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Attorneys for Plaintiff DARWIN COLINAYO,
individually and on behalf of
all others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF PLACER**

DARWIN COLINAYO and EDELMIRA
MALDONADO, on behalf of themselves and
all others similarly situated,

Plaintiffs,

v.

MCKESSON MEDICAL-SURGICAL INC., a
Virginia Corporation, and DOES 1-50,
inclusive,

Defendants.

Case No. S-CV-0049039

Hon. Trisha Hirashima
Dept.: 42

**DECLARATION OF JAMES R. HAWKINS
IN SUPPORT OF PLAINTIFFS' MOTION
FOR:**

- (1) PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT;**
- (2) APPROVAL OF NOTICE TO CLASS
MEMBERS AND RELATED
MATERIALS;**
- (3) APPROVAL OF SETTLEMENT
ADMINISTRATOR; AND**
- (4) SETTING HEARING FOR FINAL
APPROVAL OF SETTLEMENT**

Date: October 29, 2024
Time: 8:30 a.m.

Complaint Filed: September 2, 2022
FAC Filed: August 29, 2024
Trial Date: None Set

1 I, James R. Hawkins, declare as follows:

2 1. I am an individual over the age of 18. I am the founding partner at the Law Firm of
3 James Hawkins, APLC. We are the attorneys of record for Plaintiff DARWIN COLINAYO, who
4 together with Plaintiff EDELMIRA MALDONADO ("Plaintiffs" or "Class Representatives"), have
5 filed this Class and PAGA action on behalf of themselves and the proposed settlement class (the
6 "Class") and Aggrieved Employees in the above-captioned matter against Defendant MCKESSON
7 MEDICAL-SURGICAL INC. ("Defendant" or "McKesson") (collectively with Plaintiffs, the
8 "Parties"). I have personal knowledge of the facts set forth below, and if called to testify regarding
9 them, I could and would do so competently.

10 2. I submit this Declaration in support of Plaintiffs' Motion for Preliminary Approval
11 of Class Action and PAGA Settlement, Approval of Class Notice, Approval of Settlement
12 Administrator and Setting Hearing for Final Approval of Settlement (the "Preliminary Approval
13 Motion"), which is filed concurrently herewith, along with the Memorandum of Points and
14 Authorities. For the Court's convenience, the Class Action and PAGA Settlement is attached hereto
15 as **Exhibit 1**, and the Class Notice is attached hereto as **Exhibit 2**.

16 3. I have no knowledge of the existence of any conflicting interests between my firm
17 and any of its attorneys, and Plaintiffs or any other Class Member.

18 4. After a full-day arms' length mediation facilitated by an experienced neutral (Steve
19 Serratore) and subsequent mediator's proposal, the Plaintiffs and Defendant have entered into the
20 Class Action and PAGA Settlement Agreement ("Settlement") attached hereto as Exhibit 1.

21 5. Pursuant to the terms of the Settlement, Plaintiffs and the Class will fully release and
22 discharge Defendant from the claims brought against it in this matter in exchange for Defendant's
23 agreement to pay \$3,500,000.00 on a non-reversionary, non-claims made basis (each Settlement
24 Class Member will receive his/her share of the Net Settlement Amount without having to submit a
25 claim form or taking action, except for those who opt-out). Plaintiffs seek to represent a settlement
26 class of all persons who are or were employed by Defendant as hourly paid, non-exempt employees
27 who worked in distribution centers in the State of California during the Class Period (June 28, 2018
28 through April 7, 2024) and assert claims for (1) failure to pay minimum wages; (2) failure to pay

overtime owed; (3) failure to provide lawful meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) failure to reimburse necessary expenses; (8) failure to comply with itemized wage statement provisions; (9) failure to properly pay sick leave; (10) unfair competition; and (10) penalties pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq* (“PAGA”). The Parties agree for the purposes of this settlement only that Plaintiffs’ allegations meet the commonality requirement. The claims are as follows:

- a. Failure to Pay Minimum Wages: Plaintiffs allege that they and the Class Members were mandated to perform work while off the clock, including without limitation, for pre-shift COVID-19 screenings in the form of health questionnaires and temperature checks, and had to arrive early for their shifts in order to accommodate the screening and avoid reprimand. Furthermore Plaintiffs and the Class Members were required to don and doff necessary equipment such as wrist scanners before they could clock in. Plaintiffs and the Class Members allege they were not fully compensated for this time in violation of the Labor Code and applicable Wage Orders.
- b. Failure to Pay Overtime Owed: To the extent the aforementioned alleged failure to compensate for time spent performing COVID-19 screenings would have qualified for overtime pay, such violations also represent an alleged failure to pay overtime. Furthermore, Plaintiffs allege Defendant failed to pay overtime at the regular rate of pay because Defendant failed to incorporate non-discretionary bonuses and incentives into the regular rate of pay for purposes of calculating overtime pay.
- c. Failure to Provide Meal Periods: Plaintiffs alleged that they and other Class Members were not provided compliant lunch breaks. For instance, Defendant did not have lunch bells and/or a policy and practice of announcing meal periods throughout the warehouse, which caused Plaintiffs and Class Members to miss taking a timely and full 30-minute meal break in violation of the Labor Code and Applicable Wage Orders. Plaintiffs also allege that meal periods (including second meal periods) were not lawfully provided as a matter of policy and practice. Plaintiffs allege that

1 premiums were not paid for these missed, short, or late lunch breaks. Plaintiffs allege
2 that to the extent premiums were paid, they were paid at the wrong rate, because such
3 premiums were not paid at the correct regular rate.

4 d. Failure to Authorize and Permit Rest Periods: Plaintiffs allege that Defendant failed
5 to authorize and permit lawful rest periods. Specifically, Plaintiffs and Class
6 Members were unable to take rest periods due to the volume of work assigned,
7 unrealistic work requirements, and frequent interruptions of rest breaks. Defendant's
8 policy put the onus on employees to provide their own breaks. Further, Defendant did
9 not pay premiums for these late, short, or missed rest periods. Plaintiffs allege that
10 to the extent premiums were paid, they were paid at the wrong rate, because such
11 premiums were not paid at the correct rate.

12 e. Failure to Timely Pay Wages Owed Upon Separation from Employment: Plaintiffs
13 assert direct and derivative violations. Plaintiffs allege that Defendant failed to pay
14 Plaintiffs and the Class Members whose employment ended during the relevant time
15 period rest period premiums, meal period premiums, and all minimum wages and
16 overtime wages owed at the time of their termination/separation. As result of
17 Defendant's policies, Class Members whose employment ended during the relevant
18 time period were not timely paid their final wages.

19 f. Failure to Pay Sick Pay: Plaintiffs allege that Defendant failed to incorporate non-
20 discretionary incentives and bonuses into the regular rate of pay for purposes of
21 paying sick pay in violation of the Labor Code and Wage Orders.

22 g. Failure to Provide Accurate, Itemized Wage Statements: Plaintiffs allege that
23 Defendant intentionally and knowingly failed to provide Plaintiffs and employees
24 with accurate itemized wage statements as required by Labor Code § 226, as Plaintiffs
25 and others have not been properly compensated by Defendant for all hours worked
26 and have not been paid all compensation due and owing, including all minimum and
27 overtime wages, and meal and rest period premiums. Accordingly, the wage
28 statements issued by Defendant allegedly do not include the correct amount of gross

and net wages earned, total hours worked by the employee, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee as required under Labor Code section 226.

- h. Failure to Reimburse Necessary Expenses: Plaintiffs allege that Defendant required Class Members to use their personal cell phones for work purposes and they were not reimbursed for this expense. This included requiring Plaintiffs and Class Members to install a cell phone app to perform COVID screenings.
- i. UCL Violations: Plaintiffs alleges that by failing to provide compliant rest and meal periods, rest and meal period premiums, minimum wages, overtime wages, accurate itemized wage statements, reimbursement for business expenses, final pay, and other statutory penalties to Class Members, and committing the above-described Labor Code violations, Defendant engaged in unlawful, unfair, and/or fraudulent business practices and is liable for restitution to the Class Members under the Unfair Competition Law.
- j. PAGA Penalties: Plaintiffs further argue that they and the other Aggrieved Employees were entitled to penalties under the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq.* (“PAGA”).

6. Defendant argued that courts routinely significantly reduce PAGA penalties. Additionally, a proposed initiative on the ballot in 2024 was at the time of mediation predicted to effectively repeal PAGA by taking away the ability to pursue civil penalties via a representative action. If this proposed initiative were to pass, coupled with recent changes in the law regarding the arbitrability of PAGA claims, Plaintiffs may not be able to proceed with their representative PAGA claims at all. Though this issue has since been resolved, this concern was nonetheless present at the time of mediation. Defendant also contended that Plaintiffs’ PAGA claims are unmanageable, though this point of law is similarly no longer a concern following *Estrada v. Royalty Carpet Mills, Inc.* (2024) 15 Cal.5th 582, 582.

7. With respect to Plaintiffs’ claims for meal and rest period violations, Defendant argued that there is no common policy or practice to deprive employees of meal or rest periods and

1 that Defendant's meal and rest period policies comply with California law, and that rest periods are
2 not recorded which inherently makes certification more difficult.

3 8. With respect to Plaintiffs' claims for unpaid minimum and overtime wages,
4 Defendant argued that it properly paid Plaintiffs and the Class Members for all hours worked.
5 Defendant also argued that these claims would fail as they were largely derivative, and they would
6 defeat certification on Plaintiffs' claims for unpaid overtime wages due to regular rate of pay
7 miscalculations. Furthermore, Defendant argued that it provided additional paid time for employees
8 to complete COVID screenings and that these additional allocations were in excess of the actual time
9 worked. Defendant also asserted that it did not conduct security screenings as alleged by Plaintiffs
10 and that any screenings conducted were done on the clock.

11 9. At the time of mediation and settlement, Defendant contended that Plaintiffs' wage
12 statement claim would fail because it is derivative of Plaintiffs' other claims. Additionally,
13 Defendant contended that the Class suffered no actual "injury" as required under Labor Code section
14 226(e) and that any violation of the Labor Code was not "knowing and intentional".

15 10. Defendant also contended that Plaintiffs and the Class were not entitled to waiting
16 time penalties under Labor Code section 203 in any derivative sense, and also because any Labor
17 Code violations were not intentional and as a result Plaintiffs would have difficulty proving the
18 requisite willfulness. Defendant denied that there were certifiable direct violations of Labor Code
19 sections 201 and 202.

20 11. At the time of mediation, Defendant contended that Plaintiffs would be unable to
21 certify the expense reimbursement claims since it will involve an individual inquiry as to each
22 specific situation during which the employee used his or her personal cell phone. Additionally,
23 Defendant contended that there was no uniform policy or practice requiring or expecting Class
24 Members to use their cell phones for business purposes as they provided alternative means for
25 completing the COVID-19 screenings.

26 12. Plaintiffs estimated Defendant's maximum liability to be approximately
27 \$28,050,208.00 exclusive of PAGA, and \$43,421,008.00 inclusive of PAGA, based on a class size
28 of 1,387 individuals who worked approximately 604,331 shifts during the class period. However,

1 in light of the foregoing defenses and risks, despite Defendant's potentially massive maximum
2 exposure, Plaintiffs calculated Defendant's realistic, risk-adjusted exposure at \$19,394,778.75,
3 inclusive of PAGA, with each claim separately valued as follows:

- 4 a. Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for unpaid wages
5 due to off-the-clock work, including overtime, at \$806,725.25 based on an estimate
6 of one hour of unpaid wages per work week with 66.7% of that qualifying as
7 overtime, and after taking discounts for the likelihood that Plaintiffs' claim could fail
8 on the merits, difficulties and risks of attaining and maintaining class certification,
9 difficulties in proving the full extent of Plaintiffs' claims, and Defendant's strong
10 defenses, including that Defendant's policy was facially valid, and that any failure to
11 pay wages was not knowing and willful.
- 12 b. Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for unpaid overtime
13 wages due to miscalculations in the regular rate of pay at \$100,780.00, after taking
14 discounts for the likelihood that Plaintiffs' claim could fail on the merits, difficulties
15 and risks of attaining and maintaining class certification, difficulties in proving the
16 full extent of Plaintiffs' claims, and Defendant's strong defenses, including that
17 Defendant's policy was facially valid, and that any failure to pay overtime wages was
18 not knowing and willful.
- 19 c. Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for unpaid meal and
20 rest period premiums and sick pay due to improper regular rate calculations at
21 \$39,991.50, after taking discounts for the likelihood that Plaintiffs' claim could fail
22 on the merits, difficulties and risks of attaining and maintaining class certification,
23 difficulties in proving the full extent of Plaintiffs' claims, and Defendant's strong
24 defenses, including that Defendant's policy was facially valid, and that any failure to
25 pay meal and rest period premiums at the full rate was not knowing and willful.
- 26 d. Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for rest period
27 premiums at \$5,855,608.50 after taking discounts for the likelihood that Plaintiffs'
28 claim could fail on the merits, difficulties and risks of attaining and maintaining class

1 certification, difficulties in proving the full extent of Plaintiffs' claims given that rest
2 periods are typically unrecorded, and Defendant's strong defenses, including that
3 Defendant's policy was facially valid, and that any failure to authorize and permit
4 rest periods was due to individual choices by employees to not take rest periods, and
5 that any failure to pay rest period premiums was not knowing and willful.

6 e. Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for meal period
7 premiums at \$2,687,509.00 after taking discounts for the likelihood that Plaintiffs'
8 claim could fail on the merits, difficulties and risks of attaining and maintaining class
9 certification, difficulties in proving the full extent of Plaintiffs' claims, and
10 Defendant's strong defenses, including that Defendant's policy was facially valid,
11 that any failure to provide meal periods was due to individual choices by employees
12 to not take meal periods, that Defendant had already paid meal period premiums to
13 employees when they were triggered, and that any failure to pay meal period
14 premiums was not knowing and willful.

15 f. Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for unreimbursed
16 business expenses at \$446,596.50 after taking discounts for the likelihood that
17 Plaintiffs' claim could fail on the merits, difficulties and risks of attaining and
18 maintaining class certification, difficulties in proving the full extent of Plaintiffs'
19 claims, and Defendant's strong defenses, including that Defendant's policy did not
20 require cell phone use or other personal expenditures, Defendant had a policy of
21 reimbursing necessary expenses, and Defendant provided alternative means to
22 complete work duties than using personal cell phones.

23 g. Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for waiting time
24 penalties at \$1,537,518.00 after taking discounts for the likelihood that Plaintiffs'
25 claim could fail on the merits, difficulties and risks of attaining and maintaining class
26 certification, difficulties in proving the full extent of Plaintiffs' claims, and
27 Defendant's strong defenses, including that Plaintiffs' waiting time claims are almost
28 entirely derivative of their other claims, that Defendant's policy is facially valid, and

1 that Defendant's conduct was not knowing and willful.

2 h. Plaintiffs calculated Defendant's realistic, risk-adjusted exposure for wage statement
3 penalties at \$1,743,650.00, after taking discounts for the likelihood that Plaintiffs'
4 claim could fail on the merits, difficulties and risks of attaining and maintaining class
5 certification, difficulties in proving the full extent of Plaintiffs' claims, and
6 Defendant's strong defenses, including that Defendant's conduct was not knowing
7 and willful, that Plaintiffs' wage statement claims are entirely derivative, and that
8 Class Members suffered no actual injury.

9 i. Plaintiffs calculated Defendant's realistic, risk adjusted for PAGA penalties at
10 \$6,616,400.00 or \$100 per PAGA pay period and 66,164 pay periods, based on the
11 Court's likely reduction of PAGA penalties due to Defendant's conduct not being
12 knowing and willful, Defendant's arguments on the merits and issues of proof, and
13 Defendant's arguments that Plaintiffs' PAGA claim is unmanageable, which was a
14 genuine issue at the time of mediation.

15 13. Under the terms of the Settlement, Defendant will not oppose Class Counsels'
16 application for a reasonable award of attorney's fees not to exceed 35% of the Settlement Amount,
17 totaling \$1,225,000.00 (pursuant to class counsel's joint prosecution agreement, 75% of this fee is
18 to be paid to James Hawkins, APLC, and 25% to Mooradian Law, APC), Class Counsels' litigation
19 costs not to exceed \$50,000.00, Settlement Administration Costs not to exceed \$15,378.00, PAGA
20 penalties of \$175,000.00 (of which \$131,250 or 75% will be paid to the LWDA and the remaining
21 \$43,750.00 or 25% will be paid to the Settlement Class Members), and Service Award to Plaintiffs
22 not to exceed \$10,000.00 each.

23 14. I fully support the Settlement on these terms, and respectfully submit that the
24 Settlement is fair, reasonable, and adequate in light of all known facts.

25 15. Given the realistic value of Plaintiffs' claims as set forth above, the \$3,500,000.00
26 Settlement Amount amounts to approximately 18% of Defendant's realistic maximum liability, is an
27 excellent result for the Settlement Class. Approximately 1,387 Class Members will be able to
28 participate in the Settlement if they do not request exclusion.

1 16. Preliminary approval is appropriate since the Settlement will provide significant
2 monetary relief to the Settlement Class.

3 17. The Settlement was the product of extensive arm's length negotiations between
4 counsel and was facilitated by Steve J. Serratore, an experienced wage-and-hour class action
5 mediator, over the course of a full day mediation on February 7, 2024. The Parties agreed to
6 mediation and informal discovery in order settle Plaintiffs' claims and to avoid the uncertainty and
7 expense of litigation. In connection with the anticipated mediation, the Parties exchanged extensive
8 informal discovery, including production of time and pay records for a sizable sample of the Putative
9 Class. In advance of mediation, Defendant provided a sampling of class-wide redacted payroll and
10 time data and relevant policy documents. Though cordial and professional, the Settlement
11 negotiations were adversarial and non-collusive in nature. Though the Parties did not reach an
12 agreement at mediation, a Mediator's Proposal was issued that same day, which was accepted by the
13 parties and memorialized in a Memorandum of Understanding ("MOU"), and thereafter incorporated
14 into a long-form Class Action and PAGA Settlement Agreement. The Settlement reached is the
15 product of substantial effort by the Parties and their counsel. Although Plaintiffs and Class Counsel
16 believed that there was a possibility of certifying the claims, they recognized the potential risk,
17 expense, and complexity posed by litigation, such as unfavorable decisions on class certification,
18 summary judgment, at trial and/or on the damages awarded, and/or on an appeal that can take several
19 more years to litigate. In addition, if Defendant prevailed on any of its defenses, the Settlement Class
20 Members may not have received any substantial monetary recovery.

21 18. The Settlement will result in a fair payment to each Settlement Class Member based
22 on the number of Weeks Worked during the Class Period. Plaintiffs and their counsel have diligently
23 investigated the claims and defenses on behalf of the Settlement Class Members and worked to
24 achieve a resolution of the claims to maximize the recovery by avoiding further expenditure of
25 attorneys' fees and costs. After evaluating the significant risks attendant with further litigation
26 described above and weighing them against the benefits of a known compromise and settlement as
27 set forth in the Settlement Agreement, settlement on the terms agreed to is believed to be in the best
28

1 interest of Plaintiffs and the Settlement Class, and is a fair and reasonable resolution of the claims
2 alleged.

3 19. Plaintiffs' counsel brought to bear a great deal of collective experience in negotiating
4 the settlement of this case and investigating the claims and defenses. Plaintiffs' counsel engaged in
5 necessary formal and informal discovery, investigation, sampling and expert evaluation, disclosures,
6 significant written discovery (form interrogatories, requests for production, employment
7 interrogatories, special interrogatories, and requests for admission), depositions, document review
8 (e.g., documents pertaining to Defendant's policies and procedures, personnel documents, wage
9 statements, time records, among others) and conducted an extensive analysis and extrapolation of
10 the sampling of class-wide data provided by Defendant. Plaintiffs' counsel also conducted extensive
11 investigation, witness interviews, and research into the elements of each of the claims asserted and
12 the defenses submitted by Defendant. The extensive preparation made it possible to exercise
13 informed judgment throughout the litigation and settlement process.

14 20. Based on our experience in other cases, including wage and hour matters, I believe
15 my co-counsel and I are qualified to evaluate the class claims and viability of defenses in this class
16 action. In this case, the recovery for each Settlement Class Member is reasonable, fair and adequate,
17 and a settlement at this time on the terms in the Agreement is in the best interest of the Settlement
18 Class. The Settlement provides each Settlement Class Member with compensation for the alleged
19 violations when viewed in relation to the costs and risks inherent in obtaining class certification and
20 proceeding to trial.

21 21. Plaintiffs' counsel fully endorse the terms and conditions of the Settlement as set
22 forth in the abovementioned Settlement Agreement.

23 22. Of course, the Settlement Amount represents a compromise figure, taking into
24 account the various risks surrounding class certification and the merits of Defendant's asserted
25 defenses. Nevertheless, the Settlement provides for fair and adequate payments to the Settlement
26 Class Members, with no reversion to Defendant.

27 23. Plaintiffs seek Service Awards in an amount of \$10,000.00 each to Plaintiffs Darwin
28 Colinayo and Edelmira Maldonado, which we believe are fair and warranted. Plaintiffs agreed to

1 come forward in an effort to effectuate a policy and practice change that benefitted all other
2 Settlement Class Members, and to recover unpaid wages and penalties. They assumed significant
3 risk in bringing this litigation, namely, had they lost, they could be ordered to pay Defendant's costs.

4 24. Plaintiffs provided invaluable assistance to the investigation and prosecution of this
5 case, including: providing factual background for the Complaints which were consolidated and gave
6 rise to this action; reviewing the litigation documents; providing information and documentation
7 about Defendant's policies and practices; participating in phone calls to discuss litigation and
8 settlement strategy; assisting with the litigation of this matter; locating witnesses and documents;
9 assisting attorneys in mediation and preparation for mediation; and reviewing the settlement
10 documents. Plaintiffs agreed to participate in this case with no guarantee of personal benefit.
11 Plaintiffs' comprehensive declaration setting forth all of the reasons why they believe that the Service
12 Awards should be approved has been filed herewith.

13 25. When this case was taken on a contingency fee basis, with our firm agreeing to
14 assume responsibility for all litigation costs, the ultimate result was far from certain. In the course
15 of this litigation, we paid all costs including the filing fees, court costs, research/database fees,
16 mediation costs, and expert costs. There was never a guarantee that our firms would recoup these
17 expenditures.

18 26. It is our experience that an attorneys' fee awards of thirty five percent of a common
19 fund settlement is within the are the standard in California. Defendant does not oppose this fee
20 request. The fee is further warranted because it is within the range of reasonableness typically
21 awarded in class actions. Our collective costs as Class Counsel will not exceed \$50,000.00 and will
22 be based on the actual amount incurred at the time of final approval.

23 27. For the foregoing reasons, it is respectfully requested that the Court grant preliminary
24 approval of the Settlement as being fair, reasonable, and in the best interests of the Settlement Class,
25 as well as preliminarily approve the requested attorneys' fees and costs, and service awards to the
26 Class Representatives.

27 **Plaintiffs' Counsel Is Experienced in Wage and Hour Litigation**
28

1 28. I am an attorney at law licensed to practice before the Courts of the State of
2 California and before this Court.

3 29. In 1993, I graduated from the University of California, Los Angeles with a Bachelor
4 of Arts Degree. Following graduation, I attended Whittier Law School. In 1996, while a full-time
5 law student, I was also a full-time Judicial Extern for the Honorable Consuelo B. Marshall, United
6 States District Court, Central District. After approximately five months of service for Judge
7 Marshall, I became a full-time extern for the United States Attorney's Office, Central District of
8 California. My externship lasted for approximately five months. Thereafter, in 1997, I graduated
9 from Whittier Law School. The same year, I was admitted to practice law in the State of California.

10 30. From 1997-2007, I was a named partner at Hawkins & Sofonio, a law firm based out
11 of Irvine, California. At Hawkins & Sofonio, I pioneered the employment department litigating
12 Plaintiffs related employment issues such as: Wrongful Termination, Age Discrimination,
13 Disability, Wage and Hour and Sexual Harassment claims. Through the success and experience I
14 obtained litigating employment related matters, I commenced the Wage and Hour division of our
15 employment department in 2002. Since then, I have spent the vast majority of my practice litigating
16 wage and hour class actions.

17 31. In 2007, I incorporated my wage and hour class action practice as James Hawkins
18 APLC. Since its inception, this law firm has been exclusively involved in class action and complex
19 litigation. In 2009, I opened an additional office in Miami, Florida, prosecuting wage and hour class
20 actions. I have been lead or co-lead counsel in all of the cases listed below.

21 32. I have a great deal of experience in wage and hour class action litigation. I have been
22 certified and approved as class counsel in many other wage/hour class actions, and I am currently
23 litigating numerous others before this Court and others. Although not an all-inclusive list, over the
24 years I have prosecuted the following class action matters as lead and/or co-lead counsel, all of which
25 implicated similar law and facts to those associated with this Action:

- 26 a. *Mojica v. Compass Group, Inc., et. al.* USDC Central District, Case No. 8:13-cv-
27 01754. Wage and Hour Class Action case seeking past wages for meal and rest
28 break violations for production workers in the State of California. Plaintiffs'

Counsel preliminarily appointed as Class Counsel. Case settled. Final approval granted, and funds fully disbursed.

- b. *Dao v. 3M Company, et al.* USDC, CENTRAL DISTRICT, Case No. CV-08-04554. Wage and Hour Class Action case seeking past wages for “off the clock”, overtime and meal and rest break violations for production workers in the State of California. Plaintiffs’ Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no objections and funds fully distributed.
- c. *Ortiz v. Kmart*, USDC, CENTRAL DISTRICT, Case No. SACV 06-638 ODW. Wage and Hour Class Action case seeking past wages for meal and rest period violations for retail employees in the State of California. Plaintiffs’ counsel appointed co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.
- d. *Morgan v. Aramark Campus, LLC*, USDC, CENTRAL DISTRICT, Case No. SACV08-00412. Wage and Hour Class Action case seeking past wages for meal and rest period violations for retail employees in the State of California. Plaintiffs’ Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no objections and funds fully distributed.
- e. *West v Iron Mountain Information Management, Inc, et. al.*; Los Angeles County Superior Court, Case No. BC393709. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for driver employees in the State of California. Stipulation for “binding arbitration.” Arbitration Award for Plaintiffs Class. Arbitration Award confirmed. Plaintiffs’ counsel lead trial counsel and class counsel.
- f. *Gonzalez v. Superior Industries International, Inc., et al.*, Los Angeles County Superior Court, Case No. BC 357912. Wage and Hour Class Action seeking past wages for overtime, meal and rest breaks violations for production employees in the State of California. Plaintiffs’ counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

- 1 g. *Acosta v. Fleetwood Travel Trailers of California, Inc.*, et al., Riverside County
2 Superior Court, Case No. RIC 440630. Wage and Hour Class Action seeking past
3 wages for overtime, meal and rest break violations for production employees in the
4 State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled,
5 Final Approval granted, no objections and funds fully distributed.
- 6 h. *Walker v. Sharkeez*, et al., Orange County Superior Court, Case No. 05CC00293.
7 Wage and Hour Class Action seeking past wages for unlawful deductions, meal
8 and rest break violations for restaurant employees in the State of California.
9 Plaintiffs' counsel appointed as lead counsel. Case settled. Final Approval granted
10 and funds fully distributed.
- 11 i. *Padron v. Universal Protection Service, et al*, Orange County Superior Court, Case
12 No. 05CC00013. Wage and Hour Class Action seeking past wages for overtime,
13 meal and rest break violations for security officers in the State of California.
14 Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval
15 granted, no objections and funds fully distributed.
- 16 j. *Martinez v. Securitas Security Services USA, et al.*, Santa Clara Superior Court,
17 Case No. 105-CV047499, et al. J.C.C.P. No. 4460. Wage and Hour Class Action
18 seeking past wages for meal and rest break violations for security officers
19 employed by defendant in the State of California. Plaintiffs' counsel and co-
20 counsel. Case settled, Final Approval granted and funds fully distributed.
- 21 k. *Velasquez-Lopez v. Hotel Cleaning Services, Inc. et al.*, Riverside Superior Court,
22 Case No. RIC 420909. Wage and Hour Class Action seeking past wages for
23 overtime, meal and rest break violations for housekeepers employed by defendant
24 in the State of California. Plaintiffs' counsel appointed as lead counsel. Case
25 settled, Final Approval granted, no objections and funds fully distributed.
- 26 l. *Ruiz, et al. v. Unisource Worldwide, Inc., et al.*, USDC, CENTRAL DISTRICT,
27 Case No. CV09-05848. Wage and Hour Class Action seeking past wages for meal
28 and rest period violations for non-exempt employees employed by defendant in the

1 state of California. Case settled. Awaiting Preliminary Approval hearing.
2 Plaintiffs has petitioned the Court for Lead Counsel.

- 3 m. *Herrador v. Culligan International Company, et al.*, USDC, CENTRAL
4 DISTRICT, Case No. SACV 08-680. Wage and Hour Class Action seeking past
5 wages for field and branch employees of defendant in the State of California.
6 Plaintiffs' counsel appointed as lead counsel. Case settled and awaiting Final
7 Approval.
- 8 n. *Defries v. Domain Restaurants, et al.*, Orange County Superior Court, Case No.
9 05CC00128. Wage and Hour Class Action seeking past wages for restaurant
10 employees of defendant in the State of California. Plaintiffs' counsel appointed as
11 lead counsel. Case settled, Final Approval granted, no objections and funds fully
12 distributed.
- 13 o. *Denton v. BLB Enterprises, Inc., et al.*, Orange County Superior Court, Case No.
14 07CC01292. Wage and Hour Class Action seeking unpaid overtime, meal and rest
15 break violations for security guards employed by defendant in the State of
16 California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final
17 Approval granted, no objections and funds fully distributed.
- 18 p. *Rios v. Sandberg Furniture Manufacturing Co., Inc, et al.*, Los Angeles Superior
19 Court, Case No. BC411477. Wage and Hour Class Action seeking unpaid meal
20 and rest break violations for production employees employed by defendant in the
21 State of California. Plaintiffs' counsel appointed as lead counsel. Case settled,
22 Final Approval granted, no objections and funds fully distributed.
- 23 q. *McMurray v. Dave and Busters, Inc., et al.*, Orange County Superior Court, Case
24 No. 06CC00099. Wage and Hour Class Action seeking past wages for meal and
25 rest break violations for restaurant employees employed by defendant in the State
26 of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final
27 Approval granted, no objections and funds fully distributed.
- 28

- 1 r. *Osuna v. DFG Restaurants, Inc., et al.*, Los Angeles Superior Court, Case No. BC
2 330145. Wage and Hour Class Action seeking past wages of overtime for mis-
3 classification of managers employed by Defendant, DBA Carl's Jrs. in the State of
4 California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final
5 Approval granted, no objections and funds fully distributed.
- 6 s. *Burns v. Gymboree Operations, Inc., et al.*, San Francisco Superior Court, Case No.
7 CGC-07-461612. Wage and Hour Class Action seeking past wages for meal and
8 rest break violations for retail employees employed by defendant in the State of
9 California. Plaintiffs' counsel appointed lead counsel. Case settled, Final
10 Approval granted, no objections and funds fully distributed.
- 11 t. *Willems v. Diedrich Coffee, Inc., et al.*, Orange County Superior Court, Case No.
12 07CC00015. Wage and Hour Class Action seeking past wages of overtime for
13 mis-classification of managers employed by Defendant in the State of California.
14 Plaintiffs' counsel appointed lead counsel. Case settled, Final Approval granted,
15 no objections and funds fully distributed.
- 16 u. *Davila, et al. v. Beckman Coulter, Inc., et al.*, Orange County Superior Court, Case
17 No. 07CC01347. Wage and Hour Class Action seeking past wages for overtime,
18 meal and rest break violations for production workers employed by defendant in
19 the State of California. Plaintiffs' counsel appointed lead counsel. Cased settled,
20 Final Approval granted, no objections and funds fully distributed.
- 21 v. *Perez v. Naked Juice Company of Glendora, Inc.*, Los Angeles Superior Court,
22 Case No. BC387088. Wage and Hour Class Action seeking past wages for
23 overtime, meal and rest period violations for production employees employed by
24 defendant in the State of California. Plaintiffs' counsel appointed as lead counsel.
25 Case settled. Final Approval granted, no objections and funds fully distributed.
- 26 w. *Coordination Proceeding Special Title [Rule 1550(b)] Wackenhut Wage and Hour*
27 *Cases*, Los Angeles Superior Court, Case No. JCCP 4545. Wage and Hour Class
28 Action seeking past wages for overtime, meal and rest period violations for security

guards employed by defendant in the State of California. Certification granted. Plaintiffs' counsel appointed as co-lead counsel. Writ taken. Court stays action pending Appellate Court ruling. Court lifts stay.

- x. *Placencia v. Amcor Packaging Distribution, Inc.*, Orange County Superior Court, Case No. 30-2013-00694012-CU-OE-CXC. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, and penalties on behalf of non-exempt production, maintenance, shipping, and receiving employees employed by Defendant in California. Plaintiffs' counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.
- y. *Trani v. Lisi Aerospace, et al.*, Los Angeles Superior Court, Case No. BC495527. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, and penalties on behalf of non-exempt manufacturing employees employed by Defendant in California. Plaintiffs' counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.
- z. *Galvan v. Goodwin Co.*, Orange County Superior Court, Case No. 30-2013-00637062-CU-OE-CXC, Wage and Hour Class Action seeking past wages for meal period violations, and non-compliant wage statements on behalf of non-exempt production employees employed by Defendant in California. Plaintiffs' counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.
- aa. *Reyes v. Bristol Fiberlite*, Orange County Superior Court, Case No. 30-2013-00653425-CU-OE-CXC. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, inaccurate wage statements, and penalties on behalf of non-exempt employees employed by Defendant in California. Plaintiffs' counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.

- 1 bb. *Gutierrez v. HMT Tank*, USDC Central Dist., Case No. CV14-1967-CAS(MANx).
2 Wage and Hour Class Action seeking past wages for meal and rest period
3 violations, failure to indemnify necessary expenses, inaccurate wage statements,
4 and penalties on behalf of non-exempt employees working in positions related to
5 servicing, refabricating and repairing storage tanks employed by Defendant in
6 California. Plaintiffs' counsel appointed as lead counsel. Case settled. Final
7 Approval granted, no objections and funds fully distributed.
- 8 cc. *Williams v. Il Fornaio America Corp.*, Sacramento County, Case No. 34-2011-
9 0009616. Wage and Hour Class Action seeking past wages for overtime, meal and
10 rest period violations, reimbursements, and penalties on behalf of non-exempt
11 restaurant employees employed by Defendant in California. Plaintiffs' counsel
12 appointed as lead counsel. Case settled. Final Approval granted, and funds fully
13 distributed.
- 14 dd. *Aguilar v. 7-Eleven, Inc.*, Orange County, Case No. 30-2009-002687141-CU-OE-
15 CXC. Wage and Hour Class Action seeking past wages for overtime, meal and rest
16 period violations, and penalties on behalf of non-exempt retail clerks employed by
17 Defendant in California. Plaintiffs' counsel appointed as lead counsel. Case
18 settled. Final Approval granted, no objections and funds fully distributed.
- 19 ee. *Madrigal v. Huntington Beach Market Broiler, Inc.*, Orange County, Case No. 30-
20 2012-00611260. Wage and Hour Class Action seeking past wages for overtime,
21 meal and rest period violations, reimbursements, and penalties on behalf of non-
22 exempt employees employed by Defendant in California. Plaintiffs' counsel
23 appointed as lead counsel. Case settled. Final Approval granted, no objections and
24 funds fully distributed.
- 25 ff. *Vang v. Jazz Semiconductor, Inc.*, Orange County, Case no. 30-2011-00460278.
26 Wage and Hour Class Action seeking past wages for overtime, meal and rest period
27 violations, reimbursements, and penalties on behalf of non-exempt production
28 workers employed by Defendant in California. Plaintiffs' counsel appointed as

1 lead counsel. Case settled. Final Approval granted, no objections and funds fully
2 distributed.

3 gg. *Cano v. Financial Statement Services, Inc.*, Orange County, Case No. 30-2013-
4 00653349-CU-OE-CXC.

5 hh. *Gonzalez v. Quality Aluminum Force, LLC*, Orange County, Case No. 30-2015-
6 00817941-CU-OE-CXC.

7 ii. *Smith v. Space Exploration Technologies Corp.*, Los Angeles County Case No.
8 BC554258.

9 jj. *Madrigal v. Balda C Brewer, Inc.*, Orange County Case No. 30-2015-00820218-
10 CU-OE-CXC.

11 kk. *Mendez v. Liberty Glass Fabricators, Inc.*, Riverside County Case No. RIC
12 1800119.

13 ll. *Attia v. Neiman Marcus Group, Inc.*, United States District Court for the Central
14 District of California Case No. 8:16-cv-001504-DOC-FFM

15 mm. *Vigueras v. Red Robin*, United States District Court for the Central District of
16 California Case No. 8:17-cv-1422-JVS-DFM.

17 nn. *Payne v. Marriott Ownership Resorts, Inc.*, San Diego County Case No. 37-2018-
18 00015175-CU-OE-CTL.

19 33. In sum, my firm has been lead or co-lead counsel in hundreds of cases since its
20 inception. We have recovered hundreds of millions of dollars for employees in the State of
21 California and millions for the State as well through PAGA.

22 34. Our firm has served as class counsel in a number of significant wage and hour
23 settlements. Of particular note, in 2019, our firm was co-lead counsel in securing the largest
24 wage and hour class action settlement in California history at \$130,000,000.00. During this case,
25 plaintiffs appealed a decertification order. This case involved several appeals. The appellate
26 record amassed an extensive appellate record comprising a 23-volume joint appendix, a three-
27 volume reporters' transcript, five briefs, four letter briefs, two motions for judicial notice, a
28 motion to augment the record, and several additional letters informing the appellate court of new

1 legal authority issued after *Dukes*. The matter was argued to and submitted by the Court of
2 Appeal on September 15, 2016, and on November 21, 2016, the decertification order was
3 reversed and the case was remanded for further proceedings. (*Lubin v. The Wackenhut*
4 *Corporation* (“*Lubin*”), 5 Cal. App. 5th 960 (2016)). Wackenhut filed a petition for review of the
5 Court of Appeal decision to the California Supreme Court. The Supreme Court denied
6 Wackenhut’s petition for review of *Lubin*. The Court of Appeal issued remittitur on April 10,
7 2017. Eventually through more litigation, the parties were able to secure the \$130 million
8 settlement that was approved on October 21, 2019 by Judge Highberger in the Los Angeles
9 Superior Court.

10 35. Additionally, in early 2020, our firm served as lead counsel in a class action jury
11 trial in the Central District of California involving the class and PAGA representative claims of
12 over 23,000 employees which successfully resolved in the midst of trial for \$8,500,000.00.

13 36. Our firm has settled many high-stakes class and representative actions. Hawkins’
14 settlements have directly compensated hundreds of thousands of California workers and
15 consumers. Hawkins’ actions have also forced employers to modify their policies for the benefit
16 of employees including changing the compensation structure for certain employees and changing
17 practices to ensure that workers will be able to take timely rest and meal breaks. A leader in
18 prosecuting class and PAGA enforcement actions, Hawkins has secured millions of dollars for
19 workers and in civil penalties for the State of California.

20 37. Based on our experience, demonstrated competence, resources to prosecute the
21 claims at issue and reputation among our colleagues in the both the defense and plaintiffs’ bar, I
22 respectfully submit our firm’s experience in the field of wage and hour cases provides us the
23 ability to prosecute claims swiftly and often times without the need for protracted litigation.
24 Although, as demonstrated in the *Wackenhut* cases, we do not give up fighting for class members
25 when challenged and necessary.

26 38. As is the case with many wage and hour cases, conditional class certification is
27 vastly superior to the litigation of numerous individual claims because most of the claims are too
28

1 small to litigate outside of the class context. As such, the superiority requirement is met for
2 purposes of conditional certification.

3 39. Further, based on our experience, we consider ourselves experienced and qualified
4 to evaluate the claims and viability of the defenses. Based on the history of this case and given our
5 firm's extensive experience as class and representative action employment and wage and hour
6 litigators, it is our view that the Settlement is fair, reasonable, and adequate, and in the best
7 interest of the Class.

8
9 I declare under penalty of perjury that the foregoing is true and correct.

10
11 Executed on September 10, 2024 in Irvine, California.

12
13 A handwritten signature in black ink, appearing to read 'James R. Hawkins', is written over a horizontal line.

14 James R. Hawkins, Esq.
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EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs **Darwin Colinayo** and **Edelmira Maldonado** (“Plaintiffs”) and Defendant **McKesson Medical-Surgical Inc.** (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS

- 1.1. “Actions” means the Plaintiffs’ lawsuits alleging wage and hour violations against Defendant captioned *Darwin Colinayo v. McKesson Medical-Surgical Inc.*, Case No. 2:22-cv-01616-DJC-KJN, pending in the United States District Court, Eastern District of California, which was initiated on June 28, 2022 by Plaintiff Colinayo and thereafter consolidated with Plaintiff Maldonado’s action on November 3, 2023 (described in further detail below); and *Darwin Colinayo v. McKesson Medical-Surgical Inc.*, Case No. S-CV-0049039, initiated on September 2, 2022 and pending in the Superior Court of the State of California, County of Placer. The Parties agree to stipulate to stay the action pending in the United States District Court, Eastern District of California, Case No. 2:22-cv-01616-DJC-KJN, until all distributions under this Settlement have been made, at which point the Parties will file a stipulation to dismiss the action pending in the United States District Court, Eastern District of California.
- 1.2. “Administrator” means APEX Class Action LLC, 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.
- 1.4. “Aggrieved Employee” means all persons who are or were employed by Defendant as hourly paid, non-exempt employees who worked in distribution centers in the State of California at any time during the PAGA Period, except those employed in the position of delivery driver.
- 1.5. “Class” means all persons who are or were employed by Defendant as hourly paid, non-exempt employees who worked in distribution centers in the State of California at any time during the Class Period, except those employed in the position of delivery driver.
- 1.6. “Class Counsel” means James Hawkins and Christina M. Lucio of James Hawkins APLC, and Zorik Mooradian and Haik Hacopian of Mooradian Law, APC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “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.
- 1.11. “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 [with a Spanish translation, if applicable] in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from June 28, 2018 through April 7, 2024.
- 1.13. “Class Representative” means the named Plaintiffs in the Actions seeking Court approval to serve as Class Representatives.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representatives for initiating the Actions and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of Placer.
- 1.16. “Defendant” means named Defendant McKesson Medical-Surgical Inc.
- 1.17. “Defense Counsel” means Mia Farber and Nicky Jatana of Jackson Lewis P.C.
- 1.18. “Effective Date” means the date when all of the following events have occurred: (1) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defendant’s Counsel; (2) the Court has given preliminary approval to the Stipulation of Settlement; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (4) the Court has held a formal fairness hearing and entered a final Order and Judgment certifying the Settlement Class, dismissing the Actions with prejudice, and approving the Stipulation of Settlement; (5) 65 calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class, dismissing the Actions with prejudice, and approving the Stipulation of Settlement; and (6) five business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court’s Entry of Judgment

has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing or seeking to vacate the Court's Judgment or final Order approving the Stipulation of Settlement has been filed, five business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement or seeking to vacate the Judgment has been finally and conclusively dismissed with no right to pursue further remedies or relief.

- 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. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. "Gross Settlement Amount" means Three Million Five Hundred Thousand Dollars and Zero Cents (\$3,500,000.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments and the Administrator's Expenses.
- 1.23. "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 during the Class Period.
- 1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, 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 to be paid to Participating Class Members as Individual Class Payments.

- 1.29. “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.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from September 2, 2021 through the end of the Class Period.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notices” means Plaintiff Darwin Colinayo’s June 28, 2022 letter to Defendant and the LWDA and Plaintiff Edelmira Maldonado’s July 22, 2022 letter to Defendant and the LWDA, both providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$43,750.00) and the 75% to the LWDA (\$131,250.00) in settlement of the PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiffs” means Darwin Colinayo and Edelmira Maldonado, the named Plaintiffs in the Actions.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41. “Released Parties” means: Defendant and all of its present and former parent companies, direct and indirect subsidiaries, members, joint ventures, owners, principals, agents, divisions, and their respective related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Claims, and Defendant’s counsel of record in the Action.
- 1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, 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 their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline expiration date.

- 1.44. “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.
- 1.45. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS

- 2.1. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notices.
- 2.2. On June 28, 2022, Plaintiff Colinayo commenced this putative class action by filing a complaint against Defendant in the Superior Court of California, County of Placer, which Defendant removed to the United States District Court, Eastern District of California on September 14, 2022, asserting causes of action against Defendant for: (1) failure to pay minimum wages; (2) failure to pay overtime owed; (3) failure to provide lawful meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) failure to reimburse necessary expenses; (8) knowing and intentional failure to comply with itemized wage statement provisions; and (9) unfair competition (hereinafter, “Colinayo Class Action Complaint”). Defendant denies the allegations in the Colinayo Class Action Complaint.
- 2.3. On September 2, 2022, Plaintiff Colinayo filed a separate, parallel action for civil penalties under PAGA in the Superior Court of California, County of Placer (Case No. S-CV-0049039) (hereinafter, “Colinayo PAGA Action Complaint”). Defendant denies the allegations in the Colinayo PAGA Action Complaint.
- 2.4. On July 22, 2022, Plaintiff Maldonado filed a putative class action against Defendant in the Superior Court of California, County of San Bernardino, which Defendant removed to the United States District Court, Central District of California on November 23, 2022, asserting causes of action against Defendant for: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay wages; (4) failure to timely pay wages at termination/separation; (5) failure to timely pay vacation wages at termination; (6) failure to provide accurate wage statements; (7) failure to reimburse business expenses; and (8) unfair competition (hereinafter, “Maldonado Original Complaint”). On December 7, 2022, Plaintiff Maldonado filed a First Amended Complaint, adding a cause of action for civil penalties under PAGA (hereinafter, “Maldonado FAC”). Defendant denies the allegations in the Maldonado Original Complaint and FAC.

- 2.5. On March 7, 2023, venue was transferred in Plaintiff Maldonado's action to the United States District Court, Eastern District of California pursuant to the Parties' stipulation. On November 3, 2023, Plaintiff Maldonado's action was consolidated with Plaintiff Colinayo's federal court action (Case No. 2:22-cv-01616-DJC-KJN).
- 2.6. On February 7, 2024, Plaintiffs and Defendant, by and through the Class Counsel and Defense Counsel respectively, participated in an all-day mediation presided over by Steven J. Serratore, which led to this Agreement to settle the Action.
- 2.7. Prior to mediation, Plaintiffs obtained, through informal discovery, time records, pay records, and other information relating to the size and scope of the Class, as well as data permitting Plaintiffs to fully understand the nature and scope of the allegations. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.8. The Court has not granted class certification.
- 2.9. The Parties, Class Counsel and Defense Counsel represent that, other than the Actions, they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS

- 3.1. First Amended Complaint. For purposes of this Settlement only, the Parties agree to stipulate to consolidate the Actions into a single action. The Parties will seek approval of the settlement in the Superior Court of the State of California, County of Placer. The Settlement approval process and the administration of the Settlement will be before the Superior Court of California, County of Placer. To effectuate this consolidation, the Parties agree to stipulate to the filing of a First Amended Complaint in the action pending in the Superior Court of the State of California, County of Placer, Case No. S-CV-0049039, which consolidates the claims and allegations set forth in the Actions into a single operative complaint. The First Amended Complaint will be filed either before or concurrently with submission of the motion seeking preliminary approval of the Settlement. The Parties further agree to stipulate to stay the action pending in the United States District Court, Eastern District of California, Case No. 2:22-cv-01616-DJC-KJN, until all payments have been made and administration of the Settlement has been completed, at which point in time the Parties agree to file a stipulation to dismiss the action pending in the United States District Court, Eastern District of California with prejudice. In the event the Placer County Superior Court does not grant final approval of the settlement and enter judgment, the Parties agree that the Actions will be severed and the status quo before settlement of the Actions restored. At Defendant's option, the parties will stipulate to lift the stay in the federal court action and the Colinayo Class Action Complaint and the Maldonado FAC will be the

operative complaints in the federal court action; and the PAGA action filed by Plaintiff Colinayo will remain in Placer County Superior Court and the Colinayo PAGA Action Complaint will be the operative complaint in that action. To accomplish this result, if necessary, Plaintiffs agree to stipulate that the class action meets the requirements of CAFA and will not challenge removal. The Parties agree to work cooperatively to achieve these purposes.

- 3.2. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay Three Million Five Hundred Thousand Dollars and Zero Cents (\$3,500,000.00) as the Gross Settlement Amount. Under no circumstances will Defendant's payment exceed the Gross Settlement Amount, except that Defendant will make additional payments to the Claims Administrator representing its share of any employer payroll taxes to be paid in connection with the Settlement (e.g., FICA, FUTA, payroll taxes, or any similar tax or charge). Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 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.
- 3.3. 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 Ten Thousand Dollars and Zero Cents (\$10,000.00) each, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members. Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed \$10,000 to each Class Representative. As part of the motion for Class Counsel Fees Payment and Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments for less than the amounts requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the individual Class Representative Service Payments.
 - 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than thirty-five percent (35%), which is currently estimated to be One Million Two Hundred Twenty Five Thousand Dollars and Zero Cents (\$1,225,000.00) and a Class Counsel Litigation Expenses Payment of not more than Fifty

Thousand Dollars and Zero Cents (\$50,000.00). Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/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 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. The attorneys' fees awarded pursuant to this paragraph shall be paid seventy-five percent (75%) to James Hawkins, APLC and twenty-five percent (25%) to Mooradian Law, APC, which Class Representatives have previously consented to and hereby confirm.

- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$15,378.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$15,378.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
 - 3.2.4.1. Tax Allocation of Individual Class Payments: 10% 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. The other 90% of each Participating Class Member's Individual Class 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. 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 on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of One Hundred Seventy Five Thousand Dollars and Zero Cents (\$175,000.00) to be paid from the Gross Settlement Amount, with 75% (\$131,250.00) allocated to the LWDA PAGA Payment and 25% (\$43,750.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$43,750.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Class Workweeks: Based on a review of its records to date, Defendant estimates Class Members collectively worked a total of 134,000 Workweeks during the Class Period.

4.2. Class Data: Not later than 21 calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, 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 effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the

deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

- 4.3. Funding of Gross Settlement Amount: Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 21 calendar days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount: Within 7 calendar days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class 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 and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class 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.
 - 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 5 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.

- 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subd. (b). Any fees or costs associated with depositing the uncashed checks with the California Controller's Unclaimed Property Fund shall be paid from the Gross Settlement Amount.
 - 4.4.4. All Individual Class Payments to Class Members and all Individual PAGA Payments to Aggrieved Employees shall be deemed to be paid to such Class Members and Aggrieved Employees solely in the year in which such payments actually are received by the Class Members and Aggrieved Employees. It is expressly understood and agreed that the receipt of such Individual Class Payments and Individual PAGA Payments will not entitle any Class Member or Aggrieved Employee to additional compensation or additional benefits under any compensation or benefit plans to which any Class Member or Aggrieved Employee may be eligible, including, but not limited to: bonus, contest or commissions plans, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, deferred compensation plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the intent of this Settlement that the Individual Class Payments and the Individual PAGA Payments provided for in this Settlement are the sole payments to be made by Defendant to the Class Members and Aggrieved Employees, will not affect any rights, contributions, or amounts to which any Class Members or Aggrieved Employees may be entitled under any compensation or benefit plans, and that the Class Members and Aggrieved Employees are not entitled to any new or additional compensation or benefits as a result of having received the Individual Class Payments and the Individual PAGA Payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).
5. **RELEASE OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:
- 5.1. **Plaintiffs' Release:** Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: any and all claims, known and unknown, asserted and not asserted, which the Plaintiffs have or may have against the

Released Parties as of the date of execution of this Agreement (“Plaintiffs’ Released Claims”). The Plaintiffs’ Released Claims include, but are not limited to, all of the Released Class Claims, the Released PAGA Claims and any other claims arising under the California Labor Code; any claim arising out of the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and federal common law; all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys’ fees and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, and the law of contract and tort. This release excludes the release of claims not permitted by law. Plaintiffs’ Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits (except as to claims under Labor Code §§ 132a and 4553) that arose at any time, or based on occurrences outside the Class Period. 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.

5.1.1. Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542: For purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims alleged, or reasonably could be alleged, in the Actions and ascertained in the course of the Action, including without limitation, California Labor Code sections 201, 202, 203, 204, 210, 216, 218.5, 218.6, 221, 222, 223, 224, 226, 226.3, 226.7, 227.3, 245, 245.5, 246, 246.5, 246.6, 247, 248, 249, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1198, 2800, 2802, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, *et seq.*, and including all claims for or related to alleged failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wage, failure to pay all wages due to discharged and quitting

employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary expenditures incurred in discharge of duties, failure to pay vested vacation pay, failure to provide and/or pay for accrued sick leave time, failure to produce employee records, and unfair and unlawful business practices, including, but not limited to, claims for injunctive relief, liquidated damages, penalties, interest, fees, costs, and all other claims and allegations made or which could have been made in the Actions based on the facts and allegations pled in the Actions during the Class Period (“Released Class Claims”). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

- 5.3. Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties alleged, or reasonably could be alleged, in the Actions and the PAGA Notices and ascertained in the course of the Actions, including civil penalties pursuant to PAGA for or related to claims for failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wage, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary expenditures incurred in discharge of duties, failure to pay vested vacation pay, failure to provide and/or pay for accrued sick leave time, and failure to produce employee records, as well as all other claims and allegations alleged in the Actions, throughout the PAGA Period (“Released PAGA Claims”).

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

- 6.1. Plaintiffs’ Responsibilities: Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, giving Defendant at least five business days to review, 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, subd. (f)(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 Plaintiff, 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, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2. 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; and obtaining a prompt hearing date for the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.3. Duty to Cooperate: If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/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 and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator: The Parties have jointly selected Apex Class Action, LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action, LLC agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number: The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to 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 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, PAGA Members, 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 35 days after the Court grants Preliminary Approval of the Settlement, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) 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 3 business days after the Administrator’s receipt of any Class Notice returned by USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by USPS. If 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 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 45 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, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, 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, which ever are 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 45 days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or their 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. Aggrieved Employees are prohibited from requesting exclusion from the Released PAGA Claims.
- 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in 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, 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' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless 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 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

- 7.6. Challenges to Calculation of Workweeks: Each Class Member shall have 45 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 Class Workweeks and PAGA Pay Periods (if any) 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 contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods 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 and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.
- 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 verbal 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 45 days after the Administrator's mailing of the Class Notice (plus an additional fourteen (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.
- 7.7.4. Aggrieved Employees are not permitted to object to any of the PAGA 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. Email Address and Toll-Free Number: The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 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 5 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”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3. Weekly Reports: The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, 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 and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 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 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), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/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.

8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**. Based on its records, Defendant estimates that, as of the date of the mediation, Class Members collectively worked a total of 134,000 Workweeks during the Class Period. To the extent that the actual number of Workweeks exceeds 134,000 by more than 10% (i.e., if the actual workweeks are greater than 13,400), Defendant will have the option to either increase the Maximum Settlement Amount proportionately for each additional week worked above 13,400 (e.g., if the number of workweeks increase by 11%, Defendant shall increase the Gross Settlement Amount by 1%) or Defendant can choose to end the Class Period as of the accrual of 147,400 workweeks (134,000 plus 10%), at Defendant's sole discretion.
9. **DEFENDANT'S RIGHT TO WITHDRAW**. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members and/or if the combined workweeks worked by Class Members who timely exclude themselves amounts to more than 5% of the total workweeks worked by all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither 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 its election to withdraw not later than thirty (30) calendar days after the expiration of the opt-out period.
10. **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, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel no later than 7 business days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 10.1. 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 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

- 10.2. 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. The Court's decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3. 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/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4. 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 reflected 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. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment: If the reviewing appellate 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 null and void. The Parties shall nevertheless 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 Payment 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.

11. 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 and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

- 12.1. 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 of the allegations in the Operative Complaint have 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 Parties' willingness to settle the Actions 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).
- 12.2. Confidentiality Prior to Preliminary Approval: Counsel agree to discuss the terms of this Settlement only in filings in the Actions as required to approve the Settlement and in discussions with Class Members or the Claims Administrator in the context of administering this Settlement, except that they may include the Actions in any future adequacy of counsel filings. Class Counsel will not discuss the Settlement with any third parties or otherwise publicize the Settlement in any manner except as provided in this paragraph. Class Counsel will not use any information about the identities, contact information, or other data provided about the Class Members in the Actions other than for purposes of the Actions. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3. 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.

- 12.4. 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.
- 12.5. 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.
- 12.6. Cooperation: The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No Prior Assignments: The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. 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.
- 12.9. 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.
- 12.10. Agreement Binding on Successors: This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. 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.
- 12.12. 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.

- 12.13. Confidentiality: To the extent permitted by law, all agreements made, and orders entered during Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data: Information provided to Class Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15. 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.
- 12.16. 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.
- 12.17. 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, to the other Party's respective counsel of record.
- 12.18. 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.
- 12.19. Stay of Litigation: The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 06/20/2024

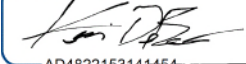
Darwin Colinayo

Dated: _____, 2024


Darwin Colinayo (Jun 20, 2024 16:29 PDT)
Edelmira Maldonado

Dated: June 25, 2024

McKesson Medical-Surgical Inc.

DocuSigned by:

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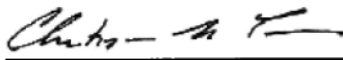
By: Kevin DeBorde

Title: Assistant General Counsel

Approved as to form:

Dated: June 21, 2024

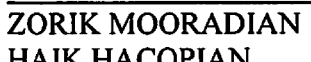
JAMES HAWKINS APLC


JAMES R. HAWKINS
CHRISTINA M. LUCIO
Attorneys for Plaintiff
DARWIN COLINAYO

Approved as to form:

Dated: _____, 2024

MOORADIAN LAW, APC


ZORIK MOORADIAN
HAIK HACOPIAN
Attorneys for Plaintiff
EDELMIRA MALDONADO

Dated: _____, 2024

Darwin Colinayo

Dated: 6/20/2024, 2024

Edelmira Maldonado

DocuSigned by:

78F3D9D1D27B4F0...

Dated: June 25, 2024, 2024

McKesson Medical-Surgical Inc.

DocuSigned by:

AD4022156141454...

By: Kevin DeBorde

Title: Assistant General Counsel

Approved as to form:

Dated: _____, 2024

JAMES HAWKINS APLC

JAMES R. HAWKINS
CHRISTINA M. LUCIO
Attorneys for Plaintiff
DARWIN COLINAYO

Approved as to form:

Dated: 6/20/2024, 2024

MOORADIAN LAW, APC

DocuSigned by:

A76684CAFF4D48F...

ZORIK MOORADIAN
HAIK HACOPIAN
Attorneys for Plaintiff
EDELMIRA MALDONADO

Approved as to form:

Dated: June 25, 2024

JACKSON LEWIS P.C.

A handwritten signature in dark ink that reads "Mia Farber". The signature is written in a cursive, flowing style.

MIA FARBER
NICKY JATANA
Attorneys for Defendant
MCKESSON MEDICAL-SURGICAL INC.

EXHIBIT 2

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

Colinayo, et al. v. McKesson Medical-Surgical, Inc., Case No. S-CV-0049039

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against MCKESSON MEDICAL-SURGICAL, INC. (“Defendant”) for alleged violations of the California Labor Code. The Action was filed by former employee of Defendant, Darwin Colinayo and Edelmira Maldonado, (“Plaintiffs”) and seek (1) payment unpaid wages, penalties, liquidated damages, attorneys’ fees and costs, and interest for a class of all persons who are or were employed by Defendant as hourly paid, non-exempt employees who worked in distribution centers in the State of California during the Class Period (June 28, 2018 through April 7, 2024).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Settlement Payments based on the number of Pay Periods worked during the Class Period and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments to PAGA Employees based on the number of Pay Periods worked during the PAGA Period.

Based on Defendant’s records, and the Parties’ current assumptions, **your estimated payment is \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimate is based on Defendant’s records showing that **you worked _____ workweeks during the Class Period**. If you believe that you worked more Pay Periods than indicated, you can submit a challenge to the administrator by the deadline date. See Section IV of this Notice.

The Court has 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 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 Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA 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 and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert claims against Defendant for the claims released in the Settlement.
- (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. You will, however, preserve your right to personally pursue Class Period claims against Defendant.

Aggrieved Employees cannot opt-out of the PAGA portion of this settlement. All Aggrieved Employees will receive Individual PAGA Payments based on the number of Pay Periods worked during the PAGA Period.

Defendant 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. In exchange, you will give up your right to assert the claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement The Opt-out Deadline is [REDACTED]	If you don't want to 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. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section VI of this Notice. If you are a PAGA Employee, you cannot opt out of the PAGA portion of the Settlement.
Participating Class Members Can Object to the Class Settlement. Written Objections Must be Submitted by [REDACTED]	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement, including how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section VII of this Notice.
You Can Challenge the Calculation of Your Pay Periods/Pay Periods Written Challenges Must be Submitted by [REDACTED]	The amount of your Individual Class Payment depends on how many Pay Periods you worked at least one day during the Class Period. The number of Class Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with this number, you must challenge it by [REDACTED]. See Section IV of this Notice.

I. WHAT IS THE ACTION ABOUT?

Plaintiffs are former hourly paid, non-exempt employees who worked in distribution centers for Defendant. They brought this action alleging that Defendant (1) failed to pay minimum wages; (2) failed to pay overtime owed; (3) failed to provide lawful meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay wages during employment; (6) failed to timely pay wages owed upon separation from employment; (7) failed to reimburse necessary expenses; (8) failed to comply with itemized wage statement provisions; and (9) failed to properly pay sick leave. Plaintiffs also seek penalties for unfair competition and pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq* ("PAGA"). Plaintiffs are represented by James Hawkins and Christina M. Lucio of James Hawkins APLC, and Zorik Mooradian and Haik Hacopian of Mooradian Law, APC ("Class Counsel").

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

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

The Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired a mediator, Steven J. Serratore, in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. On February 7, 2024, the parties participated in an all-day mediation with Mr. Serratore, which led to this Agreement to settle the Action. By signing a written settlement agreement ("Settlement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Settlement, Plaintiffs and Defendant 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, Defendant does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay \$3,500,000.00 as the Gross Settlement Amount (GSA). Defendant has agreed to deposit the GSA into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, and the Administrator's expenses. Assuming the Court grants Final Approval, Defendant will fund the GSA not more than 21 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Up to \$1,225,000.00 (35% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$50,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to \$10,000.00 each to Plaintiffs Darwin Colinayo and Edelmira Maldonado (\$20,000.00 total) as a Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. The Class Representative Service Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class and/or PAGA Payments.
- C. Up to \$15,378.00 to the Administrator for services administering the Settlement.
- D. \$175,000.00 for settlement of claims for civil penalties under PAGA ("PAGA Fund"), 75% of which shall be paid to the California Labor and Workforce Development Agency, and 25% paid to the PAGA Employees.

3. Net Settlement Amount and PAGA Fund 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 (the “Net Settlement Amount” or “NSA”) by making Individual Class Payments to Participating Class Members based on their Class Period Pay Periods. The portion of the PAGA Fund allocated to the PAGA Employees shall be paid based on their PAGA Period Pay Periods.

4. Taxes Owed on Payments to Class Members. For the Individual Class Payments, Plaintiffs and Defendant are asking the Court to approve an allocation of 90% statutory penalties and interest, and 10% as wages for tax purposes. The Individual PAGA Payments shall be considered 100% statutory penalties for tax purposes. The Administrator will report Individual Class Payments on IRS 1099 and W-2 Forms, and the Individual PAGA Payments on IRS 1099 Forms.

Although Plaintiffs and Defendant 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. The front of every check issued for Individual Class Payments and Individual PAGA Payments 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.

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 [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to fill out the Request for Exclusion form and return it to the Administrator by the [REDACTED] Response Deadline. The Request for Exclusion must include the Class Member’s name, present address, telephone number, last four digits of the Class Member’s Social Security Number, and include a simple statement electing to be excluded from the Settlement. The Request for Exclusion must be signed by the Class Member. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

If you are a PAGA Employee, you cannot opt-out of the PAGA portion of this settlement. All PAGA Employees will receive a portion of the PAGA Fund based on their PAGA Period Pay Periods even if they opt out of the Class Settlement.

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 enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (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 regarding 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 IX of this Notice.

9. Participating Class Members' Release and PAGA Employees' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement, 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 Defendant or related entities for wages based on the Class Period facts, as alleged in the Action and resolved by this Settlement.

Upon Final Approval, the Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims alleged, or reasonably could be alleged, in the Actions and ascertained in the course of the Action, including without limitation, California Labor Code sections 201, 202, 203, 204, 210, 216, 218.5, 218.6, 221, 222, 223, 224, 226, 226.3, 226.7, 227.3, 245, 245.5, 246, 246.5, 246.6, 247, 248, 249, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1198, 2800, 2802, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wage, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary expenditures incurred in discharge of duties, failure to pay vested vacation pay, failure to provide and/or pay for accrued sick leave time, failure to produce employee records, and unfair and unlawful business practices, including, but not limited to, claims for injunctive relief, liquidated damages, penalties, interest, fees, costs, and all other claims and allegations made or which could have been made in the Actions based on the facts and allegations pled in the Actions during the Class Period.

Except as set forth in the PAGA release, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

Upon Final Approval, All Aggrieved Employees will be bound by the following release:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties alleged, or reasonably could be alleged, in the Actions and the PAGA Notices and ascertained in the course of the Actions, including civil penalties pursuant to PAGA for or related to claims for failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wage, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary expenditures incurred in discharge of duties, failure to pay vested vacation pay, failure to provide and/or pay for accrued sick leave time, and failure to produce employee records, as well as all other claims and allegations alleged in the Actions, throughout the PAGA Period ("Released PAGA Claims").

Aggrieved Employees cannot opt-out of the PAGA portion of this settlement. An opt-out does not affect the release of PAGA Claims under this Settlement.

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount (The remaining Amount after deducting from the GSA the PAGA Fund, Attorneys' Fees and Costs, the Class Representative Service Award, and the Administrator's Fees) by the total number of Class Period Pay Periods worked by all Class Members and (b) multiplying the result by the number of Class Period Pay Periods worked by each individual Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the 25% portion of the PAGA Fund to be paid to Aggrieved Employees by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Pay Period Challenges. The number of Pay Periods you worked during the Class Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX 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 Defendant's calculation of Pay Periods based on Defendant'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 Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members and Aggrieved Employees) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

V. HOW WILL I GET PAID?

1. Participating Class Members and All Aggrieved Employees. The Administrator will send, by U.S. mail, a single check to every Participating Class Member and Aggrieved Employee (i.e., every Class Member who doesn't opt-out and all Aggrieved Employees). The single check will combine the Individual Class Payment and/or the Individual PAGA Payment.
2. Non-Participating Class Members. Non-participating Class Members (i.e. Class Members who opt out of the settlement) will not be eligible for any payment under the Settlement. Aggrieved Employees cannot opt out of the PAGA portion of this settlement.

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 IX of this Notice has the Administrator's contact information.

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

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 [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send the Administrator, by fax, email, or mail, a signed written Request for Exclusion by the [REDACTED]. The Request for Exclusion must be a letter from a Class Member or their 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. The Request for Exclusion must be signed by the Class Member.

Instead of using a form, you may submit a written and signed letter that reasonably communicates your election to be excluded from the Settlement. The letter should include your name, address, email address or 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 to be excluded. Be sure to personally sign your request, identify the Action as ***Colinayo, et al. v. McKesson Medical-Surgical, Inc., Case No. S-CV-0049039***, and include your identifying information (full name, address, email address or telephone 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 [REDACTED], or it will be invalid.** Section IX of the Notice has the Administrator's contact information. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the Settlement Agreement, or feels that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low may choose to submit a written objection to the Administrator. **The deadline for sending written objections to the Administrator is [REDACTED].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Include any documents which you believe support your position. Make sure you identify the Action as ***Colinayo, et al. v. McKesson Medical-Surgical, Inc., Case No. S-CV-0049039***, and include your full name, current address, email address or telephone number, and sign the objection. Section IX of this Notice has the Administrator's contact information.

If you submit a written objection, you may also choose to attend (or personally retain a lawyer to object at your own cost) the Final Approval Hearing. You are not required to attend the hearing, however, to have the Court consider your written objection. 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 VIII of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] (time) in Department 6 of the Placer County Superior Court, located at the Historic Courthouse, 101 Maple Street, Auburn, CA 95603. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comments from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information.

It is 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.

IX. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant 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 Apex Class Action LLC's website at [REDACTED]. 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 [REDACTED] and entering the Case Number for the Action, Case No. 22STCV28690. You can also make an appointment to personally review court documents in the Clerk's Office at the [REDACTED] Courthouse by calling [REDACTED].

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

Class Counsel:

James R. Hawkins
Christina M. Lucio
JAMES HAWKINS APLC
9880 Research Drive, Suite 200
Irvine, California 92618
Telephone: (949) 387-7200
Facsimile: (949) 387-6676
james@jameshawkinsaplc.com
christina@jameshawkinsaplc.com

Zorik Mooradian
Haik Hacopian
MOORADIAN LAW, APC
24007 Ventura Blvd #210
Calabasas, CA 91302
Telephone: (818) 487-1998
Facsimile: (888) 783-1030
zorik@mooradianlaw.com
haik@mooradianlaw.com

Settlement Administrator:

APEX CLASS ACTION LLC
Email Address: claims@apexclassaction.com
Mailing Address: 18 Technology Drive, Suite 164, Irvine, CA 92618
Telephone: 800-355-0700
Fax Number: 949-878-3536

X. 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. If your check is already void you should consult the California Controller's Office Unclaimed Property Fund for instructions on how to retrieve the funds.

XI. 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.

REQUEST FOR EXCLUSION FROM SETTLEMENT (OPT-OUT)

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF PLACER**

Colinayo, et al. v. McKesson Medical-Surgical, Inc., Case No. S-CV-004903

I am requesting to OPT OUT OF THE SETTLEMENT of the action known as *Colinayo, et al. v. McKesson Medical-Surgical, Inc.*, pending in the Superior Court of the State of California, County of Placer, Case No. S-CV-004903. I want to be excluded from the Class and the Settlement.

I do not wish to receive compensation under the terms of the proposed settlement of the *Colinayo* action or to otherwise participate in the proposed settlement.

Date: _____, _____
Signature

**PLEASE PRINT OR TYPE THE FOLLOWING
IDENTIFYING INFORMATION:**

Full Name: _____

Mailing Address: _____

Approximate Dates of Employment: _____

Last four digits of your Social Security Number: _____

Daytime telephone number: _____