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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

HANNAH CUELLAR, individually, and as an aggrieved employee pursuant to Private Attorneys General Act ("PAGA"), on behalf of the State of California, Plaintiffs, v. OPTUM SERVICES, INC., a Delaware Corporation; UNITED HEALTHCARE SERVICES, INC., a Minnesota Corporation, and DOES 1 through 10, inclusive, Defendants.	Case No. CIVSB2402419 HON. DAVID E. DRISCOLL, DEPT. S22 - SBJC **PAGA REPRESENTATIVE ACTION SETTLEMENT AGREEMENT AND RELEASE** Complaint Filed: January 8, 2024 Trial Date: None Set

PAGA REPRESENTATIVE ACTION SETTLEMENT AGREEMENT AND RELEASE

This PAGA Representative Action Settlement Agreement and Release ("Settlement" or "Agreement") is made and entered into by and between Defendants Optum Services, Inc. and United HealthCare Services, Inc. ("Defendants") and Plaintiff Hannah Cuellar ("Plaintiff"), on behalf of the State of California and other Aggrieved Employees as defined below (collectively with Defendants, the "Parties"). By executing this Agreement, the Parties intend to settle the lawsuit entitled *Hannah Cuellar v. Optum Services, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2402419, filed on January 8, 2024, involving claims brought under the Private Attorneys General Act of 2004 ("PAGA"), Labor Code § 2698, *et seq*. (the "Action").

1. DEFINITIONS

As used herein, for the purposes of this Agreement only, the following terms shall be defined as set forth below:

1.1 **"Aggrieved Employees"** means all current and former non-exempt and/or hourly paid California employees of Optum Services, Inc. and United HealthCare Services, Inc. who worked at any time during the PAGA Period.

1.2 **"Aggrieved Employee Settlement Amount"** means 25% of the Net Settlement Amount (as defined below).

1.3 "**Approval Order**" means the approval order issued and entered by the Court following a Motion For Approval Of The PAGA Settlement.

1.4 "**Attorneys' Fees and Costs**" means the payment, as approved by the Court, to be made to Plaintiff's Counsel (as defined below) in full satisfaction of all claims Plaintiff may have for reasonable attorneys' fees, litigation costs, and expenses incurred in this Action. Attorneys' Fees and Costs are to be taken from the Gross Settlement Amount (as defined below). The amount of attorneys' fees awarded to Plaintiff's Counsel may not exceed one-third of the Gross Settlement Amount, or $236,667. The amount of litigation costs and expenses awarded to Plaintiff's Counsel may not exceed $15,000. Defendants agree not to contest the amount of Attorneys' Fees and Costs, provided that they are consistent with the terms of this Agreement.

1.5 "**Court**" refers to the San Bernardino County Superior Court presiding over the Action.

1.6 "**Data List**" means a complete list of all Aggrieved Employees that Defendants will diligently and in good faith compile from its records and provide to the Settlement Administrator (as defined below) within 30 calendar days after the date of the Approval Order. The Data List will be formatted in Microsoft Office Excel and will include each individual's full name, last known mailing address and telephone number (if available), Social Security number, number of bi-weekly pay periods, and all necessary information to prepare and calculate Individual Settlement Payments (as defined below) to Aggrieved Employees. For purposes of this Agreement, the Data List provided by Defendants shall be considered the official information to be used for this Settlement.

1.7 "**Defense Counsel**" refers to Andrew M. Paley, Michael Afar and Lauren S. Schwartz of Seyfarth Shaw LLP.

1.8 "**Effective Date**" means the date upon which all of the following have occurred: (i) approval of the Settlement is granted by the Court overseeing the Action, or other court assuming jurisdiction of this matter, and (ii) the Court's Judgment approving the Settlement becomes Final. "Final" shall mean the latest of: (i) if there is an appeal of the Court's Judgment, the date on which the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for review to the California Supreme Court and/or petition for writ of certiorari to the U.S. Supreme Court, or (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment; i.e., 60 calendar days after entry

1.9 "**Enhancement Award**" means the amount to be paid to Plaintiff in recognition of her effort and work in prosecuting the Action on behalf of the State of California and the Aggrieved Employees. Subject to the Court's approval, the Enhancement Award shall not exceed $10,000.00. Defendants will not oppose this request. The Court's approval of the Enhancement Payment is not a material term of the Settlement. Any amount not approved by the Court shall be allocated to the PAGA Payment.

1.10 "**Escalation Clause**" refers to the condition necessary to increase the Gross Settlement Amount (as defined below). Specifically, as of the date of the private mediation on December 3, 2025, Defendants had represented that the Aggrieved Employees worked 78,000 pay periods from November 8, 2021, through December 3, 2025. In the event that Defendants' data shows that the actual number of pay periods worked by the Aggrieved Employees during the PAGA Period exceeds 78,000 by more than 10% (i.e., exceeds 85,800 pay periods), Defendants shall have the option to either: (1) agree to increase the Gross Settlement Amount on a proportional basis above 10% (i.e., if there is an 11% increase in the number of pay periods during the PAGA Period, Defendants would agree to increase the Gross Settlement Amount by 1%); or (2) elect to end the PAGA Period on an earlier date at the Defendants' discretion in order to limit the covered pay periods to 10% more than the estimate provided in lieu of paying an increase to the Gross Settlement Amount.

1.11 "**Gross Settlement Amount**" ("GSA") means the amount that the Parties negotiated and agreed upon for the resolution of the Action and Released PAGA Claims, in an amount not to exceed $710,000.00. The GSA shall be inclusive of (i) the Attorneys' Fees and Costs; (ii) the Enhancement Payment; (iii) the Net Settlement Amount, and (iv) the Settlement Administrator's Expenses (as defined below). The GSA is a material term of this Agreement and Defendants shall not be required to pay more than the GSA, unless the Escalation Clause is triggered.

1.12 "**Individual Settlement Payments to Aggrieved Employees**" means the individual payments that shall be made to each Aggrieved Employee, which in the aggregate total the Aggrieved Employee Settlement Amount. Individual Settlement Payments to Aggrieved Employees are taken from the Net Settlement Amount (as defined below).

1.13 "**Judgment**" means a judgment entered by the Court that approves this Settlement, incorporates by reference the terms and conditions of this Agreement, and retains jurisdiction over the Parties and the Settlement under Code of Civil Procedure § 664.6 for purposes of enforcing the Agreement.

1.14 "**LWDA**" refers to the California Labor and Workforce Development Agency.

1.15 "**LWDA Payment**" means 75% of the Net Settlement Amount (as defined below), made to the LWDA.

1.16 "**Net Settlement Amount**" ("NSA") shall be the GSA minus the Attorneys' Fees and Costs, the Enhancement Payment, and the Settlement Administrator's Expenses. The Net Settlement

Amount shall be allocated as follows: 75% of the NSA (i.e., the LWDA Payment) will be paid to the LWDA , and 25% of the NSA (i.e., the Aggrieved Employee Settlement Amount) will be paid to the Aggrieved Employees based on the number of bi-weekly pay periods worked during the PAGA Period (as defined below).

1.17 "**Notice to Aggrieved Employees With Distribution of PAGA Payment**" refers to the statement the Settlement Administrator (as defined below) will include with the distribution of the Individual Settlement Payments to Aggrieved Employees. The Notice to Aggrieved Employees With Distribution of PAGA Payment will state as follows: "Defendants have entered into a compromise and settlement with the State of California in connection with claims brought under the Private Attorneys General Act. As part of this compromise and settlement, the Court has ordered the enclosed settlement check."

1.18 "**PAGA**" refers to the Private Attorneys General Act of 2004.

1.19 "**PAGA Period**" shall mean the time period from November 8, 2021 through February 10, 2026.

1.20 "**Pay Periods**" refers to the number of pay periods that each Aggrieved Employee worked for Defendants during the PAGA Period in California. Defendants' employment records will be determinative for purposes of calculating the Pay Periods and any payments under the Settlement. If an individual worked during any day of the Pay Period, the Pay Period shall be included in their pro rata share of the Aggrieved Employee Settlement Amount.

1.21 "**Plaintiff's Counsel**" means counsel of record for Plaintiff Hannah Cuellar: Capstone Law APC and the Law Offices of Mark Yablonovich.

1.22 "**Qualified Settlement Fund**" means a fund established by the Settlement Administrator pursuant to U.S. Treasury Regulation Section 468B-1.

1.23 "**Released PAGA Claims**" shall mean any and all claims, rights, demands, charges, complaints, obligations or liability of any kind for PAGA civil penalties and other available remedies under the PAGA that were asserted or that could have been asserted based on the facts alleged in the operative Complaint of the Action during the PAGA Period, including, but not limited to, PAGA civil penalties for the alleged violation of California Labor Code §§ 201, 202, 203, 204, 210, 221, 223, 224, 225.5, 226, 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 248.6. 249, 256, 510, 512, 516, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698, 2699, 2699.3, 2699.5, 2802, 2810.5, any applicable Wage Order of the California Industrial Welfare Commission, and any remedies under PAGA for any of the claims described herein, including, penalties, restitution, declaratory relief, equitable or injunctive relief, interest, and attorneys' fees and costs. The Released PAGA Claims shall be released by Plaintiff, the State of California, the LWDA, and all Aggrieved Employees, without any option to submit any Request for Exclusion.

1.24 "**Released Parties**" shall mean Defendants, and each of their current and former parents, subsidiaries, affiliates, shareholders, members, agents, predecessors, successors and assigns.

1.25 "**Settlement Administrator**" refers to ILYM Group, Inc.

1.26 "**Settlement Administrator's Expenses**" refers to the costs payable from the GSA to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Agreement, distributing the GSA, establishing a separate employer identification number and creating a Qualified Settlement Fund (as defined below), and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs are currently estimated to be $10,000. The Settlement Administrator shall use its own Tax Payer Identification Number to issue to Aggrieved Employees Form-1099s for all amounts paid under this settlement. The Settlement Administrator shall establish a Qualified Settlement Fund account pursuant to Section 468B(g) of the Internal Revenue Code for the purpose of administering the settlement, into which the GSA will be deposited and calculate all settlement checks required under law based on information that will be confidentially furnished by Defendants.

2. RECITALS

2.1.1 On November 3, 2023, Plaintiff submitted a PAGA Notice to the LWDA, alleging various Labor Code violations and applicable Industrial Welfare Commission Wage Order.

2.1.2 On January 8, 2024, Plaintiff filed a PAGA representative action against Defendants in San Bernardino County Superior Court, entitled *Cuellar v. Optum Services, Inc., et al.*, Case No. CIVSB2402419.

2.1.3 On July 12, 2024, the Court ordered Plaintiff's individual PAGA claims to arbitration and stayed the representative/non-individual PAGA claims pending arbitration.

2.1.4 As part of the informal discovery process, Defendants provided Plaintiff with all of the relevant written policies and procedures, a list of all non-exempt hourly positions, random samples of time records and electronic pay records.

2.1.5 On December 6, 2024, Plaintiff submitted a demand for arbitration to AAA, entitled *Cuellar v. Optum Services, Inc., et al.*, AAA Case No. 01-024-0009-0276.

2.1.6 Defendants also furnished Plaintiff with data points for the PAGA Period, showing the number of Aggrieved Employees and the number of pay periods worked by Aggrieved Employees.

2.1.7 Plaintiff's Counsel represents they have thoroughly investigated Plaintiff's claims against Defendants. Plaintiff's Counsel further represent they have conducted their own investigation into the underlying facts, events, and issues related to the subject matter of the Action, including the review of the records produced by Defendants. In addition, Plaintiff's Counsel represent that they have further undertaken an extensive analysis of the legal principles applicable to the claims asserted against Defendants, and the potential defenses thereto. All Parties have had ample opportunity to evaluate their respective positions on the merits of the claims asserted.

2.2 **Private Mediation**

2.2.1 On December 3, 2025, the Parties attended a full-day mediation with Daniel J. Turner, Esq., a highly-respected and experienced mediator in employment class and representative action cases. At the end of a full-day mediation, the Parties were at an impasse, but Mr. Turner issued a mediator's proposal to settle this Action.

2.2.2 On December 12, 2025, the Parties accepted Mr. Turner's mediator's proposal to resolve this Action.

2.2.4 The Parties have agreed to settle the Action for an amount not to exceed (i.e., unless the Escalation Clause is triggered) $710,000.00 (i.e., the Gross Settlement Amount). The entire Gross Settlement Amount will be disbursed pursuant to the terms and conditions of this Agreement, and none of it will revert to Defendants.

2.3 **The Settlement Is The Result of Arms' Length Negotiations.** Based on the foregoing investigation and evaluation, Plaintiff's Counsel is of the opinion that the terms set forth in this Agreement are fair, reasonable, adequate, and in the best interests of the State of California and the Aggrieved Employees. The terms of the Settlement also reflect extensive exchange of information and data between the Parties, which allowed Plaintiff's Counsel to fully evaluate the potential risks in pursuing the underlying claims on the merits. This Agreement was reached after extensive arms'-length negotiations, including one full-day mediation, and it was negotiated in light of all known facts and circumstances, including the risks of significant delay and uncertainty associated with litigation, the risk that the Action would not be permitted to proceed on a representative basis, various defenses asserted by Defendants, and numerous potential appellate issues. Plaintiff's Counsel also evaluated the interest of the Aggrieved Employees and the State of California in receiving a timely settlement, rather than continued litigation in this Action.

2.4 **The Parties' Intent.** It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge the Released PAGA Claims arising during the PAGA Period. The Parties also intend to effectuate the full scope of the Released PAGA Claims in this Agreement.

2.5 **First Amended Complaint and Amended LWDA Letter.** Plaintiff's Counsel shall prepare an amended LWDA Letter within five (5) days after this Settlement Agreement is executed for Defense Counsel's review and approval. The amended LWDA Letter, and the forthcoming First Amended Complaint, shall encompass all Released PAGA Claims, including any and all additional PAGA violations, claims, and theories of liability asserted in *Eveline Franco v. Optum Services, Inc.*, Orange County Superior Court Case No. 30-2022-01290715. At least five (5) days prior to filing the First Amended Complaint, Plaintiff's counsel shall provide Defense Counsel with a draft for their review and approval. The Parties agree that, before the filing of a Motion to Approve the PAGA Settlement, Plaintiff will file a joint stipulation requesting that the Court grant leave to file the First Amended Complaint for settlement purposes. Defendants shall not be required to file an answer to the First Amended Complaint and no affirmative or other defense shall be considered waived as to the First Amended Complaint, if the Court does not grant Motion to Approve the PAGA Settlement.

2.6 **Dismissal of AAA Arbitration**. Plaintiff will take all necessary steps to dismiss the AAA Arbitration entitled *Cuellar v. Optum Services, Inc., et al.*, AAA Case No. 01-024-0009-0276

3. NON-ADMISSIONS OF LIABILITY

3.1 Defendants deny and continue to deny all of the allegations made by Plaintiff in the Action, and deny and continue to deny that they are liable or owe any damages, penalties or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Action. Defendants deny any liability or wrongdoing of any kind in connection with Plaintiff's claims, and contend that, during all relevant times, they complied with all applicable California and federal law. Nonetheless, without admitting or conceding any liability or damages whatsoever, and without admitting that a representative action is appropriate except for settlement purposes alone, Defendants have agreed to settle the Action on the terms and conditions set forth in this Agreement, to avoid the burden, expense, and uncertainty of continuing with litigation.

3.2 The Parties understand and agree that this Agreement and any exhibits thereto are settlement documents and shall be inadmissible for the purpose of showing liability against Defendants or the Released Parties. However, the Parties agree that, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of this Agreement.

4. FINANCIAL TERMS OF THE SETTLEMENT

4.1 **Gross Settlement Amount**. Subject to the terms and conditions of this Agreement, Defendants shall pay the gross settlement amount not to exceed $710,000.00, which includes Attorneys' Fees and Costs, Enhancement Award to Plaintiff, Net Settlement Amount, and Settlement Administrator's Expenses to Settlement Administrator. The Gross Settlement Amount is a material term of the Agreement and shall not be increased for any reason, unless the Escalation Clause is triggered. Specifically, Defendants have represented that the Aggrieved Employees worked 78,000 biweekly pay periods from November 8, 2021, through December 3, 2025. In the event that Defendants' data shows a greater than 10% increase in the number of biweekly pay periods (i.e., exceeds 85,800 pay periods) during the PAGA Period, Defendants shall have the option to either: (1) agree to increase the Gross

Settlement Amount on a proportional basis above 10% (i.e., if there is an 11% increase in the number of pay periods during the PAGA Period, Defendants would agree to increase the Gross Settlement Amount by 1%); or (2) elect to end the PAGA Period on an earlier date at the Defendants' discretion in order to limit the covered pay periods to 10% more than the estimate provided in lieu of paying an increase to the Gross Settlement Amount.

4.2 **Attorneys' Fees And Costs.** Plaintiff's Counsel will apply to the Court for an award of Attorneys' Fees And Costs not to exceed 1/3 of the Gross Settlement Amount, or $236,667, and reasonable documented costs directly incurred for purposes of the Action, as supported by declarations, not to exceed $15,000. Except as provided in this Agreement, Defendants shall have no liability for any other attorneys' fees, costs or expenses in connection with the Action.

4.2.1 Plaintiff's Counsel will be responsible for submitting all documents to support their request for attorneys' fees, costs, and expenses in connection with the Action. Defendants agree not to oppose or object to Plaintiff's Counsel's request for Attorneys' Fees And Costs if they are made in accordance with the terms of this Agreement.

4.2.2 If the Court does not approve or approves only a lesser amount than that requested by Plaintiff's Counsel for Attorneys' Fees And Costs, this is not a basis for Plaintiff to void the Settlement, and the other terms of the Agreement shall still apply. The Court's refusal to approve the Attorneys' Fees And Costs requested by Plaintiff's Counsel does not give the Plaintiff, Aggrieved Employees, or Plaintiff's Counsel any basis to abrogate the Agreement. Any amount of Attorneys' Fees And Costs requested by Plaintiff's Counsel but unapproved by the Court shall be part of the Net Settlement Amount.

4.3 **Enhancement Award**. Subject to the Court's approval, Defendants agree to pay an Enhancement Award to Plaintiff, in an amount not to exceed $10,000.00. The Enhancement Award shall be paid from the Gross Settlement Amount, as an enhancement for her services as the representative of the Aggrieved Employees and State of California. The Enhancement Award shall be in addition to any pro rata share of the PAGA Payment that Plaintiff may otherwise receive under the Agreement.

4.3.1 Defendants will not oppose Plaintiff's request for the Enhancement Award. Defendants will not deduct any payroll taxes from the Enhancement Award because the Parties agree that the Enhancement Award is not considered to be payment of wages. Plaintiff will be responsible for correctly characterizing this compensation for tax purposes and for paying any taxes owing on said amount. Plaintiff shall indemnify and hold harmless Defendants from any claim or liability for taxes, penalties, or interest arising as a result of the payment of the Enhancement Award.

4.3.2 The Parties agree that a denial or reduction by the Court of the requested Enhancement Award is not a basis for rendering the entire Agreement voidable or unenforceable. Any reductions by the Court of the Enhancement Award shall be part of the PAGA Payment.

4.4 **Settlement Administration Cost**. Subject to the Court's approval, Defendants agree to pay the Settlement Administrator the Settlement Administrator's Expenses, currently estimated at $10,000, for the administration of this Settlement. The Settlement Administrator's Expenses shall be paid from the GSA. Any reduction by the Court or any unused amount shall revert to the Net Settlement Amount. The Settlement Administrator shall assist in all aspects of the settlement process for the Action, including, but not limited to:

4.4.1 Establishing a separate employer identification number and a Qualified Settlement Fund, tax reporting, making tax payments, providing required 1099 and W-2 forms;

4.4.2 Calculating and distributing Attorneys' Fees and Costs, Enhancement Award, Net Settlement Amount, including Aggrieved Employee Settlement Amount and LWDA Payment, and Settlement Administration Cost;

4.4.3 Printing, distributing, tracking, sending, and resending of Notice to Aggrieved Employees With Distribution of PAGA Payment pursuant to the terms of this Agreement; and

4.4.4. Tracking and distributing any unclaimed Qualified Settlement Funds to the California State Controller's Office pursuant to California's Unclaimed Property Law.

4.5 **Net Settlement Amount**. After deducting (i) the court-approved Attorneys' Fees and Costs, (ii) the court-approved Enhancement Award, and (iii) the court-approved Settlement Administrator's Expenses, the remainder of the Gross Settlement Amount is the Net Settlement Amount, which consists of the LWDA Payment and the Aggrieved Employee Settlement Amount. For tax purposes, the Parties agree that the PAGA Payment allocated to the Aggrieved Employees shall be considered penalties, for which a Form 1099 will be issued to reflect these payments. Aggrieved Employees will be responsible for paying any personal income taxes owed on the amounts they receive. Funds contained in the settlement checks that are returned as undeliverable and in settlement checks uncashed for more than 180 days after issuance will be tendered to the California State Controller's Office - Unclaimed Property Fund, to be held in the name of the Aggrieved Employee.

4.6 **No Impact On Employee Benefit Plans.** None of the payments made pursuant to the Agreement shall be considered for purposes of determining eligibility for, vesting or participation in, or contributions to any benefit plan, including, without limitation, all plans subject to the Employee Retirement and Income Security Act of 1974 ("ERISA"). Any distribution of payments to Plaintiff and Aggrieved Employees shall not be considered as a payment of wages or compensation under the terms of any applicable benefit plan and shall not affect participation in, eligibility for, vesting in, the amount of any past or future contribution to, or level of benefits under any applicable benefit plan. Any amounts paid will not impact or modify any previously credited hours of service or compensation taken into account under any benefit plan sponsored or contributed to by Defendants or any jointly-trusteed benefit plan. For purposes of this Agreement, "benefit plan" means each and every "employee benefit plan," as defined in 29 U.S.C. § 1002(3), and, even if not thereby included, any 401(k) plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare, profit sharing, retirement, disability, vacation, sick time or pay, severance, hospitalization, insurance, incentive, deferred compensation, or any other similar benefit plan, practice, program, or policy.

5. RELEASES

5.1 **Release By Plaintiff, The State Of California, And The Aggrieved Employees**. Plaintiff, on behalf of herself, the State of California, and the Aggrieved Employees fully and finally release and forever discharge the Released Parties from any and all Released PAGA Claims during the PAGA Period. As a result of this release, Plaintiff, the State of California, and the Aggrieved Employees will not be able to bring a claim or seek civil penalties based on the Released PAGA Claims that took place during the PAGA Period.

5.2 **Additional Release By Plaintiff.** In addition to the Released PAGA Claims, upon the Effective Date, Plaintiff will generally release and forever discharge the Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which Plaintiff has or may have against the Released Parties as of the date of execution of this Agreement. For the purpose of implementing a full and complete release and discharge of the Released Parties, Plaintiff expressly waives all rights provided by Civil Code section 1542, or any other similar provisions of applicable law, which are as follows: "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."

5.3 **Injunction From Pursuing Released PAGA Claims**. Plaintiff, the State of California, and the Aggrieved Employees shall be enjoined from filing, initiating, or continuing to prosecute any actions, claims, complaints, or proceedings in any court, or with the Division of Labor Standards Enforcement ("DLSE"), or with the LWDA, or the United States Department of Labor ("DOL"), or with any other entity regarding the Released PAGA Claims released in the Agreement. This Settlement is conditioned upon the release by Plaintiff, the State of California, and Aggrieved Employees as described herein. In the event that any court or administrative agency does not give full effect to the release, Defendants shall have the right to file a motion for summary judgment or any other pleading or paper to enforce the terms of this Agreement. Plaintiff's Counsel will not oppose, contest or interfere with efforts by Defendants to oppose any attempt to bring such released claims against Defendants.

6. COMPUTATION OF SETTLEMENT PAYMENTS TO AGGRIEVED EMPLOYEES

6.1 **Payments Based On Pay Periods**. The PAGA Payment will be distributed to Aggrieved Employees based on their number of Pay Periods worked during the PAGA Period. Defendants shall provide records (i.e., the Data List) to the Settlement Administrator, showing the total Pay Periods of Aggrieved Employees during the PAGA Period. Defendants' records shall be determinative for purposes of calculating the number of Pay Periods worked and any payments to the Aggrieved Employees.

6.2 **Distribution Of PAGA Payment.** Individual Settlement Payments to Aggrieved Employees will be determined by dividing the Aggrieved Employee Settlement Amount (25% of the Net Settlement Amount, which is allocated to Aggrieved Employees) by the total number of Pay Periods, and then multiplying the resulting figure by the number of Pay Periods of each Aggrieved Employee during the PAGA Period. The Settlement Administrator will issue appropriate tax forms for all payments issued under this Agreement. The payments made under this Agreement will be made with respect to the PAGA claims for all Aggrieved Employees and the individual claims for Plaintiff; accordingly, the payments shall be distributed without a claims process or an opportunity to object or opt out.

7. SETTLEMENT APPROVAL PROCEDURE

7.1 **Approval Of Settlement Terms**. Upon execution of this Agreement, Plaintiff's Counsel shall promptly prepare the Motion For Approval of PAGA Settlement to be filed in the Action. The Motion For Approval of PAGA Settlement shall seek an order to approve the proposed settlement according to the terms in this Agreement. The Motion For Approval of PAGA Settlement also shall seek an order that provides for the Notice to be sent to Aggrieved Employees as specified in this Agreement. The Motion For Approval of PAGA Settlement shall include the bases for the GSA and why the amount is reasonable in light of the facts and controlling authorities pertaining to the claims alleged in the Action. Defense Counsel will be given an opportunity to comment on said motion at least seven (7) calendar days prior to filing, and such comments shall be implemented to the extent they are deemed reasonable by Plaintiff's Counsel.

7.2 **Entry Of Judgment**. The Parties shall request that the Court issue Judgment in accordance with this Agreement and without further fees or costs to any party except as expressly set forth in this Agreement. In the event either the Court fails to enter final judgment in accordance with this Agreement, or such final judgment is vacated or reversed, the Parties shall revert to their respective positions before the Settlement was reached, as if no settlement had been attempted, unless the Parties jointly agree to seek reconsideration or appellate review of the ruling or approval of a renegotiated settlement.

7.3 **Notice To The LWDA**. Plaintiff's Counsel shall give written notice of the PAGA Settlement to the LWDA simultaneously with the filing of the Motion For Approval of PAGA Settlement in the Action pursuant to Labor Code § 2699(s)(2).

8. NOTICE TO AGGRIEVED EMPLOYEES

8.1 **Data List**. Defendants shall provide the Settlement Administrator with the Data List within 30 calendar days after the Effective Date. The Data List is being provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of Data List. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Settlement.

8.2 **Mailing Of Notice To Aggrieved Employees With Distribution of PAGA Payment**. The Settlement Administrator shall use First Class U.S. Mail to mail the Notice to Aggrieved Employees With Distribution of PAGA Payments within 15 calendar days after funding of the Gross Settlement Amount, using the most current, known mailing address for each Aggrieved Employee based on information provided by Defendants. The Notice to Aggrieved Employees With Distribution of PAGA Payment will state as follows: "Defendants have entered into a compromise and settlement with the State of California in connection with claims brought under the Private Attorneys General Act. As part of this compromise and settlement, the Court has ordered the enclosed settlement check." A copy of the Notice to Aggrieved Employees is attached hereto as **Exhibit A**.

8.3 **Non-Delivered Notices Or Checks**. Any mailing returned to the Settlement Administrator as undeliverable shall be re-mailed within five calendar days via First Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall attempt to determine the correct address using the National Change of Address Database maintained by the United States Postal Service for a single re-mailing via First Class U.S. Mail within five calendar days. If the National Change of Address Database does not provide a correct address, the Settlement Administrator shall attempt to determine the correct address using the Class Member's Social Security number and any available information provided by Defendants.

9. FUNDING AND DISTRIBUTING OF THE GROSS SETTLEMENT AMOUNT

9.1 **Funding Of Gross Settlement Amount**. The Settlement Administrator shall establish a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering the Settlement. The Settlement Administrator shall furnish the Qualified Settlement Fund with its own Employer ID Number and calculate all settlement checks and withholdings required under law based on information that will be confidentially furnished by Defendants. Within 30 calendar days after the Effective Date, Defendants shall deposit the Gross Settlement Amount into an interest-bearing escrow account with the Settlement Administrator, provided that the Settlement Administrator timely and promptly provides funding instructions to Defendants.

9.2 **Timing of Disbursement Of Gross Settlement Amount.**

9.2.1 **Attorneys' Fees And Costs**. Subject to the terms of the Agreement, the Settlement Administrator shall distribute payment of any approved Attorneys' Fees And Costs within 15 calendar days after the funding of the Gross Settlement Amount. This is the same date that the Net Settlement Amount will be distributed to Aggrieved Employees. The Settlement Administrator shall issue an Internal Revenue Service Form 1099 to Plaintiff's Counsel for any Attorneys' Fees And Costs payment, based on the allocation communicated by Plaintiff's Counsel. Plaintiff's Counsel shall be solely and legally responsible for paying all applicable taxes on any Attorneys' Fees And Costs and shall indemnify and hold harmless Defendants from any claim or liability for taxes, penalties, or interest arising as a result of the payment.

9.2.2 **Enhancement Award**. Subject to the terms of the Agreement, the Settlement Administrator shall pay to Plaintiff any approved Enhancement Award within 15 calendar days after the funding of the Gross Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for any Enhancement Award. Plaintiff shall be solely and legally responsible for paying all applicable taxes on any Enhancement Award and shall indemnify and hold harmless Defendants from any claim or liability for taxes, penalties, or interest arising as a result of the payments.

9.2.3 **Settlement Administrator's Expenses**. The Settlement Administrator shall pay itself any approved Settlement Administrator's Expenses within 15 calendar days after the funding of the Gross Settlement Amount. The Settlement Administrator shall be solely and legally responsible for paying all applicable taxes on any Settlement Administrator's Expenses and shall indemnify and hold harmless Defendants from any claim or liability for taxes, penalties, or interest arising as a result of the payment.

9.2.4 **Distribution Of Net Settlement Amount**. The Settlement Administrator shall distribute LWDA Payment (75% of the Net Settlement Amount) to the LWDA and all Individual Settlement Payments (25% of the Net Settlement Amount) to Aggrieved Employees within 15 calendar days after the funding of the Gross Settlement Amount. The Settlement Administrator shall issue any necessary IRS Form 1099 statements to Aggrieved Employees for their respective share of the Net Settlement Amount. Aggrieved Employees shall be solely and legally responsible for paying all other applicable taxes on their respective share of the PAGA Payment and shall indemnify and hold harmless Defendants from any claim or liability for taxes, penalties, or interest arising as a result of the payments.

9.3 **Undeliverable Or Uncashed Checks.**

9.3.1 The Settlement Administrator shall maintain a list of the postmark date for the original mailing of the Individual Settlement Payments to Aggrieved Employees checks, if any, to the Aggrieved Employees, the postmark date of any subsequent mailing to any Aggrieved Employees, and a list of any individuals who did not receive the settlement checks due to the inability to locate a valid address using the procedures described herein above in Section 8.2 or who otherwise could not be located within two attempts at mailing.

9.3.2 All Individual Settlement Payments to Aggrieved Employees checks will remain valid and negotiable for 180 days from the date of their mailing by the Settlement Administrator. After 180 calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed by the Settlement Administrator to the California State Controller's Office pursuant to California's Unclaimed Property Law. No part of the PAGA Payment shall be returned to Defendants.

9.3.3 For any Aggrieved Employees for whom the settlement checks were deemed undeliverable, the funds associated with the settlement payment will be distributed to the California State Controller's Office pursuant to California's Unclaimed Property Law.

10. MISCELLANEOUS PROVISIONS

10.1 **Interim Stay Of Proceedings**. The Parties agree to refrain from further litigation in the Action, except such proceedings necessary to implement and to obtain approval of the terms of the Agreement. If the Settlement is not finally approved, the Parties agree that they will revert to their positions in the lawsuit prior to the time the Agreement was reached, and no terms set forth in this Agreement will be admissible in any future proceedings in this case or any other action.

10.2 **Stipulation To Representative Action For Settlement Purposes Only**. The Parties agree to stipulate that the representative action is appropriate for purposes of the settlement only. If, for any reason, the settlement is not approved, the stipulation will be void, and Defendants shall have the full opportunity to file any motion to challenge liability for the PAGA claims or to challenge the manageability of PAGA claims. The Parties further agree that the stipulation is not an admission or waiver by Defendants to challenge the propriety of the PAGA claims, including whether PAGA claims are appropriate for adjudication on a representative basis.

10.3 **Mutual Cooperation**. Plaintiff, Defendants, Plaintiff's Counsel, and Defense Counsel agree to fully cooperate with each other to accomplish the terms of this Agreement, including, but not limited to, execution of such documents and taking such other action as may reasonably be necessary to implement the terms herein. The Parties agree to use their best efforts and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement.

10.4 **Plaintiff's Counsel's Representation**. Plaintiff's Counsel agree and represent that they will engage only in conduct that supports and upholds the terms of the Agreement. The Parties agree that verifiable electronic signatures are sufficient. However, if the Court orders wet signatures, the Parties will follow the Court's Order.

10.5 **Parties' Authority**. The signatories hereto represent that they are fully authorized to enter into this Agreement and are fully authorized to bind the Parties to all terms stated herein. It is agreed that this Agreement may be executed on behalf of the State of California and the Aggrieved Employees and by Plaintiff and Plaintiff's Counsel.

10.6 **Binding Effect Of Settlement**. Although some Aggrieved Employees might not receive the notice as provided under this Agreement, due to inability to locate their current address following the procedures set forth in this Agreement, such individuals shall nonetheless be bound by all of the terms of this Agreement and the order approving the Settlement.

10.7 **Entire Agreement**. This Agreement constitutes the entire agreement between the Parties with regard to the subject matter contained herein, and all prior and contemporaneous negotiations and understandings between the Parties shall be deemed merged into this Agreement.

10.8 **Arms' Length Transaction; Materiality Of Terms**. The Parties have arrived at this Agreement as a result of arm's length negotiations. Except as otherwise stated in this Agreement, all terms and conditions of this Agreement in the exact form set forth in this Agreement are material to this Agreement and have been relied upon by the Parties in entering into this Agreement.

10.9 **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 signed Agreement, which shall be binding upon and effective as to all Parties.

10.10 **DocuSign Or Scanned Signatures**. Any party may sign and deliver this Agreement by signing on the designated signature block and transmitting that signature page via Docusign or as an imaged attachment. Any signature made and transmitted by Docusign or as an imaged attachment for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party who transmits the signature page.

10.11 **Binding Effect**. This Agreement shall be binding upon the Parties and, with respect to Plaintiff, the State of California, the LWDA, Aggrieved Employees, their spouses, children, rep- representatives, heirs, administrators, executors, beneficiaries, conservators, attorneys, and assigns.

10.12 **Construction**. The determination of the terms and conditions of this Agreement has been by mutual agreement of the Parties. Each party participated jointly in the drafting of this Agreement, and the terms and conditions of this Agreement are not intended to be, and shall not be, construed against any party by virtue of draftsmanship.

10.13 **Severability Clause For Invalidity Of Any Provision**. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to render all provisions of this Agreement valid and enforceable.

10.14 **No Prior Assignments Or Undisclosed Liens**. Plaintiff represents and warrants that she has not assigned, transferred, conveyed, or otherwise disposed of, or purported to assign, transfer, convey, or otherwise dispose of, any Released PAGA Claims or the attorneys' fees and costs to be paid pursuant to this Agreement. Plaintiff further represents and warrants that there are not any liens or claims against any of the amounts to be paid by Defendants pursuant to this Agreement. Plaintiff agrees to defend, to indemnify, and to hold Defendants harmless from any liability, losses, claims, damages, costs, or expenses, including reasonable attorneys' fees, resulting from a breach of these representations or from any lien or assignment.

10.15 **No Initiated Publicity**. Plaintiff's Counsel shall not take any action or initiate to publicize, or cause to be publicized, directly or indirectly, the discussions resulting in or the existence of this settlement or its terms, in any type of mass media, including, but not limited to, speeches, press conferences, press releases, interviews, television or radio broadcasts, blogs, websites, newspapers, Internet posting, Facebook, Instagram, X or formerly known as Twitter or any other social media, or information furnished to legal news media, including but not limited to Bloomberg Law, Law 360, and the Daily Journal. Plaintiff's Counsel shall not refer to Defendants by name in its public marketing materials, law firm websites, or posting with any other organizations, such as the California Employment Lawyers Association ("CELA"). Plaintiff's Counsel further agrees and warrants that if they were contacted by media outlets regarding this case, they will simply state that the lawsuit exists and has been resolved. However, in court filings, Plaintiff's Counsel may disclose the name of the Parties in this action, the venue/case number, and settlement details available in the public record, for the limited purpose of allowing Plaintiff's Counsel to prove adequacy as counsel in other actions, or for purposes of seeking approval of an unrelated settlement.

10.16 **Continuing Jurisdiction**. The Court shall retain jurisdiction under Code of Civil Procedure § 664.6 over the implementation of this Agreement as well as any and all matters arising out of, or related to, the implementation of this Agreement and settlement. The Court shall not have jurisdiction to modify the terms of the Agreement without the consent of all of the Parties.

10.17 **Modification**. The Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto or their counsel of record. After approval of the Settlement has been granted, the Settlement may not be modified except by a writing signed by the Parties hereto or their counsel of record, and approved by the Court.

10.18 **Disputes**. If the Parties have a dispute with regard to the language of this Agreement, they agree to first attempt to resolve the dispute informally through good faith negotiations, but if those efforts are unsuccessful, they agree to mediate any such dispute, with Daniel Turner, the mediator that helped the Parties reach the Settlement. The Parties will split the costs of the mediator, and all parties will bear their own fees and costs.

10.19 **Governing Law**. This Agreement was made and entered into in the State of California. All terms of this Agreement shall be governed by and interpreted according to the substantive laws of the State of California and the procedural laws of the United States of America.

10.20 **Compliance with PAGA's Procedural Requirements**. Plaintiff agrees that Plaintiff's Counsel will notify the LWDA of the Settlement and perform any and all statutory tasks as required by law necessary to effectuate consummation and approval of this Settlement. Plaintiff will promptly submit this Agreement to the LWDA and prior to the filing of the Motion For Approval Of The PAGA Settlement.

10.21 **Papers To Be Filed With The Court**. All papers to be filed with the Court by Defense Counsel or Plaintiff's Counsel in connection with this Agreement shall be submitted to the other party at least three business days prior to filing. The other party shall have no right to object to the papers unless they do not conform to the terms and conditions of this Agreement.

SO AGREED AND STIPULATED.

DATED: 3/19/2026, 2026

B Signed by: Hannah Cuellar
9F4BED4501F847A... LAR
Plaintiff

DATED: ______________, 2026

By______________________________
OPTUM SERVICES, INC. and UNITED HEALTHCARE SERVICES, INC.
Defendants

APPROVED AS TO FORM:

DATED: March 23, 2026

CAPSTONE LAW APC

By: ______________________________
Bevin Allen Pike
Daniel S. Jonathan
Trisha K. Monesi
Attorneys for Plaintiff
HANNAH CUELLAR

DATED: ______________, 2026

SEYFARTH SHAW LLP

By: ______________________________
Andrew M. Paley
Michael Afar
Lauren S. Schwartz
Attorneys for Defendants
OPTUM SERVICES, INC. and UNITED HEALTHCARE SERVICES, INC.

DATED: ______________, 2026

By:______________________________
HANNAH CUELLAR
Plaintiff

DATED: March 25, 2026

By Farnaz Kashefi
OPTUM SERVICES, INC. and UNITED HEALTHCARE SERVICES, INC.
Defendants

APPROVED AS TO FORM:

DATED: ______________, 2026

CAPSTONE LAW APC

By: ______________________________
Bevin Allen Pike
Daniel S. Jonathan
Trisha K. Monesi
Attorneys for Plaintiff
HANNAH CUELLAR

DATED: March 25, 2026

SEYFARTH SHAW LLP

By: ______________________________
Andrew M. Paley
Michael Afar
Lauren S. Schwartz
Attorneys for Defendants
OPTUM SERVICES, INC. and UNITED HEALTHCARE SERVICES, INC.

Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>
<<ADDRESS 1>>
<<ADDRESS 2>>

Re: Payment From *Hannah Cuellar v. Optum Services, Inc.*, No. CIVSB2402419 (San Bernardino County Superior Court)

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Optum Services, Inc. and United HealthCare Services, Inc. have entered into a compromise and settlement of the lawsuit entitled *Hannah Cuellar v. Optum Services, Inc.*, No. CIVSB2402419 (San Bernardino County Superior Court) in connection with claims brought under the Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called "PAGA"). As part of this compromise and settlement, the Court has ordered the enclosed settlement check.

If you have any questions, please contact the court-approved administrator, <<NAME OF ADMINISTRATOR>>, using the information below.

<<Name of Administrator>>
<<Address>>
<<City>><<State>><<Zip>>
Tel: (___) ___-____
Email: ___________