

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE OF ALL CLAIMS

This Private Attorneys General Act Settlement Agreement and Release of All Claims (“Agreement”) is made by and between Plaintiff Janay Scott (“Plaintiff”), on behalf of herself, on behalf of the PAGA Aggrieved Employees (as defined below), and as a proxy/agent for the California Labor Workforce Development Agency (“LWDA”), and Defendants California Drug Consultants, Inc. and Integrated Care Communities, Inc. (“Defendants”), to resolve the Action and Released Claims, subject to the terms and conditions hereof and the approval of the Court. Plaintiff and Defendants are collectively referred to herein as the “Parties” and each may be individually referred to as a “Party.”

I. REPRESENTATIONS AND DEFINITIONS

1. “Action” means and refers to the civil action filed in the Superior Court of the State of California for the County of Riverside, entitled *Janay Scott v. California Drug Consultants, Inc., et al.*, filed on July 12, 2022, Case No. CVRI2202861 alleging the following claims: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Permit Rest Breaks; (5) Failure to Reimburse Business Expenses; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Pay Wages Timely During Employment; (8) Failure to Pay All Wages Due Upon Separation of Employment; and (9) Violation of Business and Professions Code §§ 17200, et seq. On October 17, 2022, Plaintiff Janay Scott, individually, and on behalf of all others similarly situated filed a First Amended Class Action Complaint adding an additional cause of action for Enforcement of Labor Code § 2698 et seq. (“PAGA”), Thereafter, Plaintiff dismissed all of her individual and class action claims (without prejudice) leaving only the PAGA Claim. On November 8, 2022, the Court granted the Request for Dismissal of Plaintiff’s Individual and Class Action Claims Without Prejudice and it was entered by the Court on November 29, 2022.

2. “Agreement” or “Settlement” means the arm’s-length settlement agreement reached between the Parties as set forth in this Private Attorneys General Act Settlement Agreement and Release of All Claims, and the terms, conditions and requirements set forth herein, including any attached exhibits. This Agreement relates to the individual claims of Plaintiff Janay Scott and the PAGA portion of the claims alleged in the First Amended Complaint.

3. “Counsel for Defendant” means and refers to Kendra S. Canape, Pamela J. Silk, and Joel Brodfuehrer of Gordon Rees Scully Mansukhani, LLP.

4. “Court” means and refers to the Superior Court of California for the County of Riverside. Court shall also mean any other Court that acquires proper jurisdiction of this Action.

5. “Defendants” means and refers to California Drug Consultants, Inc. and Integrated Care Communities, Inc., as named by Plaintiff in the Operative Complaint, together with their officers, directors, and employees.

6. “Effective Date” means and refers to the date of the Court’s final approval of the Settlement and the Settlement is not appealed or materially modified by the Court upon entry of the final judgment. A material modification does not include any reduction in attorneys’ fees. The Parties acknowledge this Agreement must be approved by the Riverside Court. Accordingly, the Parties enter into this Agreement on a conditional basis subject to the terms and conditions below and subject to Court approval.

7. “LWDA” means and refers to the California Labor and Workforce Development Agency.

8. “Operative Complaint” means and refers to: the First Amended Complaint, filed on October 17, 2022, in the Action and relates only to the PAGA Claim on the basis that on November 8, 2022, the Court granted the Request for Dismissal of Plaintiff’s Individual and Class Action Claims Without Prejudice and it was entered by the Court on November 29, 2022.

9. “PAGA” means and refers to the Private Attorneys General Act of 2004, codified at California Labor Code § 2698, *et seq.*

10. “PAGA Claim” means the claim for civil penalties under PAGA alleged and pleaded in the Action via the Tenth Cause of Action in the First Amended Complaint and as alleged in Plaintiff’s July 12, 2022 notice letter to the LWDA, a true and correct copy of which is attached hereto as Exhibit A.

11. “PAGA Aggrieved Employees” or singularly “PAGA Aggrieved Employee” means and refers to all current and former non-exempt hourly-paid employees employed by Defendants in the State of California at any time during the PAGA Period.

12. “PAGA Period” means the time period between July 12, 2021 and November 30, 2023.

13. “Parties” means and refers to, collectively, Plaintiff and Defendants, and “Party” means and refers to Parties individually.

14. “Pay Periods” means and refers to the total number of pay periods that each PAGA Aggrieved Employee worked as a non-exempt employee for Defendants during the PAGA Period.

15. “Named Plaintiff or Plaintiff” means Janay Scott, as an individual

16. “Representative Plaintiff” or “Plaintiff” means Janay Scot as the Representative of the State of California and all other Aggrieved Employees pursuant to PAGA.

17. “Plaintiff’s Counsel/PAGA Counsel” means and refers to Samuel Wong, Kashif Haque, Jessica L. Campbell, and Fawn F. Bekam of Aegis Law Firm, PC.

18. “Released Claims” means and refers to all of Plaintiff Janay Scott’s individual claims and all of her claims or causes of action for PAGA penalties that were, or could have been asserted or alleged in Representative Plaintiff’s July 12, 2022 notice letter to LWDA and in the operative First Amended Complaint in the Action, pursuant to the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq., based on the alleged violations of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, , , which arose during the PAGA Period, for civil penalties or attorney’s fees and costs arising out of the PAGA claims at issue, including: failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to reimburse business expenses, failure to provide accurate itemized wage statement, failure to pay wages timely during employment, and failure to pay all wages due upon separation of employment.

19. “Released Parties” means and refers to Defendants California Drug Consultants, Inc. and Integrated Care Communities, Inc., as named by Plaintiff in the Operative Complaint, together with their officers, insurers, reinsurers, directors, and employees.

20. “Settlement Administrator” means and refers to Phoenix Settlement Administrators, a neutral third-party Administrator chosen by the Parties, subject to approval by the Court.

II. NATURE OF ACTION

1. Plaintiff began working for Defendants as a non-exempt part-time hourly-paid employee on March 4, 2021. She was employed with Defendants until her separation date of December 1, 2021.

2. On July 12, 2022, Plaintiff sent a letter to the LWDA and Defendants giving notice of her intent to pursue a representative action pursuant to the PAGA, on behalf of herself and the State of California, as well as on behalf of a proposed group of aggrieved employees. The letter is referred to as “Notice to the LWDA.” The Notice to the LWDA alleged violations pursuant to the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq., based on the alleged violations of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802.,

3. On July 12, 2022, Plaintiff filed her Complaint as a class action lawsuit, alleging that, Defendants failed to: pay minimum wages, pay overtime wages, provide meal periods, permit rest breaks, reimburse all business expenses, provide accurate itemized wage statements, timely pay all wages during employment and upon separation of employment as applied to non-exempt employees employed by Defendant in California. On October 17, 2022, Plaintiff filed the First Amended Complaint to add a cause of action under PAGA. Thereafter, Plaintiff dismissed all of her individual and class action claims (without prejudice) leaving only the PAGA Claim. On November 8, 2022, the Court granted the Request for Dismissal of Plaintiff’s Individual and Class Action Claims Without Prejudice and it was entered by the Court on November 29, 2022.

4. Defendants vigorously deny and dispute Plaintiff’s contentions. Defendants deny that they have engaged in any misconduct in connection with the wage-and-hour practices associated with Plaintiff Janay Scott as an individual and the PAGA- Aggrieved Employees. Defendants further deny that they have any liability of any kind associated with the claims alleged in the Action. Defendants contend that they have complied with both federal and state wage-and-hour laws, and all other laws regulating its relationship with Plaintiff Janay Scott, as an individual, and the PAGA-Aggrieved Employees including the Representative Plaintiff.

5. Defendants deny all of the claims in the Action, and do not waive, but rather expressly reserve, all rights to challenge such claims and allegations upon all legal, procedural and factual grounds should this Settlement Agreement not become final. This Settlement Agreement reflects a compromise reached to end litigation.

6. The Parties engaged in significant investigation and exchange of data and documents, as well as private mediation that took place on November 30, 2023 with mediator Kristin Rizzo, Esq., and with the benefit of the mediator’s evaluation, the Parties reached the Settlement described herein.

7. The Parties recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will

cause inconvenience, distraction, disruption, delay and expense disproportionate to the potential benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation.

8. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable, adequate, and is in the best interests of Plaintiff Janay Scott, as an individual, PAGA Aggrieved Employees, the State of California, and Defendants, including any persons or companies affiliated with Defendants as defined in paragraphs 5 and 19 of Section I of this Agreement as Released Parties, in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, Plaintiff's Counsel/PAGA Counsel believe that the settlement amount entered into is in the best interests of the PAGA Aggrieved Employees and the State of California, and is fair, reasonable, and adequate given the inherent risk of litigation.

9. The Parties agree to the following terms of this Agreement with the intent of that this Agreement finally disposes of the Action with prejudice as to all Parties and all causes of action set forth in this Agreement.

III. TERMS OF SETTLEMENT

1. Settlement Payment. Subject to Court approval and the conditions specified in this Agreement, and in consideration of the mutual covenants and promises set forth in this Agreement, Defendants agree to pay the Gross Settlement Amount of \$150,000.00, as defined in Paragraph 2 below. Defendants shall not be required to pay any amount over \$150,000.00 for this Settlement. In consideration of the mutual covenants, promises and representations set forth in this Agreement, Plaintiff, on behalf of herself, the State of California, and all PAGA Aggrieved Employees, and Defendants agree to settle and compromise the Action and the Released Claims.

2. The Gross Settlement Amount. As consideration for the settlement described herein and the release provided herein, Defendants agree to pay the all inclusive total amount of One Hundred Fifty Thousand Dollars and zero cents (\$150,000.00) ("Gross Settlement Amount"). Defendants shall fund the Gross Settlement Amount as set forth herein thirty (30) days after Court approval of the within Settlement. The Gross Settlement Amount shall include, but is not limited to, payments to be made payable to Plaintiff's Counsel/PAGA Counsel's Attorney's fees and costs, Individual Settlement Payment to Named Plaintiff Janay Scott, as an individual, the LWDA Payment and Settlement Administration Costs which includes the Net Settlement Amount defined below to be distributed to the PAGA Aggrieved Employees. The following summarizes the

allocation of the Gross Settlement Amount, which Plaintiff will seek approval of from the Court, in conformity with this Agreement:

- a. Payment to the Settlement Administrator in the amount of up to **Three Thousand Nine Hundred Ninety-Five Dollars and Zero Cents (\$3,995.00)** (“Settlement Administration Costs”);
- b. Payment of Attorneys’ Fees and Costs to Plaintiff’s Counsel, as set forth herein; and
- c. 100% of the PAGA Penalties and Interest to be paid to the LWDA and PAGA Aggrieved Employees, as set forth herein.
- d. Individual Settlement Payment to Named Plaintiff Janay Scott, as an individual (“Individual Settlement Payment”): Non-opposition to request for \$7,500 for Plaintiff. Any portion of the individual settlement payment to Plaintiff not approved by the Court will revert to participating PAGA Aggrieved Employees.

3. Pro Rata Increase. Defendants estimated the number of pay periods during the PAGA Period is 3,400. If it is determined that the number of pay periods exceeds 3,400 by more than 10%, there will be a *pro rata* adjustment to the Gross Settlement Amount per additional pay period.

4. Allocation and Calculation of the PAGA Penalties (Net Settlement Amount) The amount available for distribution to the LWDA and PAGA Employees (“PAGA Penalties”) is the Gross Settlement Amount less the Court-approved Attorneys’ Fees and Costs to Plaintiff’s Counsel/PAGA Counsel, the Individual Settlement Amount to Named Plaintiff Plaintiff Janay Scott, as an individual, and the Settlement Administration Costs to the Settlement Administrator. Seventy Five Percent (75%) of the PAGA Penalties will be paid to the LWDA (“LWDA Payment”), and Twenty Five Percent (25%) of the PAGA Penalties will be paid to the PAGA Employees (“Employee Amount”), as required by California Labor Code § 2699(i).

5. Allocation and Calculation of the Individual Settlement Payments. Each PAGA Employee will receive a *pro rata* portion of the Employee Amount, determined based on the pay periods that he or she worked for Defendants in the State of California during the PAGA Period, to be calculated as follows: the Employee Amount will be divided by the total number of Pay Periods of all PAGA Employees to yield the “Per Pay Period Amount,” and then each PAGA Employee’s individual number of Pay Periods will be multiplied by the Per Pay Period Amount to

yield his or her “Individual Settlement Payment.” Individual Settlement Payments shall be paid to PAGA Employees by way of a single check to each PAGA Employee (“Individual Settlement Check”). Eligible PAGA Aggrieved Employees cannot opt out of the Settlement and will receive their share of the employee portion of the PAGA Penalties and will be deemed to have released any claims arising out of PAGA, regardless of whether they pursue any other individual claims against Defendants.

6. Tax Treatment of Individual Settlement Payments to PAGA Employees. The Parties agree that Individual Settlement Payments sent to PAGA Employees will be characterized One Hundred Percent (100%) as penalties and Form 1099s will be issued. Nothing in this Agreement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff and PAGA Employees shall be deemed to acknowledge that they have not obtained any tax advice from Defendants, Counsel for Defendants, or Plaintiff’s Counsel, and that neither Defendants, Counsel for Defendants, nor Plaintiff’s Counsel have made any representation concerning the tax consequences, if any, of any payments made pursuant to this Agreement. To the extent that this Agreement or its attachment(s) are 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.

7. Plaintiff’s Counsel’s/PAGA Counsel’s Attorneys’ Fees and Costs. As part of the request for approval of this Settlement, Plaintiff will request that the Court award the following to Plaintiff’s Counsel: up to one-third (1/3) of the Gross Settlement Amount, or Fifty Thousand Dollars and zero cents (\$50,000.00), for attorneys’ fees and of up to Eighteen Thousand Dollars and zero cents (\$18,000.00) for reimbursement of actual costs and expenses of litigating the Action (together, “Attorneys’ Fees and Costs”). The Attorneys’ Fees and Costs shall be paid from the Gross Settlement Amount, subject to approval by the Court. Should Plaintiff’s Counsel request a lesser amount for attorneys’ fees and costs and/or the Court approve a lesser amount, the difference shall be a part of the PAGA Penalties to be distributed to the LWDA and PAGA Employees as described above. Payment of Attorneys’ Fees and Costs will be reflected in a Form 1099 to Plaintiff’s Counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

8. No Effect on Employee Benefits. The payments made to Plaintiff and other PAGA Aggrieved Employees pursuant to this Agreement are not intended to count as earnings by Plaintiff or the PAGA Aggrieved Employees, and will not entitle Plaintiff or the PAGA Aggrieved Employees to any additional compensation and/or benefits under any retirement, benefit, bonus,

incentive, pension, welfare, and/or any other plan of or sponsored by Defendants. Defendants shall not make as part of this Agreement, nor be required to make, any deductions, nor pay any monthly contributions for any insurance, retirement, bonuses, 403(b), or profit sharing plans related to monies paid as a result of this Agreement. The Individual Settlement Payments paid to PAGA Aggrieved Employees shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g. bonuses, vacation, holiday pay, retirement plans, etc.) of PAGA Aggrieved Employees. The Parties agree that any Individual Settlement Payments paid to PAGA Aggrieved Employees under the terms of this Agreement do not represent any modification of PAGA Aggrieved Employees' previously credited hours of service or other eligibility criteria under an employee benefit plan sponsored by Defendant. Further, any Individual Settlement Payments are penalties and thus shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, and employee benefit plan or bonus plan sponsored by Defendant.

IV. RELEASE OF CLAIMS

1. Terms of Release by PAGA Aggrieved Employees and the State of California. Upon the Effective Date, in exchange for the consideration recited in this Agreement, Representative Plaintiff, as the Representative for the State of California and all PAGA Aggrieved Employees will forever completely release and discharge the Released Parties of any and all Released Claims, as defined in Paragraphs 18 and 19 of Section I. The PAGA Aggrieved Employees and the State of California are deemed by operation of the Court's Order and Judgment to have agreed not to sue or otherwise make a claim against any of the Released Parties for any Released Claims. The release will not be effective until Defendants have made all payments due under the terms of this Agreement.

2. No Claims Based on Stipulation and Agreement. No PAGA Aggrieved Employee will have any claim against any of the Released Parties, Defendants' counsel, the Representative Plaintiff, or Plaintiff's Counsel/PAGA Counsel, based on errors in administering claims or performing the mailing requirements of the Settlement Administrator under this Agreement.

3. Release by Plaintiff. Upon the effective date, in exchange for consideration recited in this Agreement, including the Individual Settlement Payment, Plaintiff Janay Scott, as an individual and as Representative Plaintiff, on behalf of herself and on behalf of her current, former, and future heirs, executors, administrators, attorneys, agents, and assigns, does hereby and forever release, waive, acquit and discharge the Released Parties from any and all claims, transactions, or occurrences, including, but not limited to charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands,

costs, losses, debts, penalties and expenses of any nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, whether in tort, contract, equity, or otherwise, which she has, had or might otherwise have had against the Released Parties, from the beginning of time to the date she signs this Agreement, regarding any aspect of her employment including, but not limited to, the Released Claims, any common law or statutory torts (including invasion of privacy), any federal, state, or governmental constitution, statute, regulation or ordinance, and any claim for wages, tips, or any other compensation or benefit. 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.

4. California Civil Code Section 1542. Upon the Effective Date, for purposes of Plaintiff's Release, Plaintiff Janay Scott, as an individual, and as Representative Plaintiff, will be deemed to have, and by operation of the Final Order and Judgment will have, expressly waived and relinquished, to the fullest extent permitted by the law, the provisions, rights, and benefits, 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. No Other Actions. Plaintiff, Janay Scott, as an individual, and as Representative Plaintiff, is deemed by operation of the Court's Order and Judgment to have agreed not to sue or otherwise make any claim against any of the Released Parties based upon any action, event, or occurrence prior to the date she signs this Agreement.

6. Release by PAGA Counsel: Upon the Effective Date, PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for attorneys' fees and costs incurred in connection with the facts and theories alleged in the Action, the PAGA notice, and the Released Claims.

V. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

1. Settlement Approval by Court. The Parties recognize that Court approval is required in the event of any settlement of a PAGA action, in accordance with California Labor Code § 2699(1)(2), and that a judgment with respect to the PAGA action is binding with respect to non-party aggrieved employees upon Court approval, pursuant to California Labor Code § 2699(1) and *Arias v. Superior Ct.* (2009) 46 Cal.4th 969. Parties further recognize that a settlement of a PAGA action is not subject to class action procedural rules, and that PAGA Employees do not have the right to opt-out of or otherwise exclude themselves from the Settlement, or object to the Settlement, and upon approval of the Settlement by the Court and funding of the Settlement, all PAGA Employees will have released the Released Parties of and for the Released Claims and PAGA Employees will be entitled to receive payment, in conformity with the Settlement. In order to comply with the requirements of California Labor Code § 2699, promptly upon execution of this Agreement, Plaintiff's Counsel shall prepare, file and serve a motion requesting that the Court approve the Settlement, including and not limited to the PAGA Penalties, Attorneys' Fees and Costs, and Settlement Administration Costs, and apply to the Court for the entry of an order approving the Settlement and all of the requested payments and entering judgment ("Approval Order and Judgment"). Plaintiff's Counsel shall not file the unopposed motion requesting approval or judgment with the Court until Defendants have reviewed and approved it, which approval will not be unreasonably withheld. The motion shall advocate that the penalties are fair, adequate, and reasonable, which will draw no opposition from Defendant or Defense Counsel. Before Plaintiff applies to the Court for approval of the Settlement, Plaintiff's Counsel shall submit the Agreement to the LWDA in conformity with California Labor Code § 2699(1)(2).

2. With Plaintiff's motion for approval of Settlement, Plaintiff shall submit a proposed Approval Order and Judgment which shall seek approval of this Settlement and the terms herein. Upon entry of the Approval Order and Judgment by the Court, Plaintiff's Counsel shall submit the Approval Order and Judgment to the LWDA in conformity with California Labor Code § 2699(1)(2).

VI. ADMINISTRATION OF THE SETTLEMENT

1. PAGA Aggrieved Employee List. Defendants shall compile a list containing the following information regarding each of the PAGA Aggrieved Employees who worked for Defendants during the PAGA Period: (1) full name; (2) last known mailing address; (3) Social Security number; and (4) the total number of pay periods worked during the PAGA Period ("PAGA Employee List"). The PAGA Employee List will be provided to the Settlement Administrator within ten (10) calendar days after the Court has signed and entered the Approval Order and Judgment. This information shall be treated as and remain confidential and shall be

used solely to manage the notice and payment process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendants, the individual in question, or by order of the Court.

2. Funding of Settlement. Defendants shall fund the Gross Settlement Amount by way of electronic transfer to the account to be established by the Settlement Administrator for purposes of administration of the Settlement (“Settlement Administration Account”) within thirty (30) calendar days of the Effective Date.

3. List of Individual Settlement Amounts. Within ten (10) calendar days after the Settlement Administrator receives the PAGA List, the Settlement Administrator will provide to PAGA Counsel and Defendants’ counsel a Proceeds List reflecting the Individual PAGA Payment for each Aggrieved Employee (“Proceeds List”). **The Proceeds List provided to PAGA Counsel will not include the Aggrieved Employees’ names, social security numbers or contact information.**

4. Payments to LWDA, Plaintiff’s Counsel, Plaintiff, and Settlement Administrator. Within fifteen (15) calendar days after Defendants fund the Gross Settlement Amount, the Settlement Administrator shall pay the Court-approved LWDA Payment to the LWDA, Attorneys’ Fees and Costs to Plaintiff’s Counsel, and Settlement Administration Costs to itself.

5. Escalator Clause. Plaintiff will provide Defendants with ten (10) days written notice of her intent to file a Motion for Approval of the PAGA Settlement and Order Requesting Approval of the PAGA Settlement to determine if the escalator clause applicable to Defendants has been activated. Defendants estimated the number of pay periods during the PAGA Period is 3,400. If it is determined that the number of pay periods exceeds 3,400 by more than 10%, there will be a pro rata adjustment to the Gross Settlement Amount per additional pay period.

6. Employee Notices and Payments to PAGA Employees. Within fifteen (15) calendar days after Defendants fund the Gross Settlement Amount, the Settlement Administrator shall mail via U.S. First Class mail to each PAGA Employee his or her Individual Settlement Check at the last known address in the PAGA Employee List or a more updated address from the National Change of Address Database. A notice letter explaining why the check is being sent (“Employee Notice”), in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as “**ExhibitB**,” will be included in the mailing of each PAGA Employee’s Individual Settlement Check. Together, an Individual Settlement Check that is mailed to a PAGA Employee with the Employee Notice is referred to as a “Payment Packet.”

Prior to mailing the Payment Packets, the Settlement Administrator shall check the addresses provided using the National Change of Address database. Should any of the Employee Notices be returned as undeliverable, the Settlement Administrator will have ten (10) calendar days after it receives the returned undeliverable mail to search for a more current address for the PAGA Employee (via a skip trace or other reasonable method) and to re-mail Employee Notices to the traced address.

7. Within twenty (20) calendar days of distributing the Gross Settlement Fund, the Settlement Administrator shall provide to Plaintiff's and Defendants' Counsel written confirmation verifying that it effected disbursement of the Gross Settlement Fund pursuant to the terms of this Agreement.

8. Expiration of Settlement Checks. All Individual Settlement Checks will expire one hundred and eighty (180) calendar days after the initial mailing of the original Payment Packets to the PAGA Employees, and thereafter, shall be cancelled. If any funds remain in the Settlement Administration Account as a result of cancelled Individual Settlement Checks, such funds shall be transmitted to the State Controller's Office Unclaimed Property Fund in the name of each PAGA Employee whose check is voided. All duties set forth herein shall be included in the Settlement Administration Costs and paid from the Gross Settlement Amount.

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.

10. Settlement Administrator's Tax Reporting. The Settlement Administrator shall be responsible for providing the requisite Form 1099's as required by this Agreement, and the completion of any other steps necessary for compliance with any tax obligations of the Settlement under federal, state, and/or local law, as applicable.

11. As soon as practicable after execution of this Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of Defendants and their counsel, take all necessary steps to secure the approval of this Settlement from the Court. Irrespective of whether a PAGA Employee's Individual Settlement Check has been cashed, he or she will be deemed to be bound to this Settlement, the release provided herein, and the Court's Approval Order and Judgment.

VII. ADDITIONAL TERMS.

1. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer,

or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

2. No Admission. Nothing contained herein, nor is the consummation of this Settlement, to be construed or deemed an admission with respect to liability, culpability, negligence, or wrongdoing on the part of Defendants, Released Parties, Plaintiff, Plaintiff's Counsel, PAGA Employees, or the LWDA. Each of the Parties hereto has entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. Defendants do not admit, and specifically deny, that they have violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to the Actions. Defendants deny that it has engaged in any unlawful activity, that it has failed to comply with the law in any respect, that it has 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 Action 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. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendants or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

3. Nullification. If: (1) the Court should for any reason fail to enter the Order and Judgment Approving the PAGA Settlement; or (2) the Court's Order and Judgment is reversed or modified as to any material term as defined above, or declared or rendered void as to any material term as defined above, then (a) the Parties shall meet and confer in a good-faith effort to resolve and cure any reversed or modified material term; (b) if the Parties are unable to agree on a modification to resolve and cure a reversed or modified material term after a reasonable period of time, then the Settlement Agreement shall become null and void; (c) the Parties will revert to their respective positions immediately prior to reaching the settlement; and (d) Defendants will not be responsible for any costs or fees, including Settlement Administration Costs.

4. Effective Date of Defendants' Obligations Under This Agreement. Defendants' obligations under this Settlement Agreement will become final and effective only upon the occurrence of the Effective Date. In the event that any of the conditions specified in this Settlement Agreement are not satisfied, or in the event that this Settlement does not obtain approval of the Court for any reason, all matters covered by this Agreement will be null and void. In such event, neither this Agreement, nor any negotiations leading to this Settlement, will be used or construed by or against any Party as a determination, admission, or concession of any issue of law or fact in the litigation; and the Parties do not waive, and instead expressly reserve, their respective rights regarding the prosecution and defense of the Actions, including all available defenses and affirmative defenses, and to challenge any claim, as if this Settlement Agreement never existed.

5. Attorneys' Fees, Costs And Expenses. Except as specifically set forth herein, each Party shall bear its/his/her own attorneys' fees, costs and expenses, taxable or otherwise, incurred by him/her/it/them arising out of the Action, and shall not seek reimbursement thereof from any other party to this Agreement, unless otherwise specifically stated. In the event of a proven breach of this Agreement, the breaching party will be required to pay the prevailing Party's reasonable attorneys' fees and costs incurred in enforcing this Agreement.

6. Enforcement And Continuing Jurisdiction Of The Court. The Parties agree that upon approval by the Court, this Agreement shall be enforceable by the Court, and the Court shall retain exclusive and continuing equity jurisdiction pursuant to California Code of Civil Procedure § 664.6 of this action over all Parties and PAGA Aggrieved Employees to interpret and enforce the terms, conditions, and obligations set forth in this Agreement.

7. Severability. The Parties agree that if any immaterial 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, and the remaining provisions shall be deemed enforceable.

8. Invalidation. Invalidation of any material term of this Settlement Agreement will invalidate this Agreement in its entirety only if the Parties, after meeting and conferring for a reasonable time in a good-faith effort to resolve the invalidity, are unable to reach an agreement, unless the Parties subsequently agree in writing that the remaining provisions will remain in full force and effect.

9. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and

that this Agreement constitutes the entire agreement between Plaintiff and Defendant regarding the settlement of the Released Claims and that this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding the resolution of the Released Claims. This Settlement Agreement will not be construed in favor of or against any Party by reason of the extent to which any Party, or her or its counsel participated in the drafting of this Agreement. This Settlement Agreement constitutes the entire agreement between the Parties. Except as expressly provided in this Agreement, this Settlement Agreement has not been executed in reliance upon any other oral or written representations or terms and no such extrinsic oral or written representations or terms will modify, vary or contradict the terms of this Settlement Agreement. In entering this Settlement Agreement, the Parties explicitly recognize California Civil Code section 1625 and California Code of Civil Procedure section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. The Representative Plaintiffs and Defendants had available to them the advice and assistance of independent counsel. As such, neither Representative Plaintiff nor Defendants may claim that any ambiguity in this Settlement Agreement should be construed against the other.

10. Interpretation: 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. Accordingly, the Parties hereby waive the benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract should be interpreted against the Party who caused the uncertainty to exist

11. Non-Evidentiary Use. Neither the existence of this Agreement, the terms of this Agreement, the negotiation and execution of this Agreement, all acts performed or documents executed pursuant to or in furtherance of this Agreement, nor the settlement of the Action 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, Defendants, 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, culpability, fault, wrongdoing, omission, concession, or damage, or of the truth of any of the factual allegations in the Operative Complaint in the Action; (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, or any other civil, criminal, or administrative action or proceeding in any court, administrative agency or other tribunal except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendants to attempt to establish that a PAGA Employee has resolved or been compensated for any claims made by that employee; and (c) deemed to be, nor used as, an admission or evidence of the

appropriateness of these or similar claims for representative treatment, class certification or administration other than for purposes of administering this Settlement. Nothing herein shall constitute an admission by Defendants that the Action was properly brought as a representative action other than for settlement purposes.

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. 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. Captions And Headings. Paragraph titles, captions, or headings contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

15. Modification. This Agreement may not be changed, altered, waived, or modified, except in writing and signed by counsel for the Parties hereto, and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

16. Binding. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, attorneys, shareholders, trustees, fiduciaries, partners, parent corporations, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, successors in interest, and related or affiliated entities.

17. Confidentiality/No Publication. The Parties will, and will cause all their respective current or past counsel to: (i) maintain in confidence and not publish or otherwise disclose to any third party the terms of this Agreement or any related information, except as necessary to obtain Court approval as contemplated by this Agreement; (ii) not publish the fact and/or terms of this Agreement or any related information on their website(s), for advertising purposes and/or in publication materials generally available to the public. Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement will be admissible and subject to disclosure in any proceeding to enforce its terms.

18. Entire Agreement. This Settlement Agreement constitutes the entire integrated agreement between the Parties relating to the Actions, and no oral representations, warranties, or inducements have been made to any party concerning this Settlement Agreement other than the representations, warranties, and covenants contained and memorialized in this Settlement Agreement.

19. Authority to Act. Plaintiff's Counsel/PAGA Counsel warrant and represent that they are authorized by the Representative Plaintiff, and counsel of record for Defendants warrant that they are authorized by Defendants, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement, except for any documents, including but not limited to this Settlement Agreement, that are required to be executed by the Parties.

20. Binding on Successors. This Settlement Agreement is binding upon and will inure to the benefit of the Parties to this Agreement, as well as their respective attorneys, past, present, and future predecessors, successors, shareholders, officers, directors, employees, agents, trustees, representatives, administrators, fiduciaries, assigns, executors, partners, parent corporations, subsidiaries, and related or affiliated entities.

21. Representations by Counsel. All of the Parties hereto acknowledge that they have been represented by counsel throughout all negotiations which preceded the execution of this Settlement Agreement and that this Agreement has been executed with the consent and advice of counsel.

22. Corporate Signatories. Any person executing this Settlement Agreement or any related document on behalf of a corporate signatory warrants and promises for the benefit of all Parties that such person has been duly authorized by such corporation to execute this Settlement Agreement or any related document.

23. Electronic Signatures and Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties. The counterparts may be executed and/or transmitted electronically or by facsimile.

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

PLAINTIFF JANAY SCOTT

Feb 29, 2024
DATED: _____



[Janay Scott \(Feb 29, 2024 20:36 PST\)](#)

**DEFENDANTS CALIFORNIA DRUG
CONSULTANTS, INC. AND INTEGRATED
CARE COMMUNITIES, INC.**

DATED: _____

By: Phillip Saucedo
On behalf of Defendants

APPROVED AS TO FORM AND CONTENT:

DATED: March 1, 2024

AEGIS LAW FIRM, PC

By: 

Fawn F. Bekam
Attorneys for Plaintiff Janay Scott

DATED: _____

GORDON REES SCULLY MANSUKHANI, LLP

By: _____
Kendra Canape
Pamela J. Silk
Attorneys for Defendants, CALIFORNIA DRUG
CONSULTANTS, INC. AND INTEGRATED
CARE COMMUNITIES, INC.

Exhibit A
Employee Notice

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual Settlement Payment from *Jose Cruz v. Volkswagen Group of America, Inc.*
San Bernardino County Superior Court, Case No. CIVDS1933989

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<**amount of payment**>> (“Individual Settlement Check”). This check is your payment from the settlement of a lawsuit entitled *Jose Cruz v. Volkswagen Group of America, Inc.*, Case No. CIVDS1933989 (“Action”), pending in the Superior Court of California for the County of San Bernardino (“Court”).

The lawsuit was filed by Jose Cruz (“Plaintiff”), a former employee of Volkswagen Group of America, Inc. (“Defendant”), on behalf of the State of California with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). Plaintiff alleged that Defendant violated the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay all wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, provide accurate itemized wage statements, and timely pay all wages during employment and upon separation of employment. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following aggrieved employees: all current and former non-exempt employees who worked for Defendant within the State of California between November 11, 2018 through December 7, 2021 (“PAGA Employees”).

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the PAGA Employees. You are receiving a portion of the settlement (the enclosed Individual Settlement Check) because you have been identified as a PAGA Employee. Your Individual Settlement Check is based on the total number of pay periods that you worked as a PAGA Employee during the period between November 11, 2018 through December 7, 2021 (“PAGA Period”). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The “Released Parties” means Defendant and their current, past, and present, subsidiaries, affiliates, directors, officers, managing agents, and owners. The “Released Claims” means and refers to claims for civil penalties under the PAGA, California Labor Code § 2698, *et seq.*, that are based upon or arise from the factual allegations in the operative Complaint in the Action and/or Plaintiff’s PAGA notice to the California Labor and Workforce Development Agency, arising during the PAGA Period, including, for the failure to properly pay all minimum wages, overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, provide accurate itemized wage statements, and timely pay all wages during employment and upon separation of employment, and for violation of and/or based on California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1198, and all claims for attorneys’ fees and costs in connection therewith.

Your Individual Settlement Check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual Settlement Check will

Exhibit A

Employee Notice

be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in the name of the PAGA Employee whose check is voided.

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.

Scott - CDC - Long Form Settlement Agreement - FINAL Clean

Final Audit Report

2024-03-01

Created:	2024-02-26
By:	Fawn Bekam (fbekam@aegislawfirm.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAVmx0oNHWykfZWmhMAVbNfRERvCs_sw6

"Scott - CDC - Long Form Settlement Agreement - FINAL Clean" History

-  Document created by Fawn Bekam (fbekam@aegislawfirm.com)
2024-02-26 - 7:12:27 PM GMT
-  Document emailed to Janay Scott (lovemj29xo@gmail.com) for signature
2024-02-26 - 7:12:59 PM GMT
-  Email viewed by Janay Scott (lovemj29xo@gmail.com)
2024-02-28 - 4:04:29 PM GMT
-  Document e-signed by Janay Scott (lovemj29xo@gmail.com)
Signature Date: 2024-03-01 - 4:36:01 AM GMT - Time Source: server
-  Agreement completed.
2024-03-01 - 4:36:01 AM GMT