct. Case No. 23CV041489)

CLASS AND REPRESENTATIVE ACTION SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class and Representative Action Settlement Agreement (“Agreement”) is made by and between the Plaintiffs Erica Morris, Yolanda Ortega-Calbert, Maribel Blandino, and Doretha Hughes (collectively, “Plaintiffs” and “Class Representatives”) on behalf of themselves and the putative class and Defendant The Permanente Medical Group, Inc. (“TPMG” or “Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or to one of them individually as “Party.”

1. DEFINITIONS.

- 1.1 “Actions” means *Morris v. The Permanente Medical Group, Inc.*, Sacramento Sup. Ct. Case No. 34-2022-00332012 (“*Morris Class Action*”), *Morris v. The Permanente Medical Group, Inc.*, Sacramento Sup. Ct. Case No. 34-2022-00332023 (“*Morris PAGA Action*”), *Ortega-Calbert, et al. v. The Permanente Medical Group, Inc.*, Solano Sup. Ct. Case No. FCS059433 (“*Ortega-Calbert*”), and *Hughes v. The Permanente Medical Group, Inc.*, Alameda Sup. Ct. Case No. 23CV041489 (“*Hughes Class Action*”).
- 1.2 “Administrator” or “Settlement Administrator” means ILYM Group, 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 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 Preliminary Approval of the Settlement. The Administration Expenses Payment is currently estimated to not exceed \$220,000.
- 1.4 “Aggrieved Employees” means all non-exempt persons who were employed by Defendant in the State of California at any time during the PAGA Period, defined in ¶ 1.34 herein as October 24, 2021 through December 31, 2024.
- 1.5 “Class Members” means all non-exempt persons who were employed by Defendant in the State of California at any time during the Class Period, defined in ¶ 1.6 herein as January 1, 2021 through December 31, 2024.
- 1.6 “Class Period” or “Settlement Period” means the period from January 1, 2021 through December 31, 2024.

- 1.7 “Class Counsel” means Norman B. Blumenthal, Kyle R. Nordrehaug, Aparajit Bhowmik, and Nichols J. De Blouw of Blumenthal Nordrehaug Bhowmik De Blouw LLP, James R. Hawkins, Christina M. Lucio, and Mitchell J. Murray of James Hawkins APLC, and Joshua H. Haffner, Alfredo Torrijos, and Trevor Weinberg of Haffner Law PC.
- 1.8 “Class Counsel Fees Payment” means the amount allocated to Class Counsel for attorneys’ fees.
- 1.9 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable litigation expenses.
- 1.10 “Class Data” means personally identifying information in Defendant’s possession, including Class Member names, last-known mailing addresses, Social Security numbers, and the numbers of qualifying Workweeks and Pay Periods worked. The Class Data shall be provided to the Administrator confidentially. It shall not be provided to Plaintiffs or Class Counsel.
- 1.11 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.
- 1.12 “Class Notice” means the Court Approved Notice Of Class Action Settlement And Hearing Date For Final Court Approval, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.13 “Class Representatives” means the Plaintiffs Erica Morris, Yolanda Ortega-Calbert, Maribel Blandino, and Doretha Hughes.
- 1.14 “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Actions and providing services in support of the Actions.
- 1.15 “Court” means the Superior Court of California, County of Sacramento.
- 1.16 “Defendant” means the named Defendant, The Permanente Medical Group, Inc.
- 1.17 “Defense Counsel” means Seyfarth Shaw LLP, acting through attorneys Christian Rowley, Kerry Friedrichs, and Elizabeth MacGregor.
- 1.18 “Effective Date” means the date upon which both of the following have occurred: (i) final approval of the settlement is granted by the Court and (ii) the Court’s Judgment approving the settlement becomes Final. “Final” shall mean the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for review with the California Supreme Court or other court in California assuming jurisdiction of this matter, or, (ii) if a petition for review is filed, the date of denial of the petition, or the date the Court’s Judgment is affirmed

pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Court's Judgment. If a timely objection to the settlement is filed (including an objection from the California Labor & Workforce Development Agency ("LWDA")), "Effective Date" shall be the later of: (a) the date on which the time for all appeals relating to objections to the settlement and the Final Approval Order has expired; or (b) if an appeal, review or writ is sought, the date on which the highest reviewing court renders its decision denying any petition (where the immediately lower court affirmed the Judgment) or affirming the Judgment. Provided, however, if the LWDA has commenced an investigation or issued a Citation prior to the Effective Date, as determined under the forgoing definition, the Effective Date will be extended to the date that the LWDA concludes its investigation or resolves the Citation (whichever is later), or if the LWDA objects to the settlement, the date when the LWDA's objection to the settlement is resolved and no longer appealable.

- 1.19 "Final Approval" means the Court's order granting final approval of the Settlement.
- 1.20 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.21 "FLSA Subclass Members" means all non-exempt persons who were employed by Defendant in the State of California at any time during the FLSA Subclass Period.
- 1.22 "FLSA Subclass Period" means the period from January 1, 2021 through December 31, 2024.
- 1.23 "FLSA Settlement Fund" means the amount of the Settlement allocated for payment to Participating Class Members for settlement and release of claims under the FLSA. The FLSA Settlement Fund shall not exceed Two Hundred Thousand Dollars (\$200,000). The FLSA Settlement Fund shall be paid out of the Gross Settlement Amount.
- 1.24 "Gross Settlement Amount" means \$11,350,000, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 7.9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual FLSA Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the Administrator's Expenses Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendant, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendant.
- 1.25 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked by that Participating Class Member during the relevant period.
- 1.26 "Individual FLSA Payment" means the FLSA Subclass Member's pro rata share of the FLSA Settlement Fund calculated according to the number of Workweeks worked by that FLSA Subclass Member during the FLSA Subclass Period.

- 1.27 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked by that Aggrieved Employee during the PAGA Period.
- 1.28 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.29 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i), to 75% of the civil penalties recovered in connection with PAGA actions filed before June 20, 2024.
- 1.30 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.31 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is the “Net Settlement Amount” to be paid to Participating Class Members, Participating FLSA Subclass Members, and Aggrieved Employees as Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments (which may be combined into a single payment).
- 1.32 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion. There will be no opportunity to opt out of the PAGA portion of the settlement.
- 1.33 “Operative Complaint” means the Amended Complaint that Plaintiff Morris shall, as part of this Settlement, file in the *Morris* Action. Plaintiff Morris agrees to amend her class action Complaint to add Plaintiffs Yolanda Ortega-Calbert, Maribel Blandino, and Doretha Hughes, any unique claims raised in the complaints filed by those plaintiffs, claims under the Private Attorneys General Act and Fair Labor Standards Act, and other factual allegations, claims and theories encompassed by the settlement and release below to ensure that all included Class Members, claims and theories are clearly articulated and covered; and Defendant will stipulate to the filing of this amended Complaint (the "Operative Complaint"). Defendant will agree not to remove the matter to federal court. Within 15 calendar days of the amendment of the Complaint, Plaintiffs Ortega-Calbert, Blandino, and Hughes will dismiss their separately-pending actions without prejudice.
- 1.34 “PAGA Period” means the period from October 24, 2021 through December 31, 2024.
- 1.35 “PAGA” means the Labor Code Private Attorneys General Act of 2004 (Lab. Code, § 2698 *et seq.*).
- 1.36 “PAGA Notice” means any and all letters submitted by Plaintiffs to Defendant and the LWDA in connection with the Actions, providing notice pursuant to Labor Code section 2699.3, subdivision (a). This includes the letters submitted by Plaintiffs on the following dates: June 29, 2022 for Plaintiff Morris, December 30, 2022 for Plaintiff Ortega-Calbert, and August 28, 2023 for Plaintiff Hughes.

- 1.37 “PAGA Penalties” means the sum of \$225,000.00, the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, which shall allocate 25% of the total PAGA Penalties to Aggrieved Employees (\$56,250.00) on a pro rata basis according to the number of Pay Periods worked by each Aggrieved Employee, and 75% shall be allocated to the LWDA (\$168,750.00) (referred to herein as the “LWDA PAGA Payment” and defined in ¶1.30), in settlement of PAGA claims. The PAGA Penalties paid to the Aggrieved Employees shall be made regardless of whether an Aggrieved Employee requests to be excluded from the Settlement Class.
- 1.38 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.39 “Pay Period” means any two week pay cycle during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period, defined in ¶1.34 herein as October 24, 2021 through December 31, 2024.
- 1.40 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.41 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of the Settlement.
- 1.42 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.43 “Released FLSA Claims” means the claims being released or precluded as described in Paragraph 5.3 below.
- 1.44 “Released PAGA Claims” means the claims being released or precluded as described in Paragraph 5.4 below.
- 1.45 “Released Parties” means Defendant and its present and former affiliates and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by, through, under or in concert with any of them.
- 1.46 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the class portion of the Settlement signed by the Class Member. There will be no opportunity to opt out of the PAGA portion of the settlement.
- 1.47 “Response Deadline” means 60 days after the Administrator mails the Class Notice to Class Members, FLSA Subclass Members, and Aggrieved Employees (attached hereto as Exhibit A) (“Class Notices”), and shall be the last date on which Class Members may (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail objections to the Settlement. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline.

1.48 “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.

1.49 “Workweek” means any week during which a Class Member worked for Defendant for at least one day during the Class Period, defined in ¶ 1.6 herein as January 1, 2021 through December 31, 2024.

2. RECITALS.

2.1 On December 28, 2022, Plaintiff Erica Morris initiated the *Morris* Class Action (case number 34-2022-00332012) and the *Morris* PAGA Action (case number 34-2022-00332023) against Defendant in Sacramento County Superior Court.

2.2 On January 3, 2023, Plaintiffs Yolanda Ortega-Calbert and Maribel Blandino initiated the *Ortega-Calbert* Action (case number FCS059433) against Defendant in Solano County Superior Court. On March 13, 2023, Plaintiffs Ortega-Calbert and Blandino filed a First Amended Complaint.

2.3 On August 25, 2023, Plaintiff Doretha Hughes initiated the *Hughes* Action (case number 23CV041489) against Defendant in Alameda County Superior Court. On August 28, 2023, Plaintiff Hughes submitted a letter to the LWDA purporting to provide notice of alleged Labor Code violations pursuant to Labor Code section 2699.3. Plaintiff Hughes did not amend her complaint to allege a claim under PAGA.

2.4 In connection with this Agreement, Plaintiff Morris agrees to amend her class action Complaint to add Plaintiffs Yolanda Ortega-Calbert, Maribel Blandino, and Doretha Hughes, any unique claims raised in the complaints filed by those plaintiffs, claims under the Private Attorneys General Act and Fair Labor Standards Act, and other factual allegations, claims and theories encompassed by the settlement and release below to ensure that all included Class Members, claims and theories are clearly articulated and covered; and Defendant will stipulate to the filing of this amended Complaint (the "Operative Complaint"). Defendant will agree not to remove the matter to federal court. Within 15 calendar days of the amendment of the Complaint, Plaintiffs Ortega-Calbert, Blandino, and Hughes will dismiss their separately-pending actions without prejudice.

2.5 The request for permission to file the First Amended Complaint shall be filed on or before the date of the filing of the motion for preliminary approval. Class Counsel will share the draft First Amended Complaint for comments by Defense Counsel with reasonable notice before filing the request with the Court to file same. Class Counsel shall seriously consider in good faith Defense Counsel's comments before filing.

2.6 The Parties will treat the First Amended Complaint as the Operative Complaint. Defendant denies all material allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.7 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notices.

- 2.8 On September 20, 2024, the Parties participated in mediation with mediator David Rotman, Esq. This mediation led to this Agreement to settle the Action.
- 2.9 Prior to mediation, Plaintiffs obtained both formal and informal discovery, including summary data from Defendant regarding the number of employees and Workweeks at issue. Plaintiffs' investigation satisfies the criteria for court approval set forth in *Dunk v. Ford Motor Company*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-30 (2008) ("*Dunk/Kullar*").
- 2.10 Class certification has not been adjudicated in any of the Actions.
- 2.11 The Parties to this Settlement agree that it reflects their good faith compromise of the claims raised in this action, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel.

3. MONETARY TERMS.

- 3.1 *Gross Settlement Amount.* Except as otherwise provided by Paragraph 7.9 below, Defendant promises to pay \$11,350,000.00 and no more as the Gross Settlement Amount. In addition to the Gross Settlement Amount, Defendant shall pay its share of any payroll taxes owed. Defendant need not pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant. The Administrator will issue to Class Members forms W-2 and 1099 for all amounts paid under this Settlement, making all deductions and withholdings required under law.
- 3.2 *Payments from the Gross Settlement Amount.* The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1 *To Plaintiffs:* Class Representative Service Payments to the Class Representatives of not more than \$20,000 each (in addition to any Individual Class Payment, Individual FLSA Payments, and any Individual PAGA Payment the Class Representatives are entitled to receive), for a total of \$80,000. Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, then the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will issue IRS Forms 1099 for the Class Representative Service Payments. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

- 3.2.2 *To Class Counsel:* A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$3,783,333.33, and a Class Counsel Litigation Expenses Payment of not more than \$65,000. Class Counsel Fees Payment shall be allocated among Class Counsel as follows: 42.5% to James Hawkins APLC; 42.5% to Blumenthal Nordrehaug Bhowmik De Blouw LLP; and, 15% to Haffner Law PC. Class Counsel Litigation Expenses Payment shall be made to the firm that incurred the expenses. Defendant will not oppose requests for these payments, provided that they do not exceed these amounts. Class Counsel will file a motion for Class Counsel Fees Payment and for Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment in less than the amounts requested, then the Administrator will retain the remainder as part of the Net Settlement Amount. The Released Parties shall have no liability to Class Counsel or any other counsel arising from any claim to any portion of any Class Counsel Fee Payment or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for any taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3 *To the Administrator:* An Administration Expenses Payment will be paid from the Gross Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Administrator as being the maximum costs necessary to administer the Settlement. The Administration Expenses Payment is currently estimated to not exceed \$220,000. To the extent actual Administration Expenses Payment is greater than \$220,000, such excess amount will be deducted from the Gross Settlement Amount, subject to the Court's approval. Any portion of the Administration Expenses Payment allocated but not paid to the Administrator will be distributed to the Settlement Class pro rata.
- 3.2.4 *To Each Participating Class Member:* The Individual Class Payment shall be calculated as follows: Each Participating Class Member will be entitled to receive an amount, subject to any applicable employee payroll taxes, equal to a proportionate share of the Net Settlement Amount, calculated by (i) the number of the Participating Class Member's Workweeks during the Class Period, divided by (ii) the total Workweeks of all Participating Class Members during the Class Period. Determination of the number of weeks that a Participating Class Member worked shall be based on Defendant's time records. The Parties will consider in good faith any challenge to the weeks worked supplied by Defendant to the Settlement Administrator. The Settlement Administrator shall examine all evidence submitted and make a decision regarding the challenge. The determination of the Settlement Administrator shall be final.

3.2.4.1 *Tax Allocation of Individual Class Payments.* A total of one-third (1/3) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. A total of two-thirds (2/3) of each Participating Class Member's Individual Class Payment will be allocated in equal portions to settlement of claims for interest and penalties (the "Interest and Penalties Portion"). The Interest and Penalties Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms issued by the Administrator. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 *Effect of Non-Participating Class Members on Calculation of Individual Class Payments.* Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members as stated in Paragraph 3.2.4.

3.2.5 *To Each Participating FLSA Subclass Member:* The Individual FLSA Payment shall be calculated as follows: Each FLSA Subclass Member will be entitled to receive an amount, subject to any applicable employee payroll taxes, equal to a proportionate share of the FLSA Settlement Fund, calculated by (i) the number of the Participating FLSA Subclass Member's attributed Workweeks during the FLSA Subclass Period, divided by (ii) the total Workweeks of all Participating FLSA Subclass Members during the FLSA Subclass Period. Determination of the number of weeks that a Participating FLSA Subclass Member worked shall be based on Defendant's time records. The Parties will consider in good faith any challenge to the weeks worked supplied by Defendant to the Settlement Administrator. The Settlement Administrator shall examine all evidence submitted and make a decision regarding the challenge. The determination of the Settlement Administrator shall be final.

3.2.5.1 *Tax Allocation of Individual FLSA Payments.* A total of one-third (1/3) of each Participating FLSA Subclass Member's Individual FLSA Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form issued by the Administrator. A total of two-thirds (2/3) of each Participating FLSA Subclass Member's Individual FLSA Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms issued by the Administrator. Participating FLSA Subclass Members assume full responsibility and liability for any employee taxes owed on their Individual FLSA Payment.

3.2.5.2 *Effect of Non-Participating FLSA Subclass Members on Calculation of Individual FLSA Payments.* Non-Participating FLSA Subclass

Members will not receive any Individual FLSA Payments. The Administrator will retain amounts equal to their Individual FLSA Payments in the FLSA Settlement Fund for distribution to Participating FLSA Subclass Members as stated in Paragraph 3.2.5.

3.2.6 *To the LWDA and Aggrieved Employees:* PAGA Penalties in the amount of \$225,000.00 to be paid from the Gross Settlement Amount, with 75% (\$168,750) allocated to the LWDA PAGA Payment and 25% (\$56,250) allocated to the Individual PAGA Payments.

3.2.6.1 The Individual PAGA Payments shall be paid to all Aggrieved Employees (regardless of whether they opt out of the Settlement Class) who worked for Defendant at any time during the PAGA Period, based on their proportional number of Pay Periods worked for Defendant during the PAGA Period. The Administrator will calculate each Individual PAGA Payment as follows: The amount of the payment will be calculated on a pro rata basis by the Settlement Administrator based on an Aggrieved Employee's individual Pay Periods worked during the PAGA Period in relation to the total Pay Periods worked by all Aggrieved Employees during the PAGA Period. Determination of the number of Pay Periods that an Aggrieved Employee worked shall be based on Defendant's time records. The Parties will consider in good faith any challenge to the Pay Periods worked supplied by Defendant to the Settlement Administrator. The Settlement Administrator shall examine all evidence submitted and make a decision regarding the challenge. The determination of the Settlement Administrator shall be final.

3.2.6.2 Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.6.3 If the Court approves PAGA Penalties of less than the amount requested, then the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1 *Class Data.* Not later than 15 business days after Preliminary Approval, Defendant will deliver the Class Data to the Administrator, in the form of a spreadsheet. The Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data has omitted identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. 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 Class Data.

- 4.2 *Funding of Gross Settlement Amount.* Within 5 business days of the Effective Date, the Administrator shall provide Defendant with the documents and information necessary in order for Defendant to fund the settlement, including the information that Defendant will need in order to pay their share of the payroll taxes owed. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay their share of payroll taxes, by transmitting the funds to the Administrator no later than 21 calendar days after the Effective Date.
- 4.3 *Payments from the Gross Settlement Amount.* Within 14 calendar days of the date Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual FLSA Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments.
- 4.3.1 The Administrator will issue checks to cover the Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments and will send them to the Class Members/Aggrieved Employees/FLSA Subclass Members via First Class U.S. Mail, postage prepaid (including those for whom Class Notice was returned undelivered). 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 (including those for whom Class Notice was returned undelivered). The Administrator may send a single check combining the Individual Class Payment, the Individual FLSA Payment, and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. For any Class Member who opts out, the Administrator will send a check for only the Individual PAGA Payment.
- 4.3.1.1 Opt-in and release language regarding the release of the FLSA claim will be printed on the Individual Class Payment checks with instructions that cashing such check constitutes consent under the FLSA to opt into the collective action. The language to be included will be substantially similar to the following:
- “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the Action, elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.”
- 4.3.2 The Administrator must conduct a Class Member Address Search for all Class Members whose checks are returned undelivered without United States Postal

Service ("USPS") forwarding address. Within seven 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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

- 4.3.3 All checks for Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments will remain negotiable for one hundred and eighty (180) days from the date of their mailing by the Settlement Administrator. The Settlement Administrator shall notify Class Counsel and Defense Counsel of any undeliverable and uncashed checks. After 180 days from the date of their mailing by the Settlement Administrator, any settlement checks distributing Individual Class Payments, Individual FLSA Payments, or Individual PAGA Payments that are returned to the Settlement Administrator as undeliverable or that have not been cashed will be transmitted to the California Controller's Unclaimed Property Fund in the name of the Class Member or Aggrieved Employee.
 - 4.3.4 The settlement payments made to Class Members under this settlement, including payment of Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments, and any other payments made pursuant to this settlement Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this settlement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans. The payment of Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members beyond those specified in this Agreement.
5. **RELEASES AND PRECLUSION OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer taxes owed on the wage portion of Individual Class Payments, Plaintiffs, Participating Class Members, and Class Counsel will release claims against all Released Parties as follows:
- 5.1 *Plaintiffs' General Release.* Plaintiffs and the Plaintiffs' former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge the Released Parties from all claims, transactions or occurrences that occurred through the date of final approval ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, medical benefits to which Plaintiffs were entitled as Kaiser Foundation Health Plan members, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any

time. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them. This general release shall run through the date of Final Approval.

- 5.1.1 *Plaintiffs' Waiver of Rights Under Civil Code Section 1542.* For purposes of Plaintiffs' General Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of Civil Code section 1542, 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.

- 5.1.2 *Hughes Carve-out.* This release does not include a release of wrongful termination claims related to Plaintiff Doretha Hughes' termination alleged in *Doretha Hughes, et al. v. The Permanente Medical Group, Inc., et al.*, Alameda County Superior Court Case No. 23CV046202.

- 5.2 *Release by Participating Class Members:* All Participating Class Members shall fully release Defendant and the Released Parties from any and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that were alleged or that reasonably could have been alleged based on the factual allegations that are alleged in the Operative Complaint or LWDA letters in Plaintiffs' actions or that reasonably could have been alleged based on the same set of operative facts alleged in the Operative Complaint or LWDA letters in Plaintiffs' actions. These Class and PAGA releases include claims under any legal theory under federal and state law for any alleged failure to pay all wages due (including minimum wage and overtime wages), claims regarding rounding, grace periods, shift tolerance, failure to pay for all hours worked (including off-the clock work), failure to provide meal and rest periods, short/late meal and rest periods, failure to relieve of all duties during meal and rest periods, combining of meal and rest periods, that Defendant's exemption permit from the DLSE is not valid or does not apply to Class Members, failure to timely pay wages and final wages, failure to properly calculate the regular rate of pay, failure to pay or properly calculate meal or rest period premiums, failure to pay or properly calculate paid sick leave, including paid sick leave under the Healthy Workplaces, Healthy Families Act, failure to pay or properly calculate overtime premiums, donning and doffing, pre or post-shift testing or inspections, health status related activities including testing, reporting, and queuing for testing, reporting time pay, failure to provide suitable seating, failure to furnish accurate wage statements including claims derivative and/or related to these claims, liquidated damages, conversion of wages, that the Labor Code Section 514 exemption does not apply to Defendant's employees, pre- and post-shift work and record-keeping violations, including claims for violation of Labor Code Sections 201, 202, 203, 204, 206, 210, 216, 218, 218.5, 218.6, 221-224, 225.5, 226, 226.3, 226.7, 227, 227.3, 233, 245 *et seq.* 510, 511, 512, 516, 517, 551, 552, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1198, 1198.5, 1199, provisions of the Wage Orders that are analogous to such Labor Code

provisions, all claims and theories arising under Labor Code Section 2802 with the exception of claims set forth in Paragraph 5.2.1 below, as well as claims under Business and Professions Code section 17200 *et seq.* and/or Labor Code Section 2698 *et seq.* based on the factual allegations that are stated in the Operative Complaint or LWDA letters in Plaintiffs' actions, or that reasonably could have been alleged based on the same set of operative facts alleged in the Operative Complaint or LWDA letters in Plaintiffs' actions. The Class and PAGA Releases exclude all other claims including claims set forth in Paragraph 5.2.1 and claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, California class claims outside of the Class Period, and PAGA claims outside of the PAGA period.

5.2.1 The release shall not include any Labor Code section 2802 claims released by Class Members in connection with the following actions: *Jones, et al. v. Kaiser Foundation Hospitals, et al.* (Los Angeles Sup. Ct. Case No. 23STCV04104), *Uribe, et al. v. Southern California Permanente Medical Group* (Los Angeles Sup. Ct. Case No. 22STCV11259), and *LeDoux v. The Permanente Medical Group, Inc.* (Alameda County Sup. Ct. Case No. 22CV019164).

5.3 *Release by FLSA Subclass Members:* FLSA Subclass Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and, as to those Class Members, the Released Claims include any and all claims the Class Members may have under the FLSA arising under or related to the alleged claims during the Class Period. Only those FLSA Subclass Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims. This release excludes the release of claims not permitted by law. The following language will be printed on the reverse of each Settlement Payment Check, or words to this effect: "By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act ("FLSA") portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement."

5.4 *Release by Aggrieved Employees:* All Aggrieved Employees fully release and discharge the Releasees from any and all claims under the PAGA that were alleged or that reasonably could have been alleged based on the factual allegations that are alleged in the in the Operative Complaint or PAGA Notices that arose during the PAGA Period (the "PAGA Release"). It is understood and acknowledged that Aggrieved Employees entitled to a share of the PAGA Penalties will be issued payment for their share of the PAGA Penalties and will not have the opportunity to opt out of, or object to, the PAGA Release as set forth in this Paragraph.

6. **MOTION FOR PRELIMINARY APPROVAL.** Upon full execution of the Agreement, Class Counsel will draft and file a Motion for Preliminary Approval of a

class action settlement within 30 calendar days and will share their draft for comments by Defense Counsel at least 5 business days before filing. Class Counsel shall seriously consider in good faith Defense Counsel's comments on the draft of the motion before filing any motion. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval to be filed in the *Morris* Action, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (s)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) 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 Class 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 Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel, or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members or the Administrator; (vi) a signed declaration from Class Counsel attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a)(1)(A))), Operative Complaint (Lab. Code, § 2699, subd. (s)(1)), this Agreement (Lab. Code, § 2699, subd. (s)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members or the Administrator.

- 6.1 *Responsibilities of Counsel.* Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.
- 6.2 *Duty to Cooperate.* If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval or the supporting declarations and documents, Class 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 Preliminary Approval, or conditions Preliminary Approval on any material change to this Agreement, Class 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 or otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 *Selection of Administrator.* The Parties have jointly selected ILYM Group to serve as the Administrator and have verified that, as a condition of appointment, that ILYM Group agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. 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 *Notice to Class Members.*
 - 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks and Pay Periods in the Class Data.
 - 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 21 calendar days after receipt of the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the total dollar amount of any Individual Class Payment, Individual FLSA Payment, and Individual PAGA Payment payable to the Class Member, and the number of Workweeks and Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
 - 7.4.3 Not later than five business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
 - 7.4.4 The deadlines for Class Members’ written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
 - 7.4.5 If the Administrator, Defendant, or Class Counsel are contacted by or otherwise discover any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously

confer, in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, then such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever is later.

7.5 *Requests for Exclusion (Opt Outs).*

7.5.1 Class Members who wish to exclude themselves (opt out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or the Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified by the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, then the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraphs 5.2 through 5.4 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are eligible for and will receive an Individual PAGA Payment.

7.6 *Challenges to Calculation of Pay Periods and/or Workweeks.* Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days

for Class Members whose Class Notice is re-mailed) to challenge the number of Pay Periods and/or Workweeks allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any convincing contrary documentation, the Administrator is entitled to presume that the number of Pay Periods and/or Workweeks contained in the Class Notice is correct so long as it is consistent with the Class Data. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Pay Periods and/or Workweeks to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 *Objections to Settlement.*

7.7.1 Only Participating Class Members may object to the class action components of the Settlement or this Agreement, including contesting the fairness of the Settlement, the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 *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.

7.8.1 *Website, Email Address, and Toll-Free Number.* The Administrator will establish and maintain an internet website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments, the Final Approval Order and the Judgment. The Administrator will include on the website page an email address and a toll-free telephone number to receive Class Member calls, faxes and emails. The Administrator will maintain the website and both monitor and respond to emails and calls from Class Members after

disclosure to the attorneys from both sides and after consultation with the attorneys from both sides.

- 7.8.2 *Requests for Exclusion (Opt Outs) and Exclusion List.* The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing: (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); and (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion.
- 7.8.3 *Weekly Reports.* The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received or resolved, and checks mailed for Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments (“Weekly Report”). The Weekly Reports will provide the Administrator’s assessment of the validity of Requests for Exclusion.
- 7.8.4 *Workweek and/or Pay Period Challenges.* The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of qualifying Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 *Administrator’s Declaration.* Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), and the number of written objections, and will attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6 *Final Report by Settlement Administrator.* Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its

disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

- 7.9 **ESCALATOR CLAUSE.** The Settlement is based on a Workweek estimate of approximately 5,668,385 Workweeks. In the event the number of Workweeks worked by the Class Members during the Class Period increases by more than 10%, or 6,235,223 then the Gross Settlement Amount shall be increased proportionally by the Workweeks worked in excess of 6,235,223 multiplied by the Workweek value. The Workweek value shall be calculated by dividing the Gross Settlement Amount by 5,668,385 Workweeks. The Parties agree that the Workweek value is \$2.00 ($11,350,000.00 / 5,668,385$ Workweeks). Thus, for example, should there be 6,300,000 Workweeks in the Class Period, then the Gross Settlement Amount shall be increased by \$129,554 ($[6,300,000 \text{ Workweeks} - 6,235,223 \text{ Workweeks}] \times [\$2/\text{Workweek}]$). Defendant may elect to not contribute more and keep the covered Workweeks capped at 6,235,223. Should Defendant elect to cap the Workweeks at 6,235,223 and not contribute more to the Gross Settlement Amount, the Class Period will close on the date the Workweeks reach 6,235,223.
8. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 2% of the total of all Class Members, then Defendant may, but need not, elect to withdraw from the Settlement. The Parties agree that if Defendant withdraws, the Settlement shall be void ab initio, having no force or effect whatsoever, and that no Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all settlement administration expenses incurred to that point. Defendant must notify Class Counsel and the Court of their election to withdraw not later than 30 calendar days after expiration of the opt-out period; late elections will have no effect on Defendant's right to withdraw.
9. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (s)(2), a Proposed Final Approval Order, and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than five business days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously confer, in good faith, to resolve any suggestions made by Defendant concerning the Motion for Final Approval.
- 9.1 *Response to Objections.* Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 9.2 *Duty to Cooperate.* If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. Any decision by the Court to award less than the

amounts requested for the Class Representative Service Payments, for Class Counsel Fees Payment, for Class Counsel Litigation Expenses Payment, or for Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 9.3 *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 Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-judgment matters as are permitted by law.
- 9.4 *Waiver of Right to Appeal.* Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement as provided in this Agreement 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. This waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If an objector appeals the Judgment, then 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.
- 9.5 *Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment.* If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be voidable. If a reviewing Court vacates, reverses or modifies the Judgment in a matter that requires a material modification of this Agreement, the Parties shall expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
- 10. AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.
- 11. ADDITIONAL PROVISIONS.**
- 11.1 *No Admission of Liability, Class Certification, 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 Defendant that any allegation in the Operative Complaint has merit or

that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement, and the 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).

- 11.2 *Confidentiality Prior to Preliminary Approval.* Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate, or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 11.3 *No Undue Publicity.* Neither Plaintiffs nor Class Counsel shall cause to be publicized, directly or indirectly, any discussion as to the existence of this Agreement or its terms in any advertising/marketing materials or any type of mass media, including, but not limited to, speeches, press conferences, press releases, interviews, television or radio broadcasts, newspapers, website postings, messages on the Internet, Facebook, Twitter/X or any other social media. The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the settlement. If counsel for any party receives an inquiry about the settlement from the media, counsel may respond only after the motion for approval of the settlement has been filed and only by confirming the accurate terms of the settlement. Nothing in this provision shall prevent Defendant from making any required disclosure. After the Effective Date, Class Counsel may state on their website that the case has been settled and provide a short and plain description of the claims that were settled, subject to Defendant's approval, which shall not be unreasonably withheld. This provision does not apply to any publications ordered by the Court.

- 11.4 *No Solicitation.* The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 11.5 *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.
- 11.6 *Attorney Authorization.* Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, 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.
- 11.7 *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 or the Court for resolution.
- 11.8 *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 any portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.
- 11.9 *No Tax Advice.* Neither Plaintiffs, Class Counsel, Defendant, 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.
- 11.10 *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.
- 11.11 *Agreement Binding on Successors.* This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.12 *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.

- 11.13 *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.
- 11.14 *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.
- 11.15 *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.
- 11.16 *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 Plaintiffs:

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP
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Kyle R. Nordrehaug
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To Defendant:

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San Francisco, California 94105
Telephone: (415) 397-2823
Facsimile: (415) 397-8549

- 11.17 *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.
- 11.18 *Stay of Litigation.* The Parties agree that upon the execution of this Agreement the Actions shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that, upon the signing of this Agreement, pursuant to Code of Civil Procedure section 583.330, the Parties agree to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

IT IS SO AGREED:

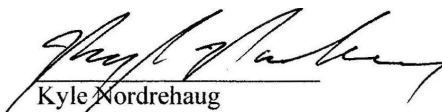
FOR PLAINTIFFS AND THE PUTATIVE CLASS AND AGGRIEVED EMPLOYEES

Dated: 03/19/2025


Erica Morris (Mar 19, 2025 11:08 PDT)

Plaintiff/Class Representative Erica Morris

Dated: 3/19/25


Kyle Nordrehaug

Class Counsel BLUMENTHAL NORDREHAUG
BHOWMIK DE BLOUW LLP

Dated: 03/19/25 _____


Plaintiff/Class Representative Yolanda Ortega-Calbert

Dated: 03/20/25 _____

.

Plaintiff/Class Representative Maribel Blandino

Dated: 03/19/2025 _____


Class Counsel JAMES HAWKINS APLC

Dated: _____

Plaintiff/Class Representative Doretha Hughes

Dated: _____

Class Counsel HAFFNER LAW PC

FOR DEFENDANT:

Dated: _____

For Defendant The Permanente Medical Group, Inc.

Dated: _____

Defendant's Counsel Christian J. Rowley (as to form only)

Dated: _____

Plaintiff/Class Representative Yolanda Ortega-Calbert

Dated: _____

Plaintiff/Class Representative Maribel Blandino

Dated: _____

Class Counsel JAMES HAWKINS APLC

Dated: 03/21/20~~20~~25

DocuSign (Mar 21, 2025 16:21 PDT)

Plaintiff/Class Representative Doretha Hughes

Dated: 3/21/25



Class Counsel HAFFNER LAW PC

FOR DEFENDANT:

Dated: _____

For Defendant The Permanente Medical Group, Inc.

Dated: _____

Defendant's Counsel Christian J. Rowley (as to form only)

Dated: _____

Plaintiff/Class Representative Yolanda Ortega-Calbert

Dated: _____

Plaintiff/Class Representative Maribel Blandino

Dated: _____

Class Counsel JAMES HAWKINS APLC

Dated: _____

Plaintiff/Class Representative Doretha Hughes

Dated: _____

Class Counsel HAFFNER LAW PC

FOR DEFENDANT:

Dated: 3/24/2025

Priya Smith

For Defendant The Permanente Medical Group, Inc.

Dated: March 24, 2025



Defendant's Counsel Christian J. Rowley (as to form only)

EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT
AND HEARING DATE FOR FINAL COURT APPROVAL**

Morris v. The Permanente Medical Group, Inc.,
Sacramento County Superior Court, Case No. 34-2022-00332012

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from the settlement of an employee class action lawsuit ("Action") against Defendant The Permanente Medical Group, Inc. ("TPMG" or "Defendant") for alleged wage and hour violations. The Action was filed by Plaintiffs Erica Morris, Yolanda Ortega-Calbert, Maribel Blandino, and Doretha Hughes (collectively, "Plaintiffs" and "Class Representatives") and seeks payment of wages, damages, and equitable relief for a Class of all non-exempt persons who were employed by Defendant in the State of California at any time during the Class Period, defined as January 1, 2021 to December 31, 2024 ("Class Members"). The Settlement also includes an FLSA Subclass, composed of all non-exempt persons who were employed by Defendant in the State of California at any time during the FLSA Subclass Period, defined as January 1, 2021 to December 31, 2024 ("FLSA Subclass Members") and a claims for civil penalties under the Private Attorneys General Act ("PAGA") on behalf of all non-exempt persons who were employed by Defendant in the State of California at any time during the PAGA Period (October 24, 2021 through December 31, 2024) ("Aggrieved Employees").

The proposed Settlement has three main parts: (1) a Class Settlement requiring TPMG to fund Individual Class Payments to Class Members, (2) a FLSA Settlement requiring TPMG to fund Individual FLSA Payments to FLSA Subclass Members, and (3) a PAGA Settlement requiring Defendant to fund the PAGA Penalties to pay penalties to the California Labor and Workforce Development Agency ("LWDA") and Individual PAGA Payments to the Aggrieved Employees.

Based on TPMG's records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding), your Individual FLSA Payment is estimated to be \$ [REDACTED], and your Individual PAGA Payment is estimated to be \$ [REDACTED].** The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimates are based on TPMG's records showing that **you worked [REDACTED] workweeks during the Class Period and [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during this period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and

Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires TPMG to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against TPMG.

If you worked for TPMG during the Class Period you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment, Individual FLSA Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Released Class Claims, Released FLSA Claims and Released PAGA Claims against Defendant as described in Section 4 below.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment or Individual FLSA Payment, but you will receive an Individual PAGA Payment. You will, however, preserve your right to personally pursue Class Period wage claims against TPMG.

TPMG will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment, Individual FLSA Payment and an Individual PAGA Payment. In exchange, you will give up your right to assert the wage claims against TPMG that are covered by this Settlement (Released Class Claims).
You Can Opt-out of the Class Settlement The Opt-out Deadline is [DATE]. If a Notice is returned as undeliverable and resent, this deadline is extended by 14 days.	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment or an Individual FLSA Payment. However, you will still receive an Individual PAGA Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. TPMG must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue claims covered by the PAGA Release (defined below).

Participating Class Members Can Object to the Class Settlement Written Objections Must be Submitted by [DATE]. If a Notice is returned as undeliverable and resent, this deadline is extended by 14 days.	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____ at 9:00 a.m., at the Sacramento County Superior Court, located at 720 9th Street, Sacramento, CA 95814, in Department 23 before Judge Jill H. Talley. This hearing may change as explained below in Section 8. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks and/or Pay Periods Written Challenges Must be Submitted by [DATE]. If a Notice is returned as undeliverable and resent, this deadline is extended by 14 days.	The amount of your Individual Class Payment depends on how many workweeks you worked at least one day as a nonexempt TPMG employee in California during the Class Period (“Workweeks”). The amount of your Individual FLSA Payment depends on how many workweeks you worked at least one day as a nonexempt TPMG employee in California during the FLSA Subclass Period (“Workweeks”). The amount of your Individual PAGA Payment depends on how many pay periods you worked at least one day as a nonexempt TPMG employee in California during the PAGA Period (“PAGA Pay Periods”). The number of Class Workweeks, FLSA Subclass Workweeks, and PAGA Pay Periods you worked according to TPMG’s records is stated on the first page of this Notice. If you disagree with these numbers, you must challenge them by 60 days after Notice is sent. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs were TPMG employees during the Class Period. The Action accuses TPMG of violating California labor laws by failing to pay overtime wages, minimum wages, waiting time

penalties, earned wages, and reporting time pay, failing to provide meal periods, rest periods, itemized wages statements, sick pay, and notice of paid sick time; violating California's Unfair Competition Law; and owing penalties under the Private Attorneys General Act ("PAGA"). Plaintiffs are represented by attorneys in the Action: Blumenthal Nordrehaug Bhowmik De Blouw LLP, James Hawkins APLC, and Haffner Law PC (collectively, "Class Counsel.")

TPMG strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether TPMG or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and TPMG hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a Class and Representative Action Settlement Agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and TPMG have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, TPMG does not admit any violations or concede the merit of any claims. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. TPMG Will Pay \$11,350,000 as the Gross Settlement Amount. TPMG has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual FLSA Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the Administration Expenses Payment. Assuming the Court grants Final Approval, TPMG will fund the Gross Settlement Amount not more than 21 calendar days after the Judgment entered by the Court become final. The Judgment will be final upon the expiration date of the time for filing or noticing any appeal of the Judgment, or a later date if the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiffs and Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$3,783,333.33 (one-third (1/3) of the Gross Settlement Amount) to Class Counsel Fees Payment and up to \$65,000 for Class Counsel Litigation Expenses Payment. To date, Class Counsel have worked and incurred expenses on the Action without payment. Class Counsel Fees Payment shall be allocated among Class Counsel as follows: 42.5% to

James Hawkins APLC; 42.5% to Blumenthal Nordrehaug Bhowmik De Blouw LLP; and, 15% to Haffner Law PC.

- B. Up to \$80,000 (\$20,000 per Plaintiff) to Plaintiffs as Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. Class Representative Service Payments will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments.
- C. Up to \$220,000 as the Administration Expenses Payment to the Administrator for services administering the Settlement.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the "Net Settlement Amount") by making Individual Class Payments, Individual FLSA Payments, and Individual PAGA Payments to Participating Class Members based on their Class Workweeks, FLSA Subclass Workweeks, and PAGA Pay Periods. The Individual PAGA Payments will comprise 25% of the PAGA Penalties provided for by the Settlement, with the remaining 75% being distributed to the LWDA.
- 4. Taxes Owed on Payments to Class Members. Plaintiffs and TPMG are asking the Court to approve an allocation of one-third (1/3) of each Individual Class Payment and Individual FLSA Payment to taxable wages ("Wage Portion") and two-thirds (2/3) in equal portions to settlement of claims for interest and penalties ("Interest and Penalties Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (TPMG will separately pay employer payroll taxes it owes on the Wage Portion.) The Administrator will report the Interest and Penalties Portion of the Individual Class Payments and the Individual FLSA Payments on IRS 1099 Forms. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms as well.

Although Plaintiffs and TPMG have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- 5. Need to Promptly Cash Payment Checks. Each Class Member's Individual Settlement Share will be provided to them in a single check. The front of every check issued for Individual Settlement Shares will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be

automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money - https://www.sco.ca.gov/upd_msg.html.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than 60 days after the Administrator mails this Notice, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline, which is **DATE**. (If a Notice is returned as undeliverable and resent, this deadline is extended by 14 days.) The Request for Exclusion should be a letter from a Class Member or their representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments or Individual FLSA Subclass Payments, but will receive Individual PAGA Payments, and will preserve their rights to personally pursue Class Period wage and hour claims against TPMG.
7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and TPMG have agreed that, in either case, the Settlement will be void: TPMG will not pay any money and Class Members will not release any claims against TPMG.
8. Administrator. Plaintiffs and TPMG have jointly selected ILYM Group (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks and PAGA Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and TPMG has fully funded the Gross Settlement Amount (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against TPMG or related entities for wages based on the Class Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

Released Class Claims. All Participating Class Members shall fully release Defendant and the Released Parties from any and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that were alleged or that reasonably could have been alleged based on the factual allegations that are alleged in the Operative Complaint or LWDA letters in Plaintiffs' actions or that reasonably could have been alleged based on the same set of operative facts alleged in the Operative Complaint or LWDA letters in Plaintiffs' actions. These Class and PAGA releases include claims under any legal theory under federal and state law for any alleged failure to pay all wages due (including minimum wage and overtime wages), claims regarding rounding, grace periods, shift tolerance, failure to pay for all hours worked (including off-the clock work), failure to provide meal and rest periods, short/late meal and rest periods, failure to relieve of all duties during meal and rest periods, combining of meal and rest periods, that Defendant's exemption permit from the DLSE is not valid or does not apply to Class Members, failure to timely pay wages and final wages, failure to properly calculate the regular rate of pay, failure to pay or properly calculate meal or rest period premiums, failure to pay or properly calculate paid sick leave, including paid sick leave under the Healthy Workplaces, Healthy Families Act, failure to pay or properly calculate overtime premiums, donning and doffing, pre or post-shift testing or inspections, health status related activities including testing, reporting, and queuing for testing, reporting time pay, failure to provide suitable seating, failure to furnish accurate wage statements including claims derivative and/or related to these claims, liquidated damages, conversion of wages, that the Labor Code Section 514 exemption does not apply to Defendant's employees, pre- and post-shift work and record-keeping violations, including claims for violation of Labor Code Sections 201, 202, 203, 204, 206, 210, 216, 218, 218.5, 218.6, 221-224, 225.5, 226, 226.3, 226.7, 227, 227.3, 233, 245 *et seq.*, 510, 511, 512, 516, 517, 551, 552, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1198, 1198.5, 1199, provisions of the Wage Orders that are analogous to such Labor Code provisions, all claims and theories arising under Labor Code Section 2802 with the exception of claims set forth below, as well as claims under Business and Professions Code section 17200 *et seq.* and/or Labor Code Section 2698 *et seq.* based on the factual allegations that are stated in the Operative Complaint or LWDA letters in Plaintiffs' actions, or that reasonably could have been alleged based on the same set of operative facts alleged in the Operative Complaint or LWDA letters in Plaintiffs' actions. The Class and PAGA Releases exclude all other claims including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, California class claims outside of the Class Period, and PAGA claims outside of the PAGA period. The release shall also not include any Labor Code section 2802 claims released by Class Members in connection with the

following actions: *Jones, et al. v. Kaiser Foundation Hospitals, et al.* (Los Angeles Sup. Ct. Case No. 23STCV04104), *Uribe, et al. v. Southern California Permanente Medical Group* (Los Angeles Sup. Ct. Case No. 22STCV11259), and *LeDoux v. The Permanente Medical Group, Inc.* (Alameda County Sup. Ct. Case No. 22CV019164).

The FLSA Subclass Members who negotiate their check will be bound by the following release:

Released FLSA Claims. FLSA Subclass Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and, as to those Class Members, the Released Claims include any and all claims the Class Members may have under the FLSA arising under or related to the alleged claims during the Class Period. Only those FLSA Subclass Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims. This release excludes the release of claims not permitted by law. The following language will be printed on the reverse of each Settlement Payment Check, or words to this effect: "By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act ("FLSA") portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement." Only those FLSA Subclass Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims. This release excludes the release of claims not permitted by law.

The Aggrieved Employees will be bound by the following release:

Released PAGA Claims. All Aggrieved Employees fully release and discharge the Releasees from any and all claims under the PAGA that were alleged or that reasonably could have been alleged based on the factual allegations that are alleged in the Operative Complaint or PAGA Notices that arose during the PAGA Period (the "PAGA Release"). It is understood and acknowledged that Aggrieved Employees entitled to a share of the PAGA Penalties will be issued payment for their share of the PAGA Penalties and will not have the opportunity to opt out of, or object to, the PAGA Release as set forth in this Paragraph.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Net Settlement Share. The Administrator will calculate a Class Member's Individual Settlement Share by adding together a Class Member's Individual Class Payment, Individual FLSA Payment, and Individual PAGA Payment.
 - A. Individual Class Payments. The Administrator will calculate Individual Class Payments as follows: Each Participating Class Member will be entitled to receive an amount, subject to any applicable employee payroll taxes, equal to a proportionate share of the Net Settlement Amount, calculated by (i) the number of the Participating Class Member's Workweeks during the Class Period, divided by (ii) the total Workweeks of all Participating Class Members during the Class Period.
 - B. Individual FLSA Payments. The Administrator will calculate Individual FLSA Payments as follows: Each FLSA Subclass Member will be entitled to receive an amount, subject to any applicable employee payroll taxes, equal to a proportionate share of the FLSA Settlement Fund, calculated by (i) the number of the Participating FLSA Subclass Member's attributed Workweeks during the FLSA Subclass Period, divided by (ii) the total Workweeks of all Participating FLSA Subclass Members during the FLSA Subclass Period. The FLSA Settlement Fund shall not exceed Two Hundred Thousand Dollars (\$200,000).
 - C. Individual PAGA Payments. \$56,250 has been allocated to the Individual PAGA Payments. The Individual PAGA Payments shall be paid to all Aggrieved Employees (regardless of whether they opt out of the Class) who worked for Defendant at any time during the PAGA Period, based on their proportional number of PAGA Pay Periods. The Administrator will calculate Individual PAGA Payments as follows: The amount of the payment will be calculated on a pro rata basis by the Settlement Administrator based on an Aggrieved Employee's individual Pay Periods worked during the PAGA Period in relation to the total Pay Periods worked by all Aggrieved Employees during the PAGA Period.
2. Workweek and/or Pay Period Challenges. The number of Workweeks and PAGA Pay Periods you worked, as recorded in TPMG's records, are stated in the first page of this Notice. You have until 60 days after this Notice is sent, and if a Notice is returned as undeliverable and resent, this deadline is extended by 14 days, to challenge the number of Workweeks and/or PAGA Pay Periods. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept TPMG's calculation of Workweeks and Pay Periods based on TPMG's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator

will resolve Workweek and PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and TPMG's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) containing their Individual Class Payment, Individual FLSA Payment, and/or Individual PAGA Payment. Non-Participating Class Members will receive, by U.S. mail, a single check containing their Individual PAGA Payment.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Morris v. The Permanente Medical Group, Inc.*, Case No. 34-2022-00332012, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [DATE]** (if a Notice is returned as undeliverable and resent, this deadline is extended by 14 days), **or it will be invalid.** A request for exclusion may be sent to the Administrator via mail, email or fax. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and TPMG are asking the Court to approve. At least 16 days before the [DATE] Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view via the Civil Case Search page for the California Superior Court for the County of Sacramento (<https://services.saccourt.ca.gov/PublicCaseAccess/Civil/SearchByCaseNumber>) and by entering the Case No. 34-2022-00332012.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and or Fees, Litigation Expenses and Service Payments may wish to object, for

example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is [DATE].** (If a Notice is returned as undeliverable and resent, this deadline is extended by 14 days.) Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action, *Morris v. The Permanente Medical Group, Inc.*, Case No. 34-2022-00332012, and include your name, current address, telephone number, and approximate dates of employment for TPMG and sign the objection. Written objections may be sent to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information. Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [DATE] at 9:00 a.m. in Department 23 of the Superior Court of California, County of Sacramento, Gordon D. Schaber Courthouse, 720 9th Street, Sacramento, CA 95814, before Judge Jill H. Talley. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via the Court's zoom appearance platform. Check the Court's tentative ruling website the day before at <https://www.saccourt.ca.gov/indexes/new-portal-info.aspx> for the most current information on how to appear for this hearing

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website << [REDACTED] >> beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything TPMG and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at „_____>> where these documents will be posted as they are available. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to the Civil Case Search page for the California Superior Court for the County of Sacramento (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>) and entering the Case Number for the Action, Case No. 34-2022-00332012. If you wish to view the Court files in person, you may go to the Clerk's Office at Room 102, 720 9th Street, Sacramento, CA 95814.

**DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION
ABOUT THE SETTLEMENT.**

Class Counsel:

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP
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Settlement Administrator:

ILYM Group
Email Address: _____
Mailing Address: _____
Telephone: _____
Fax Number: _____
Settlement Website: _____

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check and your check has not already been cashed. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds - https://www.sco.ca.gov/upd_msg.html.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.