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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

GOHAR BOSNUYAN, individually, and on behalf of all others similarly situated,

Plaintiff,

v.

PALOMA MEDICAL GROUP, INC., a corporation; PALOMA MEDICAL PARTNERS – A CALIFORNIA GENERAL PARTNERSHIP, an unknown entity; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 30-2025-01470646-CU-OE-CXC
Related to 30-2025-01478152-CU-OE-CXC

[Assigned for All Purposes to the Honorable David A. Hoffer, Dept. CX103]

DECLARATION OF THIAGO M. COELHO IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

Preliminary Approval Hearing:
Date: December 28, 2026
Time: 1:30 p.m.
Dept.: CX103
Reservation Number: 1000654928

Complaint Filed: March 27, 2025
Trial date: Not Set

DECLARATION OF THIAGO M. COELHO

I, Thiago M. Coelho, hereby declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC ("WLF"), counsel for Plaintiff Gohar Bosnuyan ("Plaintiff") in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement.

Procedural History

3. On March 27, 2025, Plaintiff filed this putative class action against Defendants Paloma Medical Group, Inc. and Paloma Medical Partners – a California General Partnership (collectively, the "Defendants") alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; and (9) unfair business practices ("Class Action").

4. On February 18, 2025, Plaintiff provided written notice to the LWDA and Defendants with the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. A true and correct copy of Plaintiff's February 18, 2025, letter to Defendants and the LWDA is attached hereto as **Exhibit 1**. The LWDA did not notify Plaintiff that it intended to investigate within 65 days of this written notice. Therefore, on April 25, 2025, Plaintiff filed a separate action in the Superior Court of California, County of Orange, for civil penalties under PAGA, Case No. 30-2025-01478152-CU-OE-CXC (the "PAGA Action").

5. On June 9, 2025, the Class Action and the PAGA action were related, with the Class Action designated as the lead case. Under Paragraph 12 of the Amendment (defined below), the Parties agreed to stipulate to consolidate the Class Action and the PAGA Action for all purposes, with the Class Action as the lead case. On October 28, 2026, the Parties filed a joint stipulation to consolidate.

6. On December 3, 2025, the Parties subsequently participated in a private full-day mediation with Lisa Klerman. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. The mediator made a proposal, which was accepted by the Parties.

7. The parties negotiated the terms of the Settlement, which was finalized on October 6, 2026. A true and correct copy of the Parties' fully executed Class Action and PAGA Settlement Agreement ("Settlement Agreement") is attached hereto as **Exhibit 2**. Before this Motion was filed, the Parties also executed a First Amendment to Class Action and PAGA Settlement Agreement ("Amendment") on October 22, 2026, which corrects clerical errors and internal inconsistencies in the Settlement Agreement and updates counsel information. A true and correct copy of the Amendment is attached hereto as **Exhibit 3**. Attached to the Amendment as Exhibit A is a true and correct copy of the Parties' proposed Class Notice. Paragraph 12.9 of the Settlement Agreement requires Court approval of any amendment, and the Amendment provides that Plaintiff will submit it with the Motion for Preliminary Approval.

8. On November 11, 2026, Plaintiff submitted a copy of the Settlement Agreement and the Amendment to the LWDA at the same time they were submitted to the Court. See Amendment at § 15.3. A true and correct copy of the confirmation of submission my office received after submitting the Settlement Agreement and the Amendment to the LWDA is attached hereto as **Exhibit 4**.

Investigation and Exposure Analysis

9. Prior to attending mediation, Plaintiff's Counsel thoroughly investigated the claims, applicable law, and potential defenses. Plaintiff's Counsel assessed the value of the class claims using the data and documents that Defendants produced in informal discovery, including the number of Class Members, the number of workweeks in the Class Period, the number of pay periods in the PAGA Period, Plaintiff's personnel documents, Defendants' employee handbook, Defendants' written wage-and-hour policies, job descriptions, and a random sampling of time and payroll records. Plaintiff's Counsel engaged an expert consultant to quantify the potential exposure using the time

and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial.

10. Defendants' records show that there are approximately 140 Class Members, making joinder of all Class Members impracticable. Further, given the size and amount of each Class Member's claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweigh any potential recovery.

11. Plaintiff has alleged that Defendants maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. These allegations present common factual and legal questions of, *inter alia*, whether Defendants applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendants' conduct was intentional, and whether Class Members are entitled to damages and/or penalties. These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendants' designated representative(s), and Class Members' testimony.

12. Although the exposure Plaintiff's Counsel calculated is substantial, the various risks of succeeding at class certification and through trial affected the valuation of the claims for settlement purposes.

13. Minimum and Overtime Wages: Plaintiff's unpaid minimum and overtime wage claims were based on the allegation that Defendants required Class Members to perform work duties while off the clock, without compensation. For example, Plaintiff alleged that Defendants required him and other Class Members to routinely work off the clock addressing the needs of managers, coworkers, and patients, including during meal periods. For purposes of calculating Defendants' liability based on a best-case scenario for Plaintiff and the Class, Plaintiff's Counsel assumed that all unpaid worktime should have been paid at the overtime rate of pay and conservatively estimated that Defendants are liable for one (1) hour of unpaid worktime per

workweek. This results in potential exposure for this claim of approximately $178,936.07 (5,027 workweeks x $23.73 average base rate of pay x 1 hour/workweek x 1.5 overtime rate). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendants' time and payroll records, the risk of succeeding at class certification and trial was substantial. Accordingly, Plaintiff's Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $28,629.77 ($178,936.07 x 40% x 40%).

14. Meal Periods: Plaintiff's meal period claim was based on the allegation that Defendants failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. For example, Plaintiff alleged that Defendants required him and other Class Members to work through, cut short, or delay their meal periods because of heavy workloads, a lack of coverage, and the need to attend to patients, managers, and coworkers. Additionally, Plaintiff's Counsel's expert consultant determined there was an 8.9% meal period violation rate (for shifts over 6 hours that are not waivable) from the sampling of Defendants' time and payroll records, where meal periods were short, late, or missed. Therefore, potential liability for the meal period claim is approximately $46,669.68 (21,840 shifts over 6 hours x $24.01 regular rate x 8.9% violation rate). After taking into account the difficulty of certifying and proving meal period claims, as well as Defendants' anticipated arguments that their written meal period policies are lawful, Plaintiff's Counsel discounted this figure based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately $9,333.94 ($46,669.68 x 50% x 40%).

15. Rest Periods: Plaintiff's rest period claim was based on the allegation that Defendants failed to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. For example, Plaintiff alleged that Defendants required him and other Class Members to work through their rest periods because of extremely heavy workloads, understaffing, and a lack of coverage, and to remain on duty and on the premises during rest periods. Based on Plaintiff's allegations and Plaintiff's and other Class Members' experience working for Defendants, Plaintiff's Counsel applied a 75% violation rate to all qualifying shifts

during the Class Period. Therefore, Defendants' potential liability for the rest period claim is approximately $403,890.22 (22,429 shifts of 3.5 hours or longer x $24.01 regular rate x 75% violation rate). However, Plaintiff's Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim would have relied exclusively on Class Member testimony, Plaintiff's Counsel discounted this claim based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately $80,778.04 ($403,890.22 x 50% x 40%).

16. Reimbursements: Plaintiff's reimbursement claim was based on the allegation that Defendants failed to indemnify Class Members for expenses incurred as a direct result of performing their job duties for Defendants, such as mandatory use of personal cell phones to communicate with supervisors and managers and of personal vehicles for work-related errands and tasks. For purposes of calculating Defendants' liability based on a best-case scenario for Plaintiff and the Class, Plaintiff's Counsel estimated that Defendants were liable to each Class Member for $12.50 per workweek (approximately $50 per month) in unreimbursed expenses, for a total amount of approximately $62,837.50 ($12.50 x 5,027 workweeks). However, Defendants would likely argue that these expenses were not required by Defendants, and that they could not have known that these expenses were being incurred. Accordingly, Plaintiff's Counsel discounted this claim based on a 30% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately $7,540.50 ($62,837.50 x 30% x 40%).

17. In sum, Plaintiff's Counsel estimated that Plaintiff's maximum recovery for the off-the-clock claim, meal period violations, rest period violations, and failure to reimburse expenses (i.e., the wage claims) is approximately $692,333.47. However, after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiff's Counsel estimates that Plaintiff's realistic, estimated recovery for these non-penalty wage claims is approximately $126,282.25.

18. Derivative Penalties: Plaintiff alleged that as a result of Defendants' failure to pay all wages owed, Defendants owed waiting time penalties and wage statement penalties. With

respect to Plaintiff's derivative claims for statutory penalties, Plaintiff's Counsel estimated that Defendants' maximum potential liability is approximately $589,439.00. Defendants' maximum potential liability for waiting time penalties is approximately $474,189.00 (81 employees x average daily pay x 30 days, as calculated by Plaintiff's expert using annual average rates of pay and an average shift length of approximately 8.15 hours) based on approximately 81 formerly employed Class Members who were terminated on or after March 27, 2022, within the 3-year statute of limitations period. Defendants' maximum potential liability for inaccurate wage statements is approximately $115,250.00 ([53 employees x 1 initial violation/employee x $50 for an initial violation] + [(1,179 pay periods - 53 initial violations) x $100 for each subsequent violation]) based on approximately 53 Class Members who worked during the 1-year statute of limitations period (March 27, 2024 through December 3, 2025) and approximately 1,179 pay periods in that statutory timeframe. In light of the foregoing, Plaintiff's Counsel believes that it would be unrealistic to expect the Court to award the full $589,439.00 in statutory penalties given Defendants' defenses, the contested nature of Plaintiff's claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying wage claims are realistically estimated to be approximately $126,282.25, such a disproportionate award would also raise due process concerns. As such, Plaintiff's counsel discounted these figures to account for the risk and uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation of approximately $56,902.68 for waiting time penalty claims ($474,189.00 x 30% x 40%), and approximately $10,372.50 for wage statement penalty claims ($115,250.00 x 30% x 30%), or approximately $67,275.18 total for statutory penalties.

19. PAGA: For the PAGA claim, Plaintiff's Counsel determined that Defendants' potential exposure could potentially reach $123,300.00, assuming the initial $100 penalty would apply for each of the 1,233 pay periods in the PAGA Period. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. As such, Plaintiff's counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately

$12,330.00 for PAGA penalties ($123,300.00 x 10%). The settlement allocates $9,250.00 of the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 5% of the Gross Settlement Amount and approximately 75% of the realistic PAGA allocation estimate for PAGA penalties ($9,250.00 / $12,330.00).

20. Using these estimated figures, Plaintiff's Counsel predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $205,887.43. This means that the gross settlement amount represents approximately 90% of the realistic maximum recovery ($185,000.00 / $205,887.43). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

21. Based on the figures in the Settlement Agreement, the Net Settlement Amount available for class settlement payments is currently estimated to be $73,333.33 for approximately 140 Class Members. As a result, each Settlement Class Member would be eligible to receive an average net benefit of approximately $523.81. Based on the estimated Net Settlement Amount available for individual class payments and there being approximately 5,027 workweeks in the Class Period, the estimated weekly valuation for Individual Class Payments is $14.59 ($73,333.33 / 5,027 workweeks).

Plaintiff's Counsel's Qualifications

22. Plaintiff is represented by WLF. The attorneys at WLF performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment.

23. WLF was selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600 employees. WLF is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

24. WLF is qualified to handle this Litigation because its attorneys are experienced in litigating Labor Code violations in individual, class action, and representative action cases. WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as

class actions involving consumer rights and data privacy litigation.

25. I graduated from the University of Central Florida and the University of Southern California, Gould School of Law. In 2024, I was awarded the Daily Journal's California Lawyer Attorney of the Year ("Clay") Award. The National Trial Lawyers selected me as a "Top 10 Data Privacy Trial Lawyer," "Top 25 Class Action Trial Lawyers," "Top 10 Wage and Hour Trial Lawyer," and a "Top 40 under 40" attorney. For 2020 and 2021, I was selected and served as the President of the Data Privacy Trial Lawyers Association, and I am an active member of CAALA, CAOC's Data Breach Committee, and AAJ's Class Action Division. I have been selected as a "Best Lawyer" by The Best Lawyers in America® and Super Lawyers as a "Rising Star." I am the Vice President of the Los Angeles County Bar Association's Privacy and Cybersecurity Section, and I serve on the Board of Trustees of the Los Angeles County Bar Association. I have settled over 300 cases, including, but not limited to, consumer class action cases. My hourly rate is $1,000.00, which was approved in *Suarez v. Bank of America, N.A.* (N.D. Cal. Jan. 11, 2024), No. 18-cv-01202-LB, 2024 WL 150721, *3 ("As for the lodestar cross-check, the billing rates are normal and customary for timekeepers with similar qualifications and experience in the relevant market.").

26. Further, I have extensive experience litigating class action cases, including wage-and-hour class actions. Some of my cases include:

a. I served as lead counsel in *Suarez v. Bank of America, N.A*., Case No. 18-cv-01202-LB, a wage-and-hour federal class action which resulted in a $1.89 million settlement.

b. I was lead counsel in *Moore v. Centrelake Medical Grp*. (2022) 83 Cal.App.5th 515, a data breach class action, where the Court of Appeal reversed the trial court's judgment sustaining the defendant's demurrer, in part, because the plaintiff's loss of benefit of the bargain was deemed a sufficient injury for UCL standing. (*Id*. at pp. 527-530.)

c. I was lead in *Bland v. Urology of Greater Atlanta, LLC,* 377 Ga. App. 177 (2025), where the Georgia Court of Appeals reversed dismissal of negligence,

implied-contract, implied-covenant, and injunctive-relief claims in a healthcare data breach class action.

d. I am lead in *Freeman, et al. v. 3Commas Technologies OÜ*, No. 24-6158 (9th Cir. Mar. 2, 2026), where the 9th Circuit reversed the district court's personal jurisdiction dismissal of a data security class action involving an AI-enabled cryptocurrency trading platform.

e. I was also lead counsel in *Mier v. CVS Health* (9th Cir. July 28, 2023) No. 22-55665, 2023 WL 4837851, where I obtained a Rule 23(f) review, resulting in partial vacatur and remand of the denial of class certification.

f. I was also lead counsel in *Peters v. Apple, Inc.*, (Los Angeles Superior Court) Case No. 19STCV21787, a consumer class action involving Apple, Inc.'s alleged misrepresentations regarding its Family Sharing service, which resulted in a $25 million class settlement.

g. I also helped secure a $49,995,000 settlement in *Head, et al. v. Regal Medical Group, Inc., et al.*, No. 23STCV02939 (Cal. Super. Ct.).

h. In *In re MOVEit Customer Data Security Breach Litigation*, MDL No. 3083, I am one of two attorneys appointed by the court on the Experts Committee in an MDL involving over 200 defendants.

i. I was also lead counsel in *Schumacher v. Bank of Hope*, Case No. 18STCV02066, a consumer class action which resulted in a $13.3 million settlement.

j. I served as an executive committee member in *Slate v. Dominion Dental Services*, Case No. 1:19-cv-01063, which resulted in a $4.7 million settlement.

k. I was co-lead in *In re MCG Health Data Security Litigation*, Case No. 2:22-cv-0849-RSM-DWC, which resulted in an $8.8 million consumer class action settlement.

l. I was co-lead in *Mendoza v. Crystal Bay Casino, LLC*, Case No. 3:23-cv-00092-MMD-CLB (D. Nev. Filed Feb. 28, 2023); a data breach consolidated class action with a court-approved $675,000.00 settlement.

m. I was co-lead *in In re Wright & Filippis, LLC Data Security Breach Litig*., No. 2:22-cv-12908-SFC (E.D. Mich. Filed Nov. 30, 2022); which resulted in a court approved $2.9 million settlement.

n. I was co-lead class counsel in *Lowery, et al., v. Community Psychiatry Management, LLC*, Case No. 24STCV30135 (Cal. Super. Ct. L.A. Cnty Nov. 15, 2024); with a pending settlement of $3.5 million.

o. I was lead class counsel in *Alcazar v. Fashion Nova, Inc*., Case No. 4:20-cv-01434-JST (N.D. Cal. filed Feb. 26, 2020); with a pending settlement of $5.15 million.

27. Rachel Vinson is a Senior Attorney at Wilshire Law Firm, PLC. Ms. Vinson earned her Bachelor of Arts from the Claremont McKenna College, followed by a Juris Doctor from Washington University School of Law. She is admitted to practice in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. She has over 6 years of litigation experience, which includes the successful handling of numerous employment, wage and hour, and class and representative action matters in state and federal court from inception through case resolution. Ms. Vinson is a member of CAALA, CELA and NAWL. Ms. Vinson currently bills at an hourly rate of $800.00.

28. Trenten N. Bilodeaux is an Associate Attorney at WLF. He is currently in his sixth year of practice involving corporate entities in complex class action litigation in state and federal courts. He is admitted to practice before all courts in the State of California, the State of Oregon, and the United States District Court for the Northern, Eastern, and Central Districts of California. Over the course of his career, he has participated in numerous class action settlements for similar employment and wage claims as those present here. Prior to practice, he graduated cum laude with a Bachelor of Arts in Political Science from California State University, Chico before accepting a

scholarship to attend the University of the Pacific, McGeorge School of Law where he achieved a J.D. and graduated with distinction in 2020. Mr. Bilodeaux currently bills at an hourly rate of $700.00.

No Conflicts

29. WLF has no actual or potential conflicts of interest with Class Members or the proposed Administrator, Phoenix Class Action Administration Solutions. Neither WLF nor, to my knowledge, Plaintiff has any interest in or relationship with Legal Aid at Work, the cy pres recipient designated in Paragraph 4.4.3 of the Settlement Agreement, as amended by the Amendment.

30. Other than the Class Action and PAGA Action described above, WLF is not aware of any pending matter or action against Defendants that may be extinguished or adversely affected by this Settlement.

Administrator

31. Plaintiff's Counsel sought bids from three (3) administrators to administer this Settlement. The Parties selected the bid with the lowest cost, which was from Phoenix Class Action Administration Solutions. A true and correct copy of the will-not-exceed bid from Phoenix Class Action Administration Solutions to administer this Settlement is attached hereto as **Exhibit 5.**

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

Executed on November 11, 2026 at Los Angeles, California.



Thiago M. Coelho

EXHIBIT 1

WILSHIRE LAW FIRM, PLC
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Benjamin Haber, Esq.

February 18, 2025

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(*Via Online Submission*)

Paloma Medical Group, Inc. dba Paloma Medical Partners – A CA
30230 Rancho Viejo Road, Suite 200
San Juan Capistrano, CA 92675
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6637 9745 12

Michael A. Rovzar
Agent for Service of Process for:
Paloma Medical Group, Inc. dba Paloma Medical Partners – A CA
30230 Rancho Viejo Road, Suite 200
San Juan Capistrano, CA 92675
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6637 9745 05

Re: *Gohar Bosnuyan v. Paloma Medical Group, Inc. dba Paloma Medical Partners – A CA*
Notice of California Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Gohar Bosnuyan ("Plaintiff") to pursue a California Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code, §§ 2699, *et seq.*) against her former employer, Paloma Medical Group, Inc. dba Paloma Medical Partners – A CA ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which Defendant is alleged to have engaged in with respect to Plaintiff and all other persons who worked for Defendant in California as a non-exempt or hourly-paid employees at any time within the applicable statutory period (the "Aggrieved Employees").

Plaintiff wishes to pursue this action as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other Aggrieved Employees.

Plaintiff and the Aggrieved Employees suffered the California Labor Code violations described below.

Plaintiff's Employment with Defendant

Defendant owns or owned and operates or operated an industry, business, and establishment within the State of California. As such, and based upon all the facts and circumstances incident to Defendant business in California, Defendant is subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business and Professions Code.

Plaintiff Gohar Bosnuyan is a resident of California who worked for Defendant in Orange County, California as an hourly-paid, non-exempt employee from approximately October 3, 2023, to approximately September 3, 2024. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff regularly worked more than eight hours in a workday and/or more than 40 hours in a workweek.

Throughout Plaintiff's employment, Defendant: (1) failed to pay for all hours worked (including minimum, straight time, and overtime wages); (2) failed to provide Plaintiff with legally compliant meal periods (and pay corresponding meal period premium wages at the correct rate of pay); (3) failed to authorize and permit Plaintiff to take rest periods; (4) failed to pay all earned wages two times per month; (5) failed to maintain accurate records of hours worked and meal periods taken or missed; (6) failed to provide accurate itemized wage statements; (7) failed to timely pay all final wages to Plaintiff at terminated; and (8) failed to indemnify Plaintiff for expenditures. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Defendant Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, California Labor Code section 510 provides that employees in California shall not be employed more than eight hours in any workday or 40 hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

California Labor Code sections 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code section 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work "off-the-clock," uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work prior to clocking in for the workday, during unpaid meal periods, and after clocking

out for the workday. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked. As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code sections 210, 1197.1, and 2699, subdivision (f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of the sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Defendant also never informed Plaintiff of the right to, nor permitted Plaintiff to take, a second meal period when Plaintiff worked at least 10 hours in a workday. Accordingly, Defendant's policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal periods. Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code sections 210 and 2699, subdivision (f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation

of California's rest break laws.

Throughout the statutory period, Defendant has wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendant's policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday they were not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code sections 210 and 2699, subdivision (f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated California Labor Code section 204.

Section 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code section 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under California Labor Code section 1174, subdivision (d). Pursuant to California Labor Code section 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code section 1174 is subject to a penalty under section 1174.5. Pursuant to the applicable IWC Order section 7, subdivision (A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by California Labor Code sections 201 and 202 either at the time of discharge, or within 72 hours of their leaving Defendant's employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Defendant's conduct violates California Labor Code sections 201 and 202. California Labor Code

section 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than 30 days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to California Labor Code section 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code section 2699, subdivision (f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

California Labor Code section 226, subdivision (a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her Social Security number or an employee identification number other than a Social Security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Cal. Lab. Code, § 226, subd. (e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Cal. Lab. Code, § 226, subd. (e)(1).)

In addition, California Labor Code § 246(i) required employers to provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either employee's itemized wage statement described in § 226 or in a separate writing provided on the designated pay date with employee's payment of wages. If an employer provides unlimited paid sick leave or unlimited paid time off to an employee, the employer may satisfy this section by indicating on the notice or employee's itemized wage statement "unlimited."

Throughout the statutory period, Defendant failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all

gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendant violated California Labor Code section 226, subdivision (a), and 246, subdivision (j), Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with California Labor Code section 226, subdivision (a), and 246, subdivision (j), or an aggregate penalty not exceeding $4,000 per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code section 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

California Labor Code section 2802, subdivision (a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendant wrongfully required Plaintiff and/or the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant. Plaintiff and/or the Aggrieved Employees paid out-of-pocket for necessary employment-related expenses (which is defined as including, without limitation, work attire, work equipment, personal protective equipment, use of personal cell phones, and/or use of personal vehicles). Plaintiff and/or the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendant, but Defendant failed to indemnify Plaintiff and/or the Aggrieved Employees for these employment-related expenses.

As a result, Defendant is liable to Plaintiff and/or the Aggrieved Employees for the civil penalties provided for in California Labor Code sections 2802 and 2699, subdivisions (f)(2) for failing to indemnify Plaintiff and/or the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the California Labor Code with respect to the Aggrieved Employees:

1. California Labor Code sections 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;

2. California Labor Code section 226.7 and applicable Wage Orders by failing to provide meal periods;

3. California Labor Code section 226.7 and applicable Wage Orders by failing to

authorize and permit rest periods;

4. California Labor Code section 204 by failing to pay all earned wages two times per month;

5. California Labor Code section 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;

6. California Labor Code section 226 and 246 by failing to provide accurate itemized wage statements;

7. California Labor Code sections 201 to 203 by willfully failing to pay all wages owed at termination; and

8. California Labor Code section 2802 by failing to indemnify for necessary expenditures.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to PAGA. These include, but are not limited to, penalties under California Labor Code sections 210, 226.3, 1174.5, 1197.1, and 2699, subdivision (f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM



Rachel J. Vinson, Esq.

EXHIBIT 2

Docusign Envelope ID: 012D8980-97CD-81D8-81D4-229976F8DB5D

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

GOHAR BOSNUYAN, individually, and on behalf of all others similarly situated,

Plaintiff,

vs.

PALOMA MEDICAL GROUP, INC., a corporation; PALOMA MEDICAL PARTNERS – A CALIFORNIA GENERAL PARTNERSHIP, an unknown entity; and DOES 1 through 10, inclusive,

Defendants.

Case No. 30-2025-01470646-CU-OE-CXC
Related to 30-2025-01478152-CU-OE-CXC

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Assigned for all purposes to: Hon. David A. Hoffer, Dept. CX103

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Gohar Bosnuyan ("Plaintiff") and Defendants Paloma Medical Group, Inc. and Paloma Medical Partners – a California General Partnership ("Defendants"). The Agreement refers to Plaintiff and Defendants collectively as "Parties," or individually as "Party."

1. **DEFINITIONS.**

1.1 "Actions" means Plaintiff's lawsuit alleging class action wage and hour violations against Defendants captioned *Gohar Bosnuyan v. Paloma Medical Group, Inc. et al.*, Orange County Superior Court, Case No. 30-2025-01470646-CU-OE-CXC, filed on March 27, 2025 (the "Class Action") and related lawsuit alleging PAGA penalties against Defendants captioned *Gohar Bosnuyan v. Paloma Medical Group, Inc. et al.*, Orange County Superior Court, Case No. 30-2025-01478152-CU-OE-CXC, filed on April 25, 2025 (the "PAGA Action").

1.2 "Administrator" means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Costs" 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 performed work for Defendants, or any of them, in California as an hourly-paid or non-exempt employee at any time during the PAGA Period, including current and former employees.

1.5 "Class" means all persons who performed work for Defendants, or any of them, in California as an hourly-paid or non-exempt employee at any time during the Class Period, including current and former employees.

1.6 "Class Counsel" means Nicol E. Hajjar and Rachel J. Vinson of Wilshire Law Firm, PLC.

1.7 "Class Counsel Fees Payment" means an award of attorneys' fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will

request approval from the Court of up to one-third (1/3) of the GSA of $185,000.00, currently estimated at $61,050.00.

1.8 "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed $25,000.00, and paid from the Gross Settlement Amount.

1.9 "Class Data" means Class Member identifying information in Defendants' possession including the Class Member's name, last-known mailing address, last-known phone number, Social Security number, and number of Workweeks and PAGA Pay Periods.

1.10 "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).

1.11 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12 "Class Notice" means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 "Class Period" or "Class Settlement Period" means the period from March 27, 2021 through December 3, 2025 ("Settlement Class Period").

1.14 "Class Representative" means the named Plaintiff Gohar Bosnuyan in the Action.

1.15 "Class Representative Enhancement Award" means the payment to the Class Representative for initiating the Action and providing services in support of the Action, not to exceed $10,000 and paid from the Gross Settlement Amount

1.16 "Court" means the Superior Court of California, County of Orange.

1.17 "Defendants" means named Defendants Paloma Medical Group, Inc. and Paloma Medical Partners – a California General Partnership.

1.18 "Defense Counsel" means Citadelle B. Priagula of Musick Peeler & Garrett LLP.

1.19 "Effective Date" means the date on which the Judgment becomes final. . The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.20 "Final Approval" means the Court's order granting final approval of the Settlement.

1.21 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.22 "Gross Settlement Amount" or "GSA" means $185,000.00, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

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 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods 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 65% 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: PAGA Penalties payment, Enhancement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs 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 "Operative Class Complaint" means the operative class action complaint filed in the Class Action.

1.31 "Operative PAGA Complaint" means the operative PAGA complaint filed in the PAGA Action.

1.32 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.33 "PAGA Period" means the period from February 18, 2024 through December 3, 2025.

1.34 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.35 "PAGA Notice" means Plaintiff's February 18, 2025 letter (LWDA-CM-10080743-25) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.36 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount ($9,250.00), allocated 35% to the Aggrieved Employees ($3,237.50) and 65% to LWDA ($6,012.50) in settlement of PAGA claims.

1.37 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.38 "Plaintiff" means Gohar Bosnuyan, the named plaintiff in the Action.

1.39 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.40 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.41 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.42 "Released Parties" means Defendants and Defendants' officers, partners, shareholders, owners, directors, managerial employees, and agents.

1.43 "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.

1.44 "Response Deadline" means sixty (60) 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 his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

1.45 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.46 "Workweek" means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. **RECITALS.**

2.1 On March 27, 2025, Plaintiff filed the Class Action alleging Defendant (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay final wages at termination; (6) failed to provide accurate itemized wage statements; (7) failed to indemnify employees for expenditures; (8) failed to produce requested employment records; and (9) violated California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq*. On February 18, 2025, pursuant to Labor Code §2699.3, subd.(a), Plaintiff gave notice to the LWDA and Defendant that Plaintiff intended to proceed with a representative action under PAGA (LWDA-CM-10080743-25). On April 25, 2025, Plaintiff filed a separate PAGA Action, alleging claims for penalties pursuant to Labor Code § 2699, *et seq*. On June 9, 2025, the Class Action and the PAGA action were related, with the Class Action designated as the lead case.

2.2 Defendants deny the allegations in the Action, deny any failure to comply with the laws identified in the Action, and deny any and all liability for the causes of action alleged in the Actions.

2.3 On December 3, 2025, the Parties participated in an all-day mediation presided over by mediator Lisa Klerman. With the help of Ms. Klerman, the Parties were able to reach an

agreement on general settlement terms at mediation and executed a Memorandum of Understanding thereafter.

2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Actions. Prior to mediation, Plaintiff obtained and analyzed a representative sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.5 The Court has not granted class certification because the Parties engaged in mediation before any class certification.

2.6 The Parties, Class Counsel and Defense Counsel represent that 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 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant Paloma Medical Group, Inc. will pay $185,000.00 to fully settle, resolve, and extinguish all claims asserted in the Actions, including without limitation all claims asserted in Class Action and in the PAGA Notice. The Gross Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant Paloma Medical Group, Inc. will pay separately.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To Plaintiff: A payment for the Enhancement Award to Plaintiff of not more than $10,000.00 in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendants will not

oppose Plaintiff's request for an Enhancement Award that does not exceed this amount. As part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiff will seek Court approval for any Enhancement Award no later than 16 (sixteen) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves an Enhancement Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Enhancement Award.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the GSA, which is currently estimated to be $61,050.00 and a Class Counsel Litigation Expenses Payment for actual costs not to exceed $25,000. Defendants will not oppose requests for these payments. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than 16 (sixteen) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. 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 for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiff's counsel arising from any claim to any portion of 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 Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to exceed $5,750.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than requested, the

Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

3.2.4 To Each Participating Class Member: An Individual Class Payment is 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 individual Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to the 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 $9,250.00 to be paid from the Gross Settlement Amount, with 65% ($6,012.50) allocated to the LWDA PAGA Payment and 35% ($3,237.50) 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' 35% share of PAGA Penalties ($3,237.50) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual 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 to be distributed to Participating Class Members. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant represents there are 140 Class Members who collectively worked a total of 5,027 workweeks during the Class Period.

4.2 Class Data. Not later than seven (7) days after the Court grants Preliminary Approval of the Settlement, Defendants 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. Defendants have 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 Defendants 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 Paloma Medical Group, Inc. shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendant Paloma Medical Group, Inc.'s share of payroll taxes by transmitting the funds to the Administrator no later than 7 (seven) calendar days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant Paloma Medical Group, Inc. fully funds the GSA, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation

Expenses Payment, and the Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Enhancement Award 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. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided ("Void Date"). 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 the 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 seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the 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 canceled 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).

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS**. Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and Plaintiff's respective former and present representatives, agents, partners, shareholders, owners, attorneys, administrators, successors and assigns, release and discharge Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Action; (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Actions and Plaintiff's PAGA Notice ; and (c) claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release,

and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Released Class Claims: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, waive and release all claims asserted in the complaint filed in the Class Action or that could have been based on the factual allegations asserted in the complaint filed in the Class Action during the Class Period (collectively the "Released Class Claims").

5.3 Released PAGA Claims: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the PAGA Period (collectively the "Released PAGA Claims").

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, 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 Plaintiff 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 Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of 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, Plaintiff 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 the Motion for Preliminary Approval. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than 16 (sixteen) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order 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 Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. 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 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

7.4 Notice to Class Members.

7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, 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 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 used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 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, Defendant, 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, whichever 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 14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified 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 of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the Released PAGA 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 60 (sixty) days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods 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 the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of 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 Enhancement Award.

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 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice; Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Enhancement Award; the Final Approval Order; and the Judgment. The Administrator will also 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 five (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 include 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 Plaintiff is 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. **ESCALATOR CLAUSE.** Based on its records, Defendant represents there are 140 Class Members who collectively worked a total of 5,027 Workweeks during the Class Period. Should the Workweeks increase more than 10% (i.e. more than 5,530 workweeks), then the Defendants at their exclusive direction shall have the option either to (a) increase the amount of the Gross Settlement Amount on a *pro rata* basis for every workweek above 5,530; or (b) limit the time period for the release to reduce the total number of workweeks covered by the settlement to 5,530. Similarly, if during the course of this Settlement process, the total number of PAGA Pay Periods increases by more than 10% (i.e. more than 1,356 PAGA Pay Periods), then Defendants at their exclusive discretion shall either (1) end the PAGA Period on the date on which the total number of PAGA Pay Periods is no more than 1,356, or (2) increase the PAGA Penalties by an amount proportional to the increase in PAGA Pay Periods worked in excess of the estimated PAGA Pay Periods stated above. For example, if the final number of total PAGA Pay Periods is 11% more than the currently estimated number of PAGA Pay Periods (1,233), then the PAGA Penalties will increase by 1%.

9. **DEFENDANTS' RIGHT TO WITHDRAW**. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 15% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio and have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 (sixteen) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiff 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"). Plaintiff shall provide drafts

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of these documents to Defense Counsel 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 five (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 Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Costs 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, the 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 as 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 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 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Enhancement Award 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 §384, the Parties will work together in good faith to jointly submit 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 has merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action 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 grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves 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 Action will have no bearing on, and will not be

admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify the other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

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 Defense Counsel's and Class Counsel's ethical obligations and Class Counsel's fiduciary duties 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 Plaintiff 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 Plaintiff, Class Counsel, Defendants, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

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 Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

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

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

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

To Plaintiff:

Thiago M. Coelho (SBN 324715)
thiago.coelho@wilshirelawfirm.com
Rachel J. Vinson (SBN 331434)
rachel.vinson@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendants:

Citadelle B. Priagula (SBN 272266)
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Telephone: (213) 629-7607

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12.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.

12.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement 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.

12.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Orange County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 10/1/2026

DocuSigned by:
Gohar Bosnuyan
[illegible]

Plaintiff Gohar Bosnuyan

DATED: 10/6/26

Defendant Paloma Medical Group, Inc.

By: Laura Olson

Position: Executive Director

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DATED: 10/6/26

Defendant Paloma Medical Partners

By: Laura Olson

Position: Executive Director

Approved by counsel:

DATED: 10/1/2026

WILSHIRE LAW FIRM

BY: Rachel J. Vinson

Rachel J. Vinson

Counsel for Plaintiff Gohar Bosnuyan

DATED:

MUSICK, PEELER & GARRETTLLP

BY: _____

~~Citadelle B. Priagula~~ Elaine M. Vukadinovich

Counsel for Paloma Medical Group, Inc. and Paloma Medical Partners

EXHIBIT 3

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Attorneys for Defendants Paloma Medical Group, Inc. and Paloma Medical Partners – a California General Partnership

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

GOHAR BOSNUYAN, individually, and on behalf of all others similarly situated,

Plaintiff,

vs.

PALOMA MEDICAL GROUP, INC., a corporation; PALOMA MEDICAL PARTNERS – A CALIFORNIA GENERAL PARTNERSHIP, an unknown entity; and DOES 1 through 10, inclusive,

Defendants.

Case No. 30-2025-01470646-CU-OE-CXC
Related to 30-2025-01478152-CU-OE-CXC

FIRST AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Assigned for all purposes to: Hon. David A. Hoffer, Dept. CX103

This First Amendment to Class Action and PAGA Settlement Agreement ("Amendment") is made by and between Plaintiff Gohar Bosnuyan ("Plaintiff") and Defendants Paloma Medical Group, Inc. and Paloma Medical Partners – a California General Partnership ("Defendants") (collectively, the "Parties").

RECITALS

A. The Parties entered into the Class Action and PAGA Settlement Agreement, fully executed on or about October 6, 2026 (the "Agreement").

B. Paragraph 12.9 of the Agreement provides that the Agreement 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.

C. Before Plaintiff files the Motion for Preliminary Approval, the Parties wish to correct clerical errors and internal inconsistencies in the Agreement, conform its definitions and statutory references, and update counsel information, as set forth below.

D. Except as expressly stated in this Amendment, nothing in this Amendment changes the Gross Settlement Amount or any other monetary or other term of the Agreement.

NOW, THEREFORE, the Parties agree as follows:

1. DEFINED TERMS

Capitalized terms not defined in this Amendment have the meanings given to them in the Agreement. Paragraph references are to paragraphs of the Agreement.

2. AMENDMENTS TO DEFINITIONS

2.1 Aggrieved Employee. Paragraph 1.4 is deleted and replaced in its entirety with the following:

"1.4 'Aggrieved Employee' means all persons employed by Defendants, or either of them, in California as an hourly-paid or non-exempt employee at any time during the PAGA Period, including current and former employees."

2.2 Class. Paragraph 1.5 is deleted and replaced in its entirety with the following:

"1.5 'Class' means all persons employed by Defendants, or either of them, in California as an hourly-paid or non-exempt employee at any time during the Class Period, including current and former employees."

2.3 Class Counsel. Paragraph 1.6 is deleted and replaced in its entirety with the following:

"1.6 'Class Counsel' means Thiago M. Coelho and Rachel J. Vinson of Wilshire Law Firm, PLC."

2.4 Class Counsel Fees Payment. Paragraph 1.7 is deleted and replaced in its entirety with the following:

"1.7 'Class Counsel Fees Payment' means an award of attorneys' fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will request approval from the Court of up to one-third (1/3) of the GSA of $185,000.00, which equals $61,666.67."

2.5 Defense Counsel. Paragraph 1.18 is deleted and replaced in its entirety with the following:

"1.18 'Defense Counsel' means Elaine M. Vukadinovich of Musick, Peeler & Garrett LLP."

2.6 LWDA and LWDA PAGA Payment. Paragraphs 1.26 and 1.27 are deleted and replaced in their entirety with the following:

"1.26 'LWDA' means the California Labor and Workforce Development Agency."

"1.27 'LWDA PAGA Payment' means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (m)."

2.7 Operative Complaint. The following new Paragraph 1.31A is added immediately after Paragraph 1.31:

"1.31A 'Operative Complaint' means, collectively, the Operative Class Complaint and the Operative PAGA Complaint; provided that, if the Actions are consolidated, 'Operative Complaint' means the operative complaint in the consolidated action."

2.8 Released Parties. Paragraph 1.42 is deleted and replaced in its entirety with the following:

"1.42 'Released Parties' means Defendants and Defendants' officers, partners, shareholders, owners, directors, managerial employees, and agents."

3. AMENDMENTS TO MONETARY TERMS

3.1 Class Counsel Fees Payment. In Paragraph 3.2.2, the phrase "which is currently estimated to be $61,050.00" is deleted and replaced with "which equals $61,666.67."

3.2 Timing of Fee, Expense, and Enhancement Requests. In Paragraphs 3.2.1 and 3.2.2, each reference to filing or seeking approval "no later than 16 (sixteen) court days prior to the Final Approval Hearing" is replaced with "no later than fourteen (14) calendar days before the Response Deadline, so that the motion is available to Class Members before the deadline to object." Class Counsel shall cause the Administrator to post the motion on the settlement website within two (2) business days after filing.

3.3 PAGA Pay Periods. In Paragraph 3.2.5.1, the phrase "PAGA Period Pay Periods" is deleted and replaced with "PAGA Pay Periods."

4. AMENDMENTS TO SETTLEMENT FUNDING AND PAYMENTS

4.1 In Paragraph 4.4.1, the phrase "Individual Settlement Payments" is deleted and replaced with "Individual Class Payments."

4.2 Uncashed Checks and Cy Pres Recipient. Paragraph 4.4.3 is deleted and replaced in its entirety with the following:

"4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and canceled after the Void Date, the Administrator shall transmit the funds represented by such checks to Legal Aid at Work, as the cy pres recipient, subject to approval by the Court. The Parties agree that such funds constitute 'unpaid residue' within the meaning of Code of Civil Procedure section 384, subdivision (b), and that distribution to Legal Aid at Work as the cy pres recipient satisfies the requirements of that subdivision."

5. AMENDMENT TO RELEASED PAGA CLAIMS

Paragraph 5.3 is deleted and replaced in its entirety with the following:

"5.3 Released PAGA Claims: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the PAGA Notice and the Operative Complaint that are alleged to have occurred during the PAGA Period (collectively the 'Released PAGA Claims')."

6. CONFORMING STATUTORY REFERENCES

6.1 In Paragraph 6.1, the reference to "Labor Code Section 2699, subd. (f)(2)" is deleted and replaced with "Labor Code section 2699, subdivision (s)(2)," and the reference to "Labor Code section 2699, subd. (l)(2)" is deleted and replaced with "Labor Code section 2699, subdivision (s)(2)."

6.2 In Paragraph 10, the reference to "Labor Code section 2699, subd. (l)" is deleted and replaced with "Labor Code section 2699, subdivision (s)(2)."

7. RESPONSE DEADLINE

7.1 The Response Deadline for Requests for Exclusion, objections, and challenges to Workweeks and/or PAGA Pay Periods is sixty (60) days after the Administrator mails the Class Notice, plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed, consistent with Paragraphs 1.44, 7.6, and 7.7.2.

7.2 In Paragraph 7.4.4, the phrase "beyond the 45 days otherwise provided in the Class Notice" is deleted and replaced with "beyond the sixty (60) days otherwise provided in the Class Notice."

7.3 In Paragraph 7.5.1, the phrase "not later than 45 days after the Administrator mails the Class Notice" is deleted and replaced with "not later than sixty (60) days after the Administrator mails the Class Notice."

8. ESCALATOR CLAUSE

8.1 In Paragraph 8, the phrase "at their exclusive direction" is deleted and replaced with "at their exclusive discretion."

8.2 The PAGA prong of Paragraph 8 states that the PAGA Penalties increase "by an amount proportional to the increase in PAGA Pay Periods worked in excess of the estimated PAGA Pay Periods," but its example applies the increase only above the 10% threshold. To resolve the inconsistency, the second option in the PAGA prong of Paragraph 8, beginning with "(2) increase the PAGA Penalties," is deleted and replaced with the following:

"(2) increase the PAGA Penalties on a pro rata basis for every PAGA Pay Period above 1,356, consistent with the treatment of Workweeks above 5,530. For example, if the final number of PAGA Pay Periods is 11% more than 1,233, the PAGA Penalties will increase by approximately 1%."

8.3 The following sentence is added at the end of Paragraph 4.1: "Defendants further represent that Aggrieved Employees collectively worked approximately 1,233 PAGA Pay Periods during the PAGA Period."

9. NO ADMISSION; RESERVATION OF RIGHTS

In Paragraph 12.1, the sentence beginning "If, for any reason, the Court does grant Preliminary Approval" is deleted and replaced with the following:

"If, for any reason, the Court does not grant Preliminary Approval or Final Approval, or does not enter Judgment, Defendants reserve the right to contest certification of any class for any reason, Defendants reserve all available defenses to the claims in the Actions, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses."

10. NOTICE

The notice addresses in Paragraph 12.16 are deleted and replaced with the following:

To Plaintiff: Thiago M. Coelho (thiago.coelho@wilshirelawfirm.com) and Rachel J. Vinson (rachel.vinson@wilshirelawfirm.com), Wilshire Law Firm, 660 S. Figueroa Street, Sky Lobby, Los Angeles, CA 90017; Telephone: (213) 381-9988; Facsimile: (213) 381-9989.

To Defendants: Elaine M. Vukadinovich (E.Vukadinovich@musickpeeler.com), Musick, Peeler & Garrett LLP, 333 South Hope Street, Suite 2900, Los Angeles, CA 90071; Telephone: (213) 629-7907.

11. BINDING AGREEMENT

In Paragraph 12.19, the reference to "Cal. Civil Proc. § 664" is deleted and replaced with "Code of Civil Procedure section 664.6."

12. CONSOLIDATION AND JUDGMENT

The Parties agree to stipulate to consolidate the Class Action and the PAGA Action for all purposes, with the Class Action (Case No. 30-2025-01470646-CU-OE-CXC) as the lead case. Upon consolidation, references in the Agreement to the "Action" or "Actions" include the consolidated action, and the Judgment entered in the consolidated action shall resolve all claims asserted in both the Class Action and the PAGA Action. If the Court does not consolidate the Actions, the Parties will submit a proposed judgment in each Action consistent with the Agreement.

13. CLASS NOTICE (EXHIBIT A)

The Class Notice attached to this Amendment as Exhibit A is the Class Notice referenced in Paragraphs 1.12 and 7.4.2 of the Agreement and is incorporated into the Agreement by reference, subject to such changes as the Court may require.

14. GLOBAL CONFORMING CHANGES

Every reference in the Agreement, including its caption and signature blocks, to "Citadelle B. Priagula" or "c.priagula@musickpeeler.com" is replaced with "Elaine M. Vukadinovich" or "E.Vukadinovich@musickpeeler.com," respectively. Every reference to Wilshire Law Firm's address as "3055 Wilshire Blvd., 12th Floor, Los Angeles, California 90010" is replaced with "660 S. Figueroa Street, Sky Lobby, Los Angeles, CA 90017." The Agreement is further amended to conform to the definitions, deadlines, and amounts in this Amendment wherever they appear.

15. GENERAL PROVISIONS

15.1 Effect of Amendment. Except as expressly amended by this Amendment, all terms of the Agreement remain unchanged and in full force and effect. If any term of this Amendment

Docusign Envelope ID: 6D69A3AB-D5A8-81B3-83D1-5FF5C6073B8D

conflicts with the Agreement, this Amendment controls. The Agreement and this Amendment together constitute the entire agreement of the Parties relating to the Settlement.

15.2 Court Approval. This Amendment is effective upon execution by all Parties and their counsel, subject to approval by the Court under Paragraph 12.9. Plaintiff will submit this Amendment with the Motion for Preliminary Approval.

15.3 Submission to LWDA. Class Counsel will submit this Amendment to the LWDA at the same time it is submitted to the Court, as required by Labor Code section 2699, subdivision (s)(2).

15.4 Counterparts. This Amendment may be executed in counterparts and by facsimile, email, or electronic signature (e.g., DocuSign), each of which shall be deemed an original and all of which together constitute one instrument.

IT IS SO AGREED.

By the Parties:

DATED: 10/22/2026

DocuSigned by:
3DD80549DD504FE...
Plaintiff Gohar Bosnuyan

DATED: _____

_____
Defendant Paloma Medical Group, Inc.

By: _____

Name/Title: _____

conflicts with the Agreement, this Amendment controls. The Agreement and this Amendment together constitute the entire agreement of the Parties relating to the Settlement.

15.2 Court Approval. This Amendment is effective upon execution by all Parties and their counsel, subject to approval by the Court under Paragraph 12.9. Plaintiff will submit this Amendment with the Motion for Preliminary Approval.

15.3 Submission to LWDA. Class Counsel will submit this Amendment to the LWDA at the same time it is submitted to the Court, as required by Labor Code section 2699, subdivision (s)(2).

15.4 Counterparts. This Amendment may be executed in counterparts and by facsimile, email, or electronic signature (e.g., DocuSign), each of which shall be deemed an original and all of which together constitute one instrument.

IT IS SO AGREED.

By the Parties:

DATED: _____

_____
Plaintiff Gohar Bosnuyan

DATED: Oct 22, 2026

Laura Olson (Oct 22, 2026 10:56:48 PDT)
Defendant Paloma Medical Group, Inc.
By: Laura Olson
Name/Title: Laura Olson, Executive Director

DATED: _____

Laura Olson (Oct 22, 2026 10:56:48 PDT)

Defendant Paloma Medical Partners – a California General Partnership

By: Laura Olson

Name/Title: Laura Olson, Executive Director

Approved as to form by counsel:

DATED: _____

WILSHIRE LAW FIRM

By: _____

Thiago M. Coelho
Rachel J. Vinson
Trenten N. Bilodeaux
Counsel for Plaintiff Gohar Bosnuyan

DATED: _____

MUSICK, PEELER & GARRETT LLP

By: _____

Elaine M. Vukadinovich
Counsel for Defendants Paloma Medical Group, Inc. and Paloma Medical Partners

DATED: _____

_____
Defendant Paloma Medical Partners – a California General Partnership

By: _____

Name/Title: _____

Approved as to form by counsel:

DATED: 10/22/2026

WILSHIRE LAW FIRM

By: _____
Thiago M. Coelho
Rachel J. Vinson
Trenten N. Bilodeaux
Counsel for Plaintiff Gohar Bosnuyan

DATED: _____

MUSICK, PEELER & GARRETT LLP

By: _____
Elaine M. Vukadinovich
Counsel for Defendants Paloma Medical Group, Inc. and Paloma Medical Partners

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

Gohar Bosnuyan v. Paloma Medical Group, Inc., et al.
Case No. 30-2025-01470646-CU-OE-CXC
(Related to Case No. 30-2025-01478152-CU-OE-CXC)

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

The Superior Court authorized this Notice. Read it carefully. It is not a solicitation from a lawyer, and you are not being sued. Your legal rights may be affected whether or not you act.

[CLASS MEMBER NAME]
[ADDRESS]
[CITY, STATE ZIP]
Class Member ID: [ID NUMBER]

YOUR ESTIMATED SETTLEMENT PAYMENTS	
Workweeks credited to you during the Class Period (March 27, 2021 – December 3, 2025):	**[NUMBER OF WORKWEEKS]**
PAGA Pay Periods credited to you during the PAGA Period (February 18, 2024 – December 3, 2025):	**[NUMBER OF PAGA PAY PERIODS]**
Your estimated Individual Class Payment:	**$[AMOUNT]**
Your estimated Individual PAGA Payment:	**$[AMOUNT]**
Your estimated total payment:	**$[AMOUNT]**

These are estimates. Your final payment depends on how much the Court approves for fees, costs, the Enhancement Award, and administration, and on how many Class Members exclude themselves. If you believe the number of Workweeks or PAGA Pay Periods above is wrong, see Section 12.

KEY DATES	
Deadline to request exclusion, object, or dispute your Workweeks/PAGA Pay Periods (the "Response Deadline")	[DATE — 60 days after the Administrator mails this Notice; add 14 days if this Notice was re-mailed to you]
Final Approval Hearing	[DATE], at [TIME], Department CX103, Superior Court of California, County of Orange, [COURTHOUSE ADDRESS — CONFIRM], before the Hon. David A. Hoffer.

YOUR OPTIONS AT A GLANCE

Option	What happens	Deadline
1. DO NOTHING	You stay in the Class, you will receive your Individual Class Payment and Individual PAGA Payment, and you give up the claims described in Section 8. You do not need to file a claim form.	None
2. EXCLUDE YOURSELF (opt out)	You receive no Individual Class Payment and keep any right to sue Defendants separately on the class claims. If you are an Aggrieved Employee, you will STILL receive your Individual PAGA Payment and STILL release the PAGA claims.	Response Deadline
3. OBJECT	If you stay in the Class, you may tell the Court why you disagree with the settlement. You cannot object if you opt out.	Response Deadline (written) or at the hearing
4. DISPUTE YOUR WORKWEEKS OR PAGA PAY PERIODS	Tell the Administrator if you believe the numbers on page 1 are wrong.	Response Deadline

1. WHY DID I GET THIS NOTICE?

Records show you worked for Paloma Medical Group, Inc. and/or Paloma Medical Partners – a California General Partnership ("Defendants") in California as an hourly-paid or non-exempt employee at some time between March 27, 2021 and December 3, 2025. The Court has granted preliminary approval of a proposed settlement of two related lawsuits and ordered that you receive this Notice because you may be a "Class Member," an "Aggrieved Employee," or both. This Notice explains the settlement and your rights and options. The Court will hold a hearing to decide whether to give final approval to the settlement.

2. WHAT ARE THESE LAWSUITS ABOUT?

Plaintiff Gohar Bosnuyan ("Plaintiff") filed a class action lawsuit on March 27, 2025 (the "Class Action") claiming that Defendants: (1) failed to pay minimum and straight-time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay final wages at termination; (6) failed to provide accurate itemized wage statements; (7) failed to reimburse employees for business expenditures; (8) failed to produce requested employment records; and (9) violated California's Unfair Competition Law (Business and Professions Code section 17200 et seq.). On April 25, 2025, Plaintiff filed a separate, related lawsuit seeking civil penalties under the Private Attorneys General Act, Labor Code section 2698 et seq. ("PAGA"), after giving notice to the California Labor and Workforce Development Agency ("LWDA") on February 18, 2025 (the "PAGA Action"). (Together, the "Actions.")

Defendants deny these allegations and deny any wrongdoing or liability. The Court has not decided who is right, and has not ruled on the merits or certified a class for trial. The parties

settled to avoid the cost, delay, and uncertainty of continuing the case. The settlement is not an admission by Defendants of any wrongdoing or liability.

3. WHO IS INCLUDED?

You are a **Class Member** if you were employed by Defendants, or either of them, in California as an hourly-paid or non-exempt employee at any time from March 27, 2021 through December 3, 2025 (the "Class Period"), including current and former employees.

You are an **Aggrieved Employee** if you were employed by Defendants, or either of them, in California as an hourly-paid or non-exempt employee at any time from February 18, 2024 through December 3, 2025 (the "PAGA Period"), including current and former employees.

Defendants' records show approximately 140 Class Members who worked a total of approximately 5,027 Workweeks during the Class Period, and approximately 52 Aggrieved Employees who worked approximately 1,233 PAGA Pay Periods during the PAGA Period.

4. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant Paloma Medical Group, Inc. will pay, on behalf of Defendants, a Gross Settlement Amount of $185,000.00. This is a non-dollar-reverting settlement: none of it returns to Defendants. Defendants will pay the employer's share of payroll taxes separately. If the Court approves them, the following amounts will be paid from the Gross Settlement Amount:

- **PAGA Penalties: $9,250.00.** 65% ($6,012.50) will be paid to the LWDA; 35% ($3,237.50) will be divided among Aggrieved Employees (Individual PAGA Payments).
- **Attorneys' fees to Class Counsel: up to one-third of the Gross Settlement Amount, which equals $61,666.67.**
- **Litigation expenses to Class Counsel: up to $25,000.00** for actual costs.
- **Class Representative Enhancement Award to Plaintiff: up to $10,000.00,** for Plaintiff's service to the Class and the risks taken in bringing the case, in addition to any payment Plaintiff receives as a Class Member.
- **Settlement Administrator: up to $5,750.00** to Phoenix Class Action Administration Solutions (the "Administrator") for the cost of notice and administration, unless the Court approves a higher amount for good cause.

The remainder, called the **Net Settlement Amount**, will be paid to Participating Class Members as Individual Class Payments. If the Court approves every deduction above in the full amount requested, the Net Settlement Amount will be approximately $73,333.33. If the Court approves less than the amounts requested, the difference stays in the Net Settlement Amount and increases payments to Participating Class Members.

If the number of Workweeks or PAGA Pay Periods turns out to be more than 10% higher than estimated, Defendants may adjust the settlement as described in the Settlement Agreement.

5. HOW MUCH WILL I GET?

Individual Class Payment. The Net Settlement Amount will be divided by the total Workweeks of all Participating Class Members, and the result multiplied by your Workweeks. A "Workweek" is any week in the Class Period in which you worked for Defendants for at least

one day. Based on the maximum deductions above, the estimated value is about $14.59 per Workweek. Your Workweeks and your estimated Individual Class Payment appear on page 1.

Individual PAGA Payment. The Aggrieved Employees' 35% share of the PAGA Penalties ($3,237.50) will be divided by the total PAGA Pay Periods of all Aggrieved Employees, and the result multiplied by your PAGA Pay Periods. A "PAGA Pay Period" is any pay period in the PAGA Period in which you worked for Defendants for at least one day. The estimated value is about $2.63 per PAGA Pay Period. You will receive an Individual PAGA Payment even if you opt out of the Class settlement.

No claim form is required. If you do not opt out, your payment will be mailed to you automatically at the address on the front of this Notice (or your updated address).

6. HOW WILL MY PAYMENT BE TAXED?

Twenty percent (20%) of each Individual Class Payment is treated as wages, subject to tax withholding and reported on an IRS Form W-2. Eighty percent (80%) is treated as interest and penalties, not subject to withholding and reported on an IRS Form 1099. Individual PAGA Payments are treated as penalties and reported on an IRS Form 1099. You are responsible for any taxes you owe on your payments. Neither the lawyers nor the Administrator can give you tax advice; consult a tax professional.

7. WHEN WILL I GET PAID, AND WHAT IF I DON'T CASH MY CHECK?

Payments will be mailed only if the Court grants final approval and after Defendant funds the settlement, which will occur after the Effective Date (the date the Judgment becomes final — if no one objects, when the Court enters Judgment; if someone objects, after the time to appeal has run, or after any appeal is resolved). The Administrator will mail checks within seven (7) days after the settlement is funded. Each check will state a void date 180 days after mailing. **If you do not cash your check by the void date, it will be canceled, and the money will be sent to Legal Aid at Work, a cy pres recipient approved by the Court, and will not be returned to Defendants.** To request a replacement for a lost or misplaced check before the void date, contact the Administrator.

8. WHAT CLAIMS AM I GIVING UP?

If you do not opt out (a "Participating Class Member"), once Defendant has fully funded the settlement you will release the "Released Class Claims": all claims asserted in the complaint filed in the Class Action, or that could have been based on the factual allegations in that complaint, that arose during the Class Period. This includes the wage-and-hour claims listed in Section 2. You will also release the Released PAGA Claims described below. You will be bound by the settlement and the Judgment, including if you object and the Court approves the settlement.

All Aggrieved Employees, including those who opt out of the class settlement, will release the "Released PAGA Claims": all claims for PAGA civil penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the February 18, 2025 PAGA Notice to the LWDA and the Operative Complaint that are alleged to have occurred during the PAGA Period. A PAGA settlement binds all Aggrieved Employees and the State of California, and you cannot opt out of the PAGA release.

The released parties are Defendants and Defendants' officers, partners, shareholders, owners, directors, managerial employees, and agents. The full release language is in the Settlement Agreement, available on the settlement website listed in Section 15. Your release does not cover claims outside the Class Period or PAGA Period, or claims that cannot be released by law (for example, workers' compensation, unemployment, or disability benefits).

9. WHAT ARE MY OPTIONS?

You have four options, summarized in the table on page 1 and explained in Sections 10 through 12: do nothing, exclude yourself, object, or dispute your Workweeks or PAGA Pay Periods. If you do nothing, you remain in the Class, you will be paid, and you will be bound by the releases described in Section 8. You may object and also dispute your Workweeks, but you cannot both object and opt out.

10. HOW DO I EXCLUDE MYSELF (OPT OUT)?

Send the Administrator a signed, written Request for Exclusion by fax, email, or mail, postmarked, faxed, or emailed no later than the Response Deadline of [DATE]. It should say that you want to be excluded from the Bosnuyan v. Paloma Medical Group class settlement and include your name, address, and an email address or telephone number. Send it to: [ADMINISTRATOR NAME AND ADDRESS / FAX / EMAIL — Phoenix Class Action Administration Solutions]. If you opt out, you will not receive an Individual Class Payment and cannot object to the class portions of the settlement, but you will still receive an Individual PAGA Payment if you are an Aggrieved Employee, and you will still be bound by the PAGA release. If you do not submit a valid, timely Request for Exclusion, you are a Participating Class Member. If more than 15% of Class Members opt out, Defendants may choose to withdraw from the settlement.

11. HOW DO I OBJECT?

Only Participating Class Members may object. You may (a) send a written objection to the Administrator by fax, email, or mail, postmarked, faxed, or emailed no later than the Response Deadline of [DATE]; or (b) appear at the Final Approval Hearing in person (or through your own attorney, at your own expense) and state your objection. Your written objection should state your name, address, the case name and number, the reasons you object, and any supporting papers. The Court will consider your objection whether or not you attend the hearing if you sent it on time. You may object to the fairness of the settlement, the requested attorneys' fees and costs, or the Enhancement Award. Objecting is different from opting out — if you object and the Court approves the settlement, you will still be bound by it.

12. WHAT IF MY WORKWEEKS OR PAGA PAY PERIODS ARE WRONG?

The numbers on page 1 come from Defendants' records. If you disagree, send the Administrator a written challenge by fax, email, or mail no later than the Response Deadline of [DATE], with any documents that support you (for example, pay stubs or schedules). The Administrator will presume Defendants' records are correct unless you provide documents showing otherwise, and the Administrator's decision is final.

13. WHO ARE THE LAWYERS, AND HOW ARE THEY PAID?

The Court appointed the following lawyers as "Class Counsel" to represent the Class: Thiago M. Coelho and Rachel J. Vinson, Wilshire Law Firm, 660 S. Figueroa Street, Sky Lobby, Los Angeles, CA 90017; Telephone (213) 381-9988; Fax (213) 381-9989; thiago.coelho@wilshirelawfirm.com; rachel.vinson@wilshirelawfirm.com. You do not have to pay Class Counsel out of your own pocket. Class Counsel will ask the Court to award fees of up to one-third of the Gross Settlement Amount ($61,666.67) and up to $25,000.00 in expenses, to be paid from the Gross Settlement Amount. You may hire your own attorney at your own cost.

Class Counsel's motion for attorneys' fees, litigation expenses, and the Enhancement Award will be filed no later than fourteen (14) calendar days before the Response Deadline, and will be posted on the settlement website within two (2) business days after it is filed, so you can read it before deciding whether to object.

14. THE FINAL APPROVAL HEARING

The Court will hold a hearing on [DATE] at [TIME] in Department CX103 of the Superior Court of California, County of Orange, [COURTHOUSE ADDRESS — CONFIRM], to decide whether the settlement is fair, reasonable, and adequate and whether to approve the requested fees, costs, Enhancement Award, administration costs, and PAGA Penalties. You do not have to attend. The hearing date may change without further mailed notice. Check the settlement website or call the Administrator to confirm the date and time before attending.

15. WHERE CAN I GET MORE INFORMATION?

This Notice is a summary. The complete Settlement Agreement, as amended, the Preliminary Approval order, the motions for preliminary and final approval, and the motion for attorneys' fees, expenses and Enhancement Award will be posted at [SETTLEMENT WEBSITE]. You may also contact the Administrator: Phoenix Class Action Administration Solutions, [ADDRESS], toll-free [PHONE], fax [FAX], email [EMAIL]. You can also review the Court's files in the Superior Court of California, County of Orange, in Case No. 30-2025-01470646-CU-OE-CXC. **PLEASE DO NOT CONTACT THE COURT OR DEFENDANTS ABOUT THIS NOTICE.** If your address changes, notify the Administrator promptly so your payment reaches you. If there is any conflict between this Notice and the Settlement Agreement, the Settlement Agreement controls.

EXHIBIT 4

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Wed 11/11/2026 11:44 AM
To Giancarlo Recinos' Team <Giancarlorecinosteam@wilshirelawfirm.com>

11/11/2026 11:43:40 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 11/11/2026 11:43:40 AM your Proposed Settlement was successfully processed for case number LWDA-CM-1080743-25

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7Ca97249c8558d4597ce7b08df402c237d%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639300230468929703%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=IuV%2BCUmYAiAeocX9mmQNqpOVozfVgAYXCmJo8v3YDD4%3D&reserved=0

EXHIBIT 5

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS	
Class Members	140
Opt Out Rate	1%
Opt Outs Received	1
Total Class Claimants	139
Subtotal Admin Only	**$5,750.00**
Not-to-Exceed Total	**$5,750.00**

For 140 Class Members

Pricing Good for Scope of Estimate Only

July 29, 2026

Case: Gohar Bosnuyan. v. Paloma Medical Group, Inc., et al., Opt-Out Administration

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Rachel Vinson, Esq.

Firm: Wilshire Law Firm, PLC

Contact Number: (213) 381-9988, Ext. 329

Email: rvinson@wilshirelawfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly. Estimate is based on 140 Class Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of $150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Manager	$125.00	2	$250.00
Programming Database & Setup	$125.00	2	$250.00
Toll Free Setup*	$123.33	1	$123.33
Call Center & Long Distance	$1.95	16	$31.20
NCOA (USPS)	$50.00	2	$100.00
Static Wedsite	$200.00	1	$200.00
		Total	**$954.53**

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Translation / Reporting			
Project Action	**Rate**	**Hours/Units**	**Line Item Estimate**
Notice Packet Formatting	$125.00	2	$250.00
Data Merge & Duplication Scrub	$0.25	140	$35.00
Notice Packet & Opt-Out Form	$1.25	140	$175.00
Estimated Postage (up to 2 oz.)*	$0.79	140	$110.60
		Total	**$570.60**

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Associate	$50.00	2	$100.00
Skip Tracing Undeliverables	$2.50	7	$17.50
Remail Notice Packets	$1.25	7	$8.75
Estimated Postage	$0.79	7	$5.53
Programming Undeliverables	$50.00	2	$100.00
		Total	**$231.78**

Database Programming / Processing Opt-Outs, Deficiencies or Disputes			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Claims Database	$125.00	1	$125.00
Non Opt-Out Processing	$125.00	1	$125.00
Case Associate	$55.00	2	$110.00
Opt-Outs/Deficiency/Dispute Letters	$10.00	2	$20.00
Case Manager	$85.00	2	$170.00
		Total	**$550.00**

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Calculations	$125.00	1	$125.00
Disbursement Review	$125.00	1	$125.00
Programming Manager	$95.00	1	$95.00
QSF Bank Account & EIN	$125.00	1	$125.00
Check Run Setup & Printing	$125.00	2	$250.00
Mail Class Checks *	$1.00	139	$138.60
Estimated Postage	$0.79	139	$109.49
		Total	**$968.09**

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Supervisor	$125.00	4	$500.00
Remail Undeliverable Checks (Postage Included)	$2.50	40	$100.00
Case Associate	$50.00	3	$150.00
Reconcile Uncashed Checks	$85.00	3	$255.00
Conclusion Reports	$100.00	1	$100.00
Case Manager Conclusion	$85.00	2	$170.00
Final Reporting & Declarations	$125.00	2	$250.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	$950.00	1	$950.00
		Total	**$2,475.00**

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibilty.

Estimate Total: $5,750.00

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are $10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.

2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.

3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.

4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.

5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.