

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT

This Private Attorneys General Act Settlement Agreement ("Agreement ") is made by and between Veronica Gonzalez ("Plaintiff"), on behalf of herself and as a proxy/agent for the State of California pursuant to the Private Attorneys General Act of 2004 ("PAGA") (Cal. Labor Code § 2698, *et seq.*), and Sarah Belderes DDS INC. and Dr. Sarah Belderes ("Defendants") to settle and resolve Plaintiff's tenth cause of action for civil penalties pursuant PAGA filed against Defendants. Plaintiff and Defendants are collectively referred to herein as the "Parties" and each may be individually referred to as a "Party". This Agreement is made in consideration of the following facts:

A. WHEREAS, on July 21, 2022, Plaintiff provided notice to the California Labor Workforce Development Agency ("LWDA") and Defendants of alleged Labor Code violations pursuant to the PAGA. Plaintiff identified herself and other current and former non-exempt employees that worked for Defendants in California as "aggrieved employees." Plaintiff indicated she was seeking relief for violations of California Labor Code §§ 201-203, 204, 223, 226(a), 226.3, 226.7, 510, 512(a), 558, 558.1, 1102.5, 1174(d), 1194, 1197, 1197.1, 1198, 1391, and the applicable IWC Wage Orders, including but not limited to Wage Order 4-2001.

B. WHEREAS, on September 26, 2022, Plaintiff filed the a complaint asserting the following individual causes of action causes: (1) violation of California Labor Code § 1194 (Minimum Wages); (2) violation of California Labor Code § 510, 1194 (Overtime Wages); (3) violation of California Labor Code § 512, 226.7 (Meal Periods); (4) violation of California Labor Code § 226.7 (Rest Periods); (5) violation of California Labor Code § 226 (Wage Statements); (6) violation of California Labor Code § 203 (Waiting Time Penalties); (7) unfair competition pursuant to California Business & Professions Code §§ 17200, *et seq.*; (8) violation of California Labor Code § 1102.5 (Labor Code Retaliation); (9) wrongful termination in violation of public policy; and (10) derivate representative claim pursuant to PAGA, i.e., California Labor Code § 2699 ("PAGA Claim") for civil penalties, which is the primary subject of this Agreement.

C. WHEREAS, the Parties engaged in written discovery, including informal and formal discovery, and exchanged material documents and correspondence, and learned that the PAGA Claim covered the time period of July 21, 2021 through the present, included only twenty one (21) employees (the "PAGA Group").

D. WHEREAS, on May 22, 2023, the Parties participated in mediation with mediator Louis Marlin, Esq. The Parties did not reach a settlement at mediation, but continued to work toward settlement after the mediation and eventually reached a settlement in principle of the PAGA claim and Plaintiff's individual claims for damages. The Parties will execute a separate, confidential settlement agreement for Plaintiff's individual settlement, which includes a general release of claims by Plaintiff.

E. WHEREAS, Defendants deny all of the allegations in the Lawsuit and deny they have committed any misconduct, statutory or regulatory violation, or wrongdoing. The Parties agree that neither the Parties' settlement, this Agreement, nor the acts to be performed or judgments to be entered pursuant to the terms of this Agreement, shall be construed as an admission by

Defendants of any wrongdoing or violation of any statute or law or liability on the claims or allegations in the Lawsuit.

F. WHEREAS, the Parties understand, acknowledge, and agree that this Agreement constitutes a compromise of the claims alleged in Plaintiff's Lawsuit, and that it is the desire and intention of the Parties to effect a final and complete resolution of the Lawsuit.

G. WHEREAS, the Parties have reached a settlement of the claims in the Lawsuit after extensive, arms-length negotiations in a full day private mediation, taking into account all relevant factors, present and potential.

H. WHEREAS, PAGA allows the State to assess and collect civil penalties from employers for violations of certain provisions of the Labor Code. Under PAGA, an "aggrieved employee" may act as a proxy or agent of the State's labor law enforcement agencies and bring a civil action to recover civil penalties on behalf of herself and other employees after giving written notice to the LWDA and the employer of the specific Labor Code provisions alleged to have been violated, and the State thereafter decides not to investigate. Civil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the State and 25 percent to the aggrieved employees.

I. WHEREAS, California Labor Code section 2699(1)(2) requires Court review and approval of any settlement of a civil action filed pursuant to PAGA. The Parties agree that the PAGA cause of action in the Lawsuit is not subject to class certification requirements under Code of Civil Procedure Section 382.

THEREFORE, in consideration of the promises and covenants contained herein, the Parties agree as follows:

1. EFFECTIVE DATE: The effective date of this settlement ("Effective Date") shall be the date the Court signs the order approving the PAGA Settlement ("Approval Order").

2. RELEASE OF CLAIMS: Upon the Effective Date, Plaintiff, on behalf of herself and the State of California, the Labor and Workforce Division ("LWDA") and the Aggrieved Employees shall fully release and forever discharge the claims alleged in the Lawsuit arising during the PAGA Period for civil penalties under PAGA that were asserted or could have been asserted based on the facts alleged in the operative Complaint, including claims that Defendants are liable for unpaid minimum, overtime, timeliness of regular wage payments and final wages, meal and rest period violations, wage statement violations, and retaliation against employees for reporting suspected labor violations, or violations of unfair competition law where the foregoing claims arise under Labor Code § 2698, *et seq.*, for the alleged violations of the California Labor Code, including but not limited to sections 201-203, 204, 223, 226(a), 226.3, 226.7, 510, 512(a), 558, 558.1, 1102.5, 1174(d), 1194, 1197, 1197.1, 1198, 1391, and the applicable IWC Wage Orders, including but not limited to Wage Order 4-2001, ("Released Claims"), against Defendants and their past and, present, and future owners, parents, subsidiaries, and all of its current and, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, successors, or assigns, accountants, insurers, or legal representatives ("Released Parties"). Upon entry of the order approving this Agreement and judgment entered thereon,

Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the Released Claims that arose during the PAGA Period.

3. SETTLEMENT APPROVAL BY COURT: The Parties shall prepare and file a joint stipulation and order for approval of the PAGA settlement pursuant to California Labor Code § 2699(1). Plaintiff's counsel shall also provide appropriate and timely notice to the LWDA of the settlement.

4. NOTICE TO AGGRIEVED EMPLOYEES:

4.1 No later than five (5) business days after the Effective Date, Defendants shall list each Aggrieved Employee's (1) name; (2) last known home address; and (3) social security number ("Employee List").

4.2 Within twenty-one (21) days of the Approval Order, Defendants will prepare an Employee List consisting of the name, social security numbers, and addresses of the Aggrieved Employees. The Employee List shall not be shared with either Plaintiff or PAGA Counsel unless expressly approved by Defendants and Defense Counsel, or if an Aggrieved Employee requests that their personal data be shared with PAGA Counsel. To protect Aggrieved Employees' privacy, Defendants will maintain the Employee List in confidence. No later than five (5) business days after the preparation of the Employee List, Defendants will mail settlement checks and a letter explaining why the check is being sent, substantially in the form attached hereto as **Exhibit A** ("Notice"), to the Aggrieved Employees identified on the Employee List. Prior to mailing the Notices, Defendants shall check the addresses and should any of the Notices be returned as undeliverable, Defendants will promptly attempt to locate the Aggrieved Employee and shall re-mail the Notice and settlement check no later than fourteen (14) calendar days following receipt of the undeliverable Notice.

5. SETTLEMENT PAYMENT PROCEDURES:

5.1 **Gross PAGA Settlement Fund**. Within five (5) business days after the date the Court signs the Approval Order, and in exchange for the Release set forth in Paragraph 2 above, Defendants shall make a payment in the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) ("Gross PAGA Settlement Fund") which shall be all inclusive, encompassing all payments to the LWDA, Aggrieved Employees, and Attorneys' Fees.

5.1.1 The Gross PAGA Settlement Fund shall be allocated as follows: \$2,500.00 will be deducted for Plaintiff's Attorneys' Fees. Of the remaining amount (*i.e.*, \$7,500.00), seventy-five percent (75%) of the Net PAGA Settlement Fund shall be paid to the LWDA ("LWDA Payment"), \$5,625.00. The remaining twenty-five percent (25%) of the Net PAGA Settlement Fund ("Aggrieved Employee Fund"), or \$1,875.00 shall be payable to the Aggrieved Employees, and each Aggrieved Employee shall receive an equal share of this amount as further detailed in Paragraph 5.2, below.

5.2 Allocation of Aggrieved Employee Fund. Each Aggrieved Employee shall be sent an equal share of the Aggrieved Employee Fund ("Individual Settlement Shares"). This means that each Aggrieved Employee will receive a check for approximately \$89.28.

5.3 Distribution and Taxes. No later than five (5) business days after preparation of the Employee List, the Defendants shall distribute the Notice and Individual Settlement Shares, a check to the LWDA for the LWDA Payment (\$3,750.00), and a check to Lurtz Legal, P.C. in the amount of \$2,500.00 (or any other amount otherwise approved by the Court) for the Attorneys' Fees. The Notice sent with the checks to the Aggrieved Employees shall be in substantially the same form as, and contain the same language as, the Notice letter attached hereto as Exhibit A, subject to Court approval. Each Individual Settlement Share, which constitutes payment for civil penalties, shall be treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099 to the respective Aggrieved Employee and applicable governmental authorities. No later than twenty (20) calendar days after distributing all payments required under this Agreement, Defendants shall provide to Plaintiff's Counsel written confirmation verifying that it effected disbursement of the Gross PAGA Settlement Fund pursuant to the terms of this Agreement.

Nothing in this Agreement is intended to constitute legal advice regarding federal, state and/or local tax obligations. Neither Plaintiff nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Agreement. To the extent that this Agreement or any of its attachments is interpreted to contain or constitute advice regarding any U.S. or Federal tax issue, such advice is not intended or written to be used, and cannot be used by any person for the purpose of avoiding penalties under the Internal Revenue Code.

5.8 Expiration of Settlement Checks. Settlement checks issued to Aggrieved Employees pursuant to this Agreement will expire one hundred and eighty (180) days from the date they are issued by Defendants. After the expiration of the check cashing period, the Defendants shall remit any unclaimed funds to the California Unclaimed Property Fund maintained by the California State Controller 's Office with an identification of the Aggrieved Employee(s) and the amounts allocated.

5.9 Disputes Relating to Settlement Administration. Any disputes concerning administration of the Settlement which cannot be resolved by the Parties shall be submitted to and resolved by the Court.

5.10. Effect of Judgment: Upon the Court 's entry of the Approval Order and judgment, the Parties agree that this Action will be disposed of.

6. IMPACT OF NON-APPROVAL BY COURT: Should the Court not approve the Agreement, the Parties shall request leave and work jointly to make reasonable efforts to remedy the Agreement in order to obtain the Court's approval. If the Parties cannot resolve the issues identified by the Court in denying approval, the Parties shall be restored to their litigation positions as of January 23, 2024. In order for the Parties to be restored to their litigation positions as of January 23, 2024, either party shall file a written notice with the Court detailing the reasons why

any Court identified issues cannot be resolved by reasonable efforts. The written notice shall be filed no earlier than twenty-one (21) days after the Court enters an order denying approval. If the Court ultimately fails to grant approval after the Parties' joint attempt to remedy the issues, or if the Court's approval is reversed or materially modified on appellate review, the Parties' settlement and this Agreement shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever.

7. ENFORCEMENT AND CONTINUING JURISDICTION OF THE COURT: Pursuant to California Code of Civil Procedure section 664.6, the Court shall retain continuing jurisdiction over the Lawsuit and over all Parties, to the fullest extent to enforce and effectuate the terms and intent of this Agreement. Except as otherwise provided in this Agreement, in the event that one or more of the Parties to this Agreement institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, the successful Party or Parties shall be entitled to recover reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

8. REPRESENTATIONS AND WARRANTIES: Each Party to this Agreement also represents and warrants to, and agrees with, each other as follows:

8.1 Each Party has carefully read, and knows and understands the full contents of this Agreement and is voluntarily entering into this Agreement after having received independent legal advice from his or its attorneys with respect to the advisability of the settlement provided for herein and the advisability of executing this Agreement.

8.2 Each separately-numbered term of this Agreement is contractual, not merely a recital.

8.3 Each Party has participated in the drafting of all provisions of this Agreement, has had an adequate opportunity to read, review, and consider the effect of the language of this Agreement, and has agreed to its terms. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

9. NO ADMISSION OF WRONGDOING: Defendants deny that they engaged in any unlawful activity, that they failed to comply with the law in any respect, or that they have any liability to anyone under the claims asserted in the Action. The Parties agree that this Agreement does not constitute an admission by Defendants or any of the Released Parties of any of the matters alleged in the Lawsuit or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiff, Defendants or any of the Released Parties.

10. NON-EVIDENTIARY USE: Neither this Agreement nor any of its terms nor the settlement itself shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Plaintiff, the LWDA, Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession,

indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against Plaintiff, the LWDA, or any of the Released Parties in any further proceeding in the Action, except for the purposes of effectuating the settlement pursuant to this Agreement or for Defendant to attempt to establish that an Aggrieved Employee or the LWDA has resolved PAGA claims released through this Agreement.

11. CONFIDENTIALITY: Except as provided below, to the extent necessary to effectuate the Settlement or as required by court or legal process, Plaintiff will keep the terms of this Settlement confidential. Plaintiff shall not issue a press release, hold a press conference, publish information about the Settlement on any website or through any social media or otherwise publicize the Settlement or communicate its terms (including the amount) in public or in private, other than as necessary to obtain Court approval of this Settlement and/or unless otherwise ordered by the Court or required by law. The Parties agree that they will not initiate or have contact with the press, respond to any press inquiry, or have any communication with the press about the Action. Notwithstanding the above, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's Counsel may reference the Lawsuit by name and case number in a declaration establishing adequacy as class or representative counsel.

To permit judicial review and approval of the PAGA Settlement, as required by Labor Code Section 2698, et seq., Plaintiff's Counsel will file the Settlement with the Court and submit the Settlement to the LWDA as part of the Parties' seeking Court approval of the Settlement, pursuant to Lab. Code § 2699(1)(2).

12. CHOICE OF LAW: The rights and obligations of the Parties under this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. California law shall govern the interpretation of this Agreement even if a choice of law analysis under state or federal law would dictate that another forum's law be applied.

13. MUTUAL COOPERATION: Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

14. SEVERABILITY: If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions.

15. SUCCESSORS: This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, assigns, administrators and successors.

16. COOPERATION IN DRAFTING: Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, no presumption for or against any Party arising out of drafting all or any part of this Agreement may be applied in any action relating to, connected to, or involving this Agreement.

17. COUNTERPARTS AND SIGNATURES: This Agreement may be executed in counterparts. A signature by way of facsimile or email shall serve as an original for all purposes.

18. ENTIRE AGREEMENT: This Agreement, with its attached Exhibit(s), sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Agreement. Any modification to this Agreement must be in writing and signed by Plaintiff and an authorized officer of Defendant.

19. SUBMISSION TO LWDA: Pursuant to Labor Code section 2699(l)(2), this Agreement will be submitted to the LWDA at the same time that it is submitted to the Court.

20. NOTICES: All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered personally or mailed, postage prepaid, by first-class mail, to the undersigned persons at their respective addresses as set forth herein:

Counsel for Plaintiff:
LURTZ LEGAL, P.C.
Marshall R. Lurtz
3511 Camino Del Rio South #101
San Diego, CA 92108
Tel: (619) 636-7136

Counsel for Defendants:
OGLETREE DEAKINS
Christopher Reilly
4660 La Jolla Village Drive, Suite 900
San Diego, CA 92122
Tel: 202.263.0277

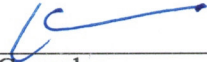
Timothy L. Reed
One Embarcadero Center, Suite 900
San Francisco, CA 94111
Tel: 415.536.3405

IN WITNESS WHEREOF, the Parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement as of the date set forth below.

[Signatures on Next Page]

Dated: 3/11/2024

VERONICA GONZALEZ

By: 
Veronica Gonzalez

Dated: _____

SARAH BELDERES DDS INC.

By: _____
(Signature)

(Printed Name)

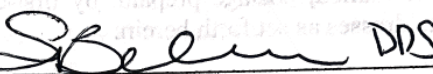
(Title)

Dated: _____ VERONICA GONZALEZ

By: _____
Veronica Gonzalez

Dated: 3.8.2024

SARAH BELDERES DDS INC.

By:  DDS
(Signature)

Sarah Belder DDS Inc
(Printed Name)

Owner / Dentist.
(Title)

EXHIBIT A

<<DEFENDANT ADDRESS>>

<<DATE>>

<<FIRST NAME>> <<LAST NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment From Veronica Gonzalez v. Sarah Belderes DDS, Inc. San Diego County Superior Court Case No. 37-2022-00038279-CU-OE-CTL

Dear <<FIRST NAME>> <<LAST NAME>>:

The San Diego Superior Court (the “Court”) has approved a settlement in the above-captioned action filed by Veronica Gonzalez (“Plaintiff”) on behalf of herself and all other aggrieved employees.

Enclosed you will find a check made payable to you. This is your payment from the settlement of the action. The action was filed against Sarah Belderes DDS, Inc. and Dr. Sarah Belderes (“Defendants”) pursuant to the California Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.* (called “PAGA”). The lawsuit was brought on behalf of the State of California and all non-exempt employees employed by Defendants in California and who worked at any time between July 21, 2021 and _____ (“Aggrieved Employees”). You are receiving this notice because you have been identified as an Aggrieved Employee.

The Plaintiff in the case claimed that Defendants owed penalties under PAGA for certain violations of the California Labor Code. Your individual PAGA payment is **\$89.28**. Your payment is enclosed with this Notice. This payment is made on a 1099 basis, and you will be solely responsible for any taxes payable on the amount you received.

The Court has approved the Parties Settlement Agreement (“Settlement”). By operation of the Settlement’s terms, all Aggrieved Employees, including you, release Defendants and their past, present, and future owners, parents, subsidiaries, and all of their current, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, successors, assigns, accountants, insurers, or legal representatives from any and all claims, rights, demands, liabilities and causes of action for civil penalties under the California Labor Code Private Attorney General Act, Labor Code §§ 2698 *et seq.* (the “PAGA”) alleged in the lawsuit or that could have been pled based on factual allegations pled in the operative complaint in the case, arising during the periods of July 21, 2021 and _____, including but not limited to any PAGA-based claims for claims that Defendants are liable for unpaid minimum, overtime, and final wages, meal and rest period violations, wage statement violations, and retaliation against employees for reporting suspected labor violations, or violations of unfair competition law where the foregoing claims arise under Labor Code § 2698, *et seq.*, for the alleged violations of the California Labor Code, including but not limited to sections 201-203, 204, 223, 226(a), 226.3, 226.7, 510, 512(a), 558, 558.1, 1102.5, 1174(d), 1194, 1197, 1197.1, 1198, 1391, and all applicable IWC Wage Orders, including but not limited to Wage Order 4-2001.

The Court has ***not*** made a determination about the merits of Plaintiff’s claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiff’s claims.

Defendants deny Plaintiff’s allegations. Defendants maintain that it was in compliance with the California Labor Code at all times and enters into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

If you have any questions, you can contact counsel for either Party:

Counsel for Plaintiff:
LURTZ LEGAL, PC
Marshall R. Lurtz
mlurtz@lurtzlegal.com
3511 Camino Del Rio South #101
San Diego, CA 92108
Tel: (619) 636-7136

Counsel for Defendants:
OGLETREE DEAKINS

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