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Other Aggrieved Employees, and the General Public  
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**SUPERIOR COURT FOR THE STATE OF CALIFORNIA**

**COUNTY OF LOS ANGELES**

MICHAEL MAYS, on behalf of himself  
and as an "aggrieved employee" on  
behalf of other "aggrieved employees"  
under the Labor Code Private Attorneys  
General Act of 2004,

*Plaintiff(s),*

vs.

MARIPOSA DETOX CENTER LLC, a  
California limited liability company;  
PHASE TWO ATC LLC, a California  
limited liability company; MARIPOSA  
DETOX CENTER II LLC, a California  
limited liability company; and DOES 1-  
50, inclusive,

*Defendant(s).*

MORIS ORELLANA, an individual, on  
behalf of himself, all other aggrieved  
employees, and the general public,

Plaintiff,

vs.

MAGNIFIED HEALTH SYSTEMS  
WEST LLC; a Delaware limited liability  
company; MARIPOSA DETOX  
CENTER LLC, a California limited  
liability company; MARIPOSA DETOX  
CENTER II LLC, a California limited  
liability company; PHASE TWO ATC  
LLC, a California limited liability  
company; and DOES 1 through 100,

Case No. 22STCV30341

Consolidated with Case No. 23STCV18036

[Assigned for all purposes to the Hon. Timothy Patrick  
Dillon, Dept. 15]

**DECLARATION OF MICHAEL H. BOYAMIAN  
IN SUPPORT OF MOTION FOR AN ORDER  
APPROVING SETTLEMENT OF CLAIMS  
BROUGHT PURSUANT TO THE PRIVATE  
ATTORNEYS GENERAL ACT OF 2004**

1 inclusive,

2 Defendants.

3 **THE SPIVAK LAW FIRM**

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19 Attorneys for Plaintiffs, MICHAEL MAYS,  
20 Other Aggrieved Employees, and the General Public  
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1. I am an attorney licensed to practice in all the courts of the state of California and am a partner at Boyamian Law, Inc., counsel of record for Plaintiffs Moris Orellana and Michael Mays (“Plaintiffs”). I make this Declaration in support of Plaintiffs’ Motion for an Order Approving Settlement of Claims brought pursuant to the Private Attorneys General Act of 2004, Awarding Attorneys’ Fees, Costs, Enhancement Payment, and Reimbursement of Settlement Administration Expenses, and Dismissing Action with Prejudice. All of the information set forth herein is based on my personal and firsthand knowledge and if called and sworn as a witness, I could and would competently testify thereto.

2. I am a 2007 graduate of Whittier Law School. While in Law School, I served as the President of the Armenian Law Students Society and was a member of the Moot Court Honors Board. I was admitted to the California State Bar and to the Supreme Court of the State of California in June of 2008. I am a member of various professional organizations, including the California Employment Lawyers Association (CELA), the Consumer Attorneys Association of Los Angeles (CAALA), and the Armenian Bar Association. I have been named as a Southern California Super Lawyer - Rising Star® from 2015 through 2022 by Los Angeles Magazine.

4. Since January 2013, I have been closely involved in a significant number of wage and hour and consumer class and representative matters. Many of these cases have resulted in substantial recoveries for employees and consumers across California. Examples of these recoveries include the following matters:

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1           a.       *Mendez v. R+L Carries, Inc.*, Case No. C 11-2478 CW (N.D. Cal.,  
2 2013), wage and hour class action involving California truck drivers, which settled for  
3 \$9,500,000;

4           b.       *Meneses v. CVS Pharmacy, Inc.*, et al., Los Angeles Sup. Ct.  
5 (“L.A.S.C.”) Case No. BC 489739 (2014), filed in Los Angeles County on behalf of  
6 pharmacists, which settled for \$2,800,000;

7           c.       *Stovall-Gusman v. W.W. Grainger, Inc.*, Case No. 13-cv-02540-HSG  
8 (N.D. Cal. 2015), which settled for \$715,000.

9           d.       *Cortes v Daley Foods*, L.A.S.C. Case No. BC496955 and *Gutierrez v.*  
10 *Daley Foods*, Case No. BC524915 (Los Angeles County Superior Court, 2015), wage and hour  
11 class action involving California Labor Code violations relating to restaurant workers, settled  
12 for \$2.2 million.

13           e.       *Fuentes, et al. v. Macy's West Stores, Inc.*, Case No. CV 14-00790-  
14 ODW (FFMx) (C.D. Cal 2015) wage and hour class action involving misclassification of  
15 independent contractors, which settled for \$4 million.

16           f.       *Leos v. FedEx*, Case No. 14-02864-ODW-AGR (C.D. Cal. 2015), a class  
17 action for unpaid wages pursuant to the Living Wage Ordinance, settled for \$385,000.

18           g.       *Timothy J. Connell, et al, Klara Paksy, et al and Dale Bystrom, et al v.*  
19 *CVS Pharmacy, Inc., et al.*, LASC Case Nos. BC523172, BC523491, BC525991 (2016) wage  
20 and hour class action involving Labor Code overtime violations on behalf of pharmacists  
21 (\$7,461,600 settlement);

22           h.       *Angil Sharobiem, et al v. CVS Pharmacy, Inc., et al.*, Case No. 2:13-cv-  
23 09426-GHK-FFM (C.D. Cal. 2016) wage and hour class action involving Labor Code overtime  
24 violations on behalf of pharmacists (\$2,937,600 settlement);

25           i.       *Rimanpreet Uppal v. CVS Pharmacy, Inc.*, et al., Case No. 3:14-cv-  
26 02629-VC (N.D. Cal. 2016) wage and hour class action involving Labor Code overtime  
27 violations on behalf of pharmacists (\$2,350,800 settlement);

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1 j. *Ian H. Stark, et al. v. CVS Pharmacy, Inc., et al.*, LASC Case Nos.  
2 BC476431, BC489738, BC501118, BC502723, BC526977, BC570812 (2016) wage and hour  
3 class action involving Labor Code travel time violations on behalf of pharmacists (\$2,000,000  
4 settlement);

5 k. *Phillips v. AccentCare, Inc., et al.*, Case No. CIVDS1620673 (2017)  
6 wage and hour class action involving Labor Code overtime violation on behalf of home health  
7 nurses and other home health professionals (\$1,500,000.00);

8 l. *Pursell v. Pacific Wings, LLC*, LASC Case No. BC522083 (2017) wage  
9 and hour class action involving Labor Code off-the-clock, overtime, meal and rest break, and  
10 unreimbursed business expense violations on behalf of restaurant servers (\$1,300,000);

11 m. *Hooper v. URS Midwest, Inc.*, Case No. CIVDS1607489 (2017) wage  
12 and hour class action involving Labor Code overtime violation on behalf of Car Haulers  
13 (\$2,900,000);

14 n. *Tyrer v First Student, Inc.*, Case No. BC459305 (2017) wage and hour  
15 class action involving Labor Code overtime violations on behalf of school bus drivers  
16 (\$475,000 settlement);

17 o. *Nunez v. CompuCom Systems, Inc.*, LASC Case No. BC618385 (2017)  
18 wage and hour class action involving Labor Code overtime, meal and rest break, and  
19 unreimbursed business expense violations on behalf of home-based service technicians  
20 (\$1,500,000);

21 p. *Garcia, et al. v. Macy's West Stores, Inc., et al.*, Case No. 3:16-cv-  
22 04440-WHO (N.D. Cal. 2017) wage and hour class action involving misclassification of  
23 independent contractors (\$1,550,000 partial settlement);

24 q. *Oard v. Daily Press, LLC, et al.*, Case No. 5:16-cv-02039-SVW-KK  
25 (C.D. Cal. 2018) wage and hour class action involving misclassification of independent  
26 contractor newspaper carriers (\$500,000 settlement);

27 r. *Raymond Cressall, et al. v. Galpin Motors, Inc., et al.*, San Bernardino  
28 County Superior Court Case No. CIVDS1809319 (2019), wage and hour class action

1 concerning overtime and meal and rest break violations in re a commission-only compensation  
2 plan (\$2,000,000);

3 s. *Malone, et al., v KAG West, LLC, et al.*, County of Alameda Superior  
4 Court, Case No. RG15784137 (2019) wage and hour class action involving Labor Code  
5 overtime violations on behalf of delivery truck drivers (\$1,600,000);

6 t. *Pae, et al. v. Fox Restaurant Concepts, LLC, et al.*, Case No. 2:16-CV-  
7 06965-DSF-FFM (C.D. Cal. 2019) wage and hour class action involving Labor Code off-the-  
8 clock, overtime, meal and rest break, and unreimbursed business expense violations on behalf  
9 of restaurant servers (\$900,000);

10 u. *Miranda, et al. v. R&L Carriers Shared Services, LLC*, Case No. 2:18-  
11 cv-10063-SVW-JC (C.D. Cal. 2020), wage and hour class and PAGA action involving failure  
12 to provide meal and rest breaks and reimbursement of necessary expenditures to California-  
13 based truck drivers (\$375,000);

14 v. *Delores Humes, et al. v. First Student, Inc.*, Case No. 1:15-cv-01861-  
15 BAM (E.D. Cal. 2020), wage and hour class action involving Labor Code wage statement  
16 violations on behalf of school bus drivers (\$650,000 settlement);

17 w. *Rita Khatchadourian, et al. v. Sterling Bank and Trust, FSB*, Alameda  
18 County Superior Court Case No. RG19003028 (2020), wage and hour PAGA action  
19 concerning overtime, meal break, rest break, and commission agreement violations for bank  
20 employees (\$300,000 settlement);

21 x. *Garcia v. Macy's West Stores, Inc., et al. ("Garcia II")*, Case No. 3:16-  
22 cv-04440-WHO (N.D. Cal. 2020) wage and hour class action involving misclassification of  
23 independent contractors (\$3,500,000 partial settlement);

24 y. *Espinoza v. Williams-Sonoma, et al.*, L.A.S.C Case No. BC693245  
25 (2021) wage and hour class action involving misclassification of last-mile delivery drivers as  
26 independent contractors. (\$2,250,000);

27 z. *Perez v. The Roman Catholic Archbishop of Los Angeles*, L.A.S.C Case  
28 No. BC714164 (2021) wage and hour class action involving Labor Code off-the-clock,

1 overtime, meal and rest break, and unreimbursed business expense violations on behalf of  
2 cemetery groundskeepers (\$1,300,000);

3 aa. *Walker v. CPM LTD d/b/a Manpower Temporary Services, et al.*, San  
4 Diego Sup. Ct. Case No. 37-2020-0017281-CU-OE-CTL (2021) wage and hour class action  
5 involving Labor Code off-the-clock, overtime, meal and rest break, and unreimbursed business  
6 expense violations on behalf of IT workers (\$2,000,000);

7 bb. *Kim v. Korea Times of Los Angeles, Inc.*, L.A.S.C Case No. BC643503  
8 (2021) wage and hour class action involving Labor Code off-the-clock, overtime, meal and rest  
9 break, and unreimbursed business expense violations on behalf of newspaper employees  
10 (\$550,000.00);

11 cc. *Chalian, et al. v. CVS Pharmacy, Inc., et al.*, United States District  
12 Court, Central District of California, Case No. :16-cv-08979-AB-AGR (2021), Class and  
13 PAGA action involving unpaid wages and meal and rest break violations for California  
14 pharmacists (\$10,371,346.60);

15 dd. *Soursa v. Northeast Valley Health Corporation*, L.A.S.C Case No.  
16 20STCV02921 (2022) wage and hour class action involving Labor Code off-the-clock,  
17 overtime, meal and rest break violations on behalf of medical personnel (\$600,000);

18 ee. *De Los Reyes v. Call-The-Car, LLC*, L.A.S.C Case No. 19STCV25782  
19 (2022) wage and hour class action involving Labor Code off-the-clock, overtime, meal and rest  
20 break violations on behalf of non-emergency paramedic drivers (\$400,000);

21 ff. *Amirian, et al. v. Umpqua Bank*, L.A.S.C Case No. BC674115 (2022)  
22 wage and hour class action involving Labor Code off-the-clock, overtime, meal and rest break  
23 violations on behalf of various in-branch bank employees (\$1,250,000);

24 gg. *Ornelas v. Tapestry, Inc.*, Case No. 3:18-cv-06453-WHA (N.D. Cal.  
25 2022), certified wage and hour class action involving Labor Code off-the-clock, overtime, meal  
26 and rest break violation premised on off-the-clock security checks for in-store retail employees  
27 (\$342,500);  
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1                   hh.     *Castenato, et al. v. Calop Business Systems, Inc.*, L.A.S.C. Case No.  
2 20STCV03772 (2022) PAGA-only representative action involving Labor Code and Living  
3 Wage Ordinance violations for non-exempt employees of airport employees of LAX  
4 (\$300,000);

5                   ii.     *Broshinsky v. First Motor Group, LLC*, L.A.S.C. Case No.  
6 20STCV38668 (2022), PAGA-only representative action involving car dealership commission-  
7 based employees alleging violations of the Labor Code (\$250,000);

8                   jj.     *Baker v. Hesler Logistics, LLC*, San Diego Sup. Ct. Case No. 37-2021-  
9 00007468-CU-OE-CTL (2022), PAGA-only representative action involving transportation  
10 delivery hourly employees alleging violations of the Labor Code for unpaid time (\$135,000);

11                  kk.     *Caballero v. Fidelitone Last Mile, LLC*, San Bernardino Sup Ct., Case  
12 No. CIVSB2102002 (2022), wage and hour class action involving misclassification of last-mile  
13 delivery drivers as independent contractors (\$1,000,000);

14                  ll.     *Espindola v. Building Cleaning Systems, Inc.*, Orange County Sup. Ct.  
15 Case No. 30-2019-01091001-CU-OE-CXC (2022), wage and hour class and PAGA action  
16 involving Labor Code off-the-clock, overtime, meal and rest break violations on behalf of  
17 janitorial employees (\$573,750);

18                  mm.    *Markovic v. BBG SD4 LLC*, San Diego Sup. Ct. Case No. 37-2020-  
19 00016435-CU-OE-CTL (2023), wage and hour class action involving restaurant employees  
20 alleging violations of the California Labor Code (\$400,000);

21                  nn.     *Morales, et al. v. Closet World, Inc., et al.*, L.A.S.C., Case No.  
22 19STCV31508

23                         (2023) PAGA-only representative action involving cabinet installers and  
24 misclassified salespersons alleging violations of the Labor Code (\$975,000).

25                  oo.     *Garcia v. Barney's College, Inc.*, Alameda Sup. Ct. Case No.  
26 RG21113350 (2023), wage and hour class action involving restaurant employees alleging  
27 violations of the California Labor Code (\$575,000).  
28

1 pp. *Minniear, et al. v. Burke Williams, Inc.*, L.A.S.C Case No.  
2 20STCV02154 (2023), wage and hour class action involving estheticians alleging violations of  
3 the California Labor Code (\$285,000);

4 qq. *Martinez v. SYR Service Co., LLC, et al.*, Santa Barbara Sup. Ct. Case  
5 No. 21CV03118 (2024) wage and hour class and PAGA action involving hotel employees  
6 alleging violations of the California Labor Code (\$350,000);

7 rr. *Valdez v. Shamrock Foods Co.*, U.S.D.C, C.D. Cal., Case No. 5:22-cv-  
8 01719-SSS-SHKx (2024) wage and hour class and PAGA action involving delivery truck  
9 drivers alleging violations of the California Labor Code (\$1,000,000);

10 qq. *Trejo v. Anderson Charnesky Structural Steel, Inc., et al.*, Riverside  
11 Superior Ct. Case No. CVRI2201955 (2024) PAGA representative action involving warehouse  
12 employees alleging violations of the California Labor Code (\$505,000);

13 rr. *Foley, et al. v. Yuen's Enterprise One, Inc., et al.*, San Bernardino Sup.  
14 Ct., Case No. CIVDS1912925 (2024) wage and hour class action alleging California Labor  
15 Code violations relating to restaurant workers. (\$2,824,090.50);

16 tt. *Matute v. Pilot Air Freight LLC, et al.*, Northern District of California  
17 Case No. 4:22-cv-00587 (2024), wage and hour class action involving misclassification of  
18 independent contractors (\$650,000);

19 uu. *Mkhitarian, et al. v. Bank of the West*, Los Angeles Sup. Ct., Case No.  
20 BC691989 (2024) wage and hour class action and PAGA representative action for retail bank  
21 employees alleging violations of the California Labor Code (\$3,479,681.21);

22 vv. *Decena, et al. v. Allegiant Final Mile, Inc.*, U.S.D.C., N.D. Cal., Case  
23 No. 4:23-CV-03633-YGR (2025), wage and hour class action involving misclassification of  
24 last-mile delivery drivers as independent contractors (\$900,000);

25 ww. *Rangel v. Teracom Services LLC, San Bernardino Sup. Ct.*, Case No.  
26 CIVSB2318112 (2025) wage and hour class and PAGA representative action for field  
27 technicians alleging violations of the California Labor Code (\$900,000);  
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1           5.       I have also been certified as class counsel following contested class certification  
2 motions: *Tyrer v. First Student, Inc.*, L.A.S.C. Case No.: BC459305 (June 2014); *Chavez v.*  
3 *Teavana Corporation*, L.A.S.C. Case No.: BC475921 (May 2014); *Clark v. Quest Diagnostics*  
4 *Clinical, et al.*, L.A.S.C. Case No. BC594022 (May 2019); *Zarate, et al. v. La Pizza Loca, Inc., et*  
5 *al.*, L.A.S.C. Case No. BC642714 (Mar. 2021); *Ornelas v. Tapestry, Inc.*, N.D. Cal., Case No.  
6 3:18-cv-06453-WHA (Aug. 2021)

7           6.       In addition, I have also been a speaker or panelist at various Wage and Hour  
8 Seminars hosted by CELA and Los Angeles County Bar Association: *Fool's Errand or Fish in a*  
9 *Barrel? Piece Rate, Commission, and Trucking Cases in 2017* (CELA; May 2017); *Nuts & Bolts*  
10 *of Labor and Employment Law Program; A Life of a PAGA Claim* (LACBA; Dec. 2018)

11                               **Case Overview & Relevant procedural History**

12           7.       Defendants operate several Medical Detox Centers, which are drug and alcohol  
13 rehabilitation centers located at 9024 Harrat Street, West Hollywood, CA 90069 (Magnified  
14 Health Systems West, LLC); 832 Mariposa Avenue, Los Angeles, CA 90029 (Mariposa Detox  
15 Center LLC); 15720 Ventura Boulevard, Encino, CA 91436 (Phase Two ATC LLC); and 15720  
16 Ventura Boulevard, Encino, CA 91436 (Mariposa Detox Center II LLC).

17           8.       Plaintiff Moris Orellana worked as a Medical Assistant at Defendants' Encino and  
18 West Hollywood locations from in or around February 2022 to in or around September 2022.  
19 Plaintiff Michael Mays also worked as a Medical Assistant at Defendants' medical detox centers.  
20 The Aggrieved Employees, including Plaintiff, were employed by Defendants within the state of  
21 California and were hourly non-exempt employees from September 16, 2021 to the present.

22           9.       On September 16, 2022, Plaintiff Michael Mays filed his Class Action Lawsuit  
23 against Defendants Mariposa Detox Center, Mariposa Detox Center II, and Phase Two ATC LLC  
24 alleging claims for: Failure to Pay All Wages Earned for All Hours Worked and Other  
25 Compensable Hours at the Correct Rates of Pay (Lab. Code §§ 221, 226.2, 510, 1194, 1197, and  
26 1198); (2) Failure to Provide Rest Breaks (Lab. Code §§ 226.7 and 1198); (3) Failure to Provide  
27 Meal Periods (Lab. Code §§ 226.7, 512 and 1198); (4) Failure to Indemnify (Lab. Code §§ 1198  
28 and 2802); (5) Wage Statement Penalties (Lab. Code § 226); (6) Waiting Time Penalties (Lab.

1 Code § 203); and (7) Unfair Competition (Bus. & Prof. Code §§ 17200, *et seq.* The matter was  
2 assigned to the Honorable Kenneth Freeman. On February 2, 2023, Plaintiff Mays amended his  
3 complaint to include an additional cause of action for civil penalties under Labor Code § 2698, *et*  
4 *seq.*, also known as the Private Attorneys General Act (“PAGA”).

5 10. Due to the presence of an arbitration agreement allegedly signed by Plaintiff Mays,  
6 Defendants filed their Motion to Compel Arbitration. Following complete briefing on Defendants’  
7 Motion, on May 17, 2023, the Court in the *Mays* action compelled Mays’ claim to arbitration on  
8 an individual basis and reserved the non-individual, representative PAGA claim to resume in Court  
9 when the arbitration is concluded.

10 11. On December 6, 2022, Plaintiff Moris Orellana filed his own separate Class Action  
11 Lawsuit against Defendants alleging the following claims: (1) Violation of California Labor Code  
12 §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a)  
13 (Failure to Provide Meal Breaks); (3) Violation of California Labor Code § 226.7 (Failure to  
14 Provide Rest Breaks); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid  
15 Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Failure to Pay Wages  
16 Upon Termination); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During  
17 Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage  
18 Statements); (8) Violation of California Labor Code § 1174(d) (Failure To Keep Requisite Payroll  
19 Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business  
20 Expenses); (10) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unfair  
21 Business Practices). Orellana’s Class Case was ultimately assigned to the Honorable Lawrence P.  
22 Riff and then transferred to the Honorable Kenneth Freeman.

23 12. As with the *Mays*’ action, Defendants insisted that Plaintiff Orellana stipulate to  
24 individual arbitration. Plaintiff Orellana resisted those efforts, and Defendants filed their Motion  
25 to Compel Arbitration, which was opposed by Plaintiff Orellana. After fully briefing Defendants’  
26 Motion to Compel Arbitration, the Honorable Kenneth Freeman continued to preside over the  
27 *Orellana* case due to the pendency of the *Mays* class action. The legal significance is that despite  
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1 the stay, Plaintiff Orellana's class claims remain intact for the time being should Defendants insist  
2 on a class-wide settlement.

3 13. Following the stay in Orellana's class case, on May 23, 2023, Plaintiff Moris  
4 Orellana filed a Notice of Violations with the Labor and Workforce Development Agency  
5 (LWDA) (the "PAGA Notice") and served the same on Defendants. On July 31, 2023, Plaintiff  
6 filed a PAGA Complaint against Defendant Magnified Health Systems West, LLC in the Superior  
7 Court of the State of California, County of Los Angeles, Case No. 23STCV18036 alleging PAGA  
8 representative action claims for Failure to Pay Compensation for All Hours Worked, Failure to  
9 Pay Overtime Compensation, Failure to Pay Minimum Wage, Failure to Provide Meal and Rest  
10 Periods, Failure to Furnish Accurate Wage and Hour Statements, and Failure to Pay All Wages  
11 Due at Termination. A true and correct copy of the PAGA Notice is attached hereto as **Exhibit**  
12 **A**.

13 14. On September 16, 2022, Plaintiff Moris Orellana filed a Notice of Violations with  
14 the Labor and Workforce Development Agency (LWDA) (the "PAGA Notice") and served the  
15 same on Defendants. On September 16, 2022, Plaintiff Michael Mays filed a Complaint Defendant  
16 Mariposa Detox Center LLC in the Superior Court of the State of California, County of Los  
17 Angeles Case No. 22STCV30341. Plaintiff Mays filed a First Amended Complaint on February 2,  
18 2023, to include claims pursuant to the Private Attorneys General Act ("PAGA").

19 15. The 65-day "waiting period" on Plaintiff's rights to file a civil action under PAGA,  
20 *see* Cal. Lab. Code § 2699.3(a)(2)(A), lapsed without the LWDA notifying Plaintiffs that they  
21 intended to investigate the claims in the respective PAGA Notice. To date, the LWDA still has not  
22 advised Plaintiffs of any intent to take action with respect to the claims in the PAGA Notice.

23 16. On March 11, 2024, the Parties attended a full-day mediation with experienced  
24 wage and hour class and PAGA action mediator the Hon. Zaven V. Sinanian (Ret.). In advance  
25 of the mediation, Defendants provided Plaintiffs with sufficient information to properly evaluate  
26 Defendants' liability exposure for civil penalties to the Aggrieved Employees. Among the data  
27 and documents Defendants produced included, but was not limited to, the total number Aggrieved  
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1 Employees, pay periods, written wage and hour policies, employee handbooks, and a twenty  
2 percent (20%) sample of time and payroll records for the Aggrieved Employees.

3 17. A few weeks after the conclusion of the mediation, and with the assistance of the  
4 Mediator, the Parties reached a settlement in principle. The Parties subsequently executed a  
5 binding and enforceable Memorandum of Understanding (“MOU”). After reaching an agreement  
6 in the principle, the Parties drafted and negotiated a long-form settlement, which is the subject of  
7 the instant motion. The Agreement was negotiated in light of all known facts and circumstances  
8 and the uncertainty associated with litigation – including the risk of Plaintiffs not being able to  
9 maintain representative claims and establishing manageability, the difficulty of proving Plaintiffs’  
10 claims in a manageable trial, the merits of Defendants’ potential defenses, and the significant delay  
11 and potential appellate issues inherent to litigation – and was reached after extensive arm’s length  
12 negotiations, with the assistance of the Mediator. A true and correct, fully-executed copy of the  
13 Settlement of PAGA Action and Release of PAGA Claims (“Agreement”) is attached hereto as  
14 **Exhibit B**. Furthermore, the Parties stipulated to consolidate the *Orellana* Action and the *Mays*  
15 Action for settlement purposes under Case No. 22STCV30341.

16 18. The Agreement is intended to fully and finally resolve the Released PAGA Claims  
17 asserted by Plaintiffs on behalf of the Aggrieved Employees and State of California. This is only  
18 a Settlement of the PAGA claims for civil penalties and is not a class settlement and does not  
19 release the individual claims, if any, of the Aggrieved Employees. This Agreement does not release  
20 any claim that is not a PAGA claim. Nor does this Agreement waive Defendant’s right to assert  
21 *res judicata* or other available defenses to any asserted claim or lawsuit.

22 19. An objective evaluation of the proposed settlement confirms that the relief  
23 negotiated on behalf of the Aggrieved Employees and the LWDA is fair and reasonable. The  
24 Settlement is a product of informed, adversarial, and non-collusive and mediated negotiations  
25 between experienced counsel. As discussed below, the proposed Settlement satisfies all criteria for  
26 PAGA settlement approval.

27 20. Pursuant to California Labor Code Section 2699(1), Plaintiffs are providing a copy  
28 of the Settlement Agreement and this motion to the LWDA concurrently with the filing of the

1 instant motion for settlement approval as set forth in the accompanying proof of service.  
2 Additionally, Plaintiffs will submit to the LWDA a copy of the Court's judgment and order  
3 approving the Settlement Agreement within ten (10) days after entry of judgment or order. Proof  
4 of Submission to the LWDA of the Motion, Settlement Agreement, and Proposed Order are  
5 attached as **Exhibit C**.

6 **The Settlement Is Fair and Reasonable When Considering the Strengths,**  
7 **Weaknesses, and Other Relevant Factors**

8 21. The Gross Settlement Amount of \$235,000.00 is fair and reasonable and, therefore,  
9 should be approved. Here, *with stacking* the PAGA penalties, Defendants' liability exposure is  
10 estimated at approximately \$2,067,1500.00 in PAGA penalties. With the assistance of Plaintiff's  
11 retained expert, Plaintiffs estimated Defendants' maximum potential exposure as follows, as well  
12 as the reasonable risk-adjusted amounts for penalties on the various claims and theories advanced  
13 by Plaintiff:

14 22. Estimated Penalties for Meal & Rest Period Violations: Plaintiffs alleged  
15 meal and rest break violations. Based on timekeeping records and information gained from  
16 discovery, Plaintiffs alleged that the Aggrieved Employees were subjected to meal and rest  
17 break violations during approximately 1,200 pay periods. Therefore, the maximum  
18 theoretical value for the meal and rest break claims is \$240,000 collectively (1,200 pay  
19 period x \$100 x 2 [1 meal break, 1 rest break]).

20 23. To start, through discovery and Aggrieved Employees Counsel's investigation,  
21 Aggrieved Employees including Plaintiffs had signed an invalid on-duty meal break agreement or  
22 meal break waiver. Plaintiffs' analysis of the sample of Defendants' timekeeping data revealed  
23 that, of the 305 pay periods analyzed, approximately 168 of the pay periods or 55% had unique  
24 violations of no meal period recorded, the meal period was after the fifth hour, the meal period  
25 was less than 30 minutes, or the second meal period was missed on a shift greater than 10 hours.

26 24. Plaintiffs further contended that Defendants' managers are then directed to alter  
27 and manipulate the payroll processing by automatically deducting 30-minutes of time to give the  
28 false impression that Aggrieved Employees, including Mr. Orellana and Mr. Mays, took an

1 uninterrupted, duty-free meal period every day of work for exactly thirty minutes when in fact,  
2 nothing could be further from the truth. From the sample of time and pay records to Aggrieved  
3 Employees Counsel, approximately 88% of the meal breaks were perfectly, whole round numbers  
4 of 30-minute breaks without any deviation. Plaintiffs contended that this is highly suggestive of a  
5 practice of inserting idealized meal breaks when, in reality, no meal break occurred, was short, or  
6 late. Plaintiffs' position, therefore, was that Defendants knowingly or intentionally misreported  
7 the meal breaks of Aggrieved Employees, including Mr. Orellana and Mr. Mays, in violation of  
8 Labor Code §§ 1174(d) and 226.7.

9         25. Further, Defendants do not have any policy on meal periods for shifts lasting  
10 beyond the tenth hour. Additionally, the entirety of the meal period is not completely uninterrupted  
11 and duty-free as Aggrieved Employees, including Mr. Orellana and Mr. Mays, would continue to  
12 finish work rendering the actual meal period short of the required thirty-minutes or interrupted.  
13 Plaintiffs and Aggrieved Employees had to receive Defendants' permission to leave the work  
14 premises and were subject to a host of restrictions on the premises that prevent them from taking  
15 duty free meal or rest periods unless they leave the premises. Defendants mandated continuous  
16 coverage at their facilities during meal and rest periods, focusing on speculative risks at the  
17 expense of their employees' Labor Code rights, even while tolerating those same risks at other  
18 times during employees' shifts. Further, Defendants prioritized relatively unimportant concerns  
19 like routine phone calls over Plaintiffs' and the Aggrieved Employees' right to duty-free meal  
20 periods and rest periods.

21         26. Plaintiffs further contended that Defendants' written, on-duty meal period policy is  
22 invalid because the nature of the work Defendants expected the employees to perform did not  
23 prevent them from receiving thirty-minute off-duty meal periods. Weighing all of the "nature of  
24 the work" factors demonstrates as much. Defendants could have increased staffing to permit off-  
25 duty meal periods, or adopted an alternative workweek schedule all without compromising patient  
26 care or work demands.

27         27. These claims face many risks that make it unrealistic to only look at the maximum  
28 potential value. First, contrary to Plaintiffs' contentions, Defendants argued that they maintained

1 paper compliant policies on meal and rest periods during the relevant PAGA Period. In turn,  
2 Defendants argued that Plaintiffs' claims were based solely on "individualized issues" since no  
3 official corporate policy, procedure or practice deprived Plaintiffs and Aggrieved Employees of  
4 meal and rest periods. Defendants additionally countered that employees had ample latitude  
5 regarding whether, when, and how they took their breaks. Defendants thus asserted that any meal  
6 and rest break claims were inherently unmanageable on a representative basis given that a fact-  
7 finder would have to determine for each Aggrieved Employee whether a break was missed, and  
8 why a break was noncompliant or nonexistent, because if it was by the employee's choice, no  
9 liability attaches to Defendants. Establishing liability likely would have entailed competing  
10 testimony stating either rest breaks were taken, or rest breaks were voluntarily waived. *See, e.g.,*  
11 *Ordonez v. Radio Shack, Inc.* (C.D. Cal. Jan. 17, 2013) 2013 WL 210223, at \*11 ("Because of the  
12 competing testimony before the Court, plaintiff's evidence that defendant may have an illegal,  
13 written rest break policy is insufficient for this Court to find that common issues predominate.");  
14 *Villa v. United Site Servs. of California, Inc.* (N.D. Cal. Nov. 13, 2012) 2012 WL 5503550, at \*8  
15 ("Indeed, Plaintiff's own evidence confirms that the written policy does not generate uniform  
16 practices.").

17 28. After careful consideration of Defendants' time and payroll records, Plaintiffs  
18 reasonably believed that there was a 20% risk of defeat on these claims. And, even if these claims  
19 succeeded, Plaintiffs believe that the Court would reduce any penalties by 30% given Defendants  
20 have never been "repeat" offenders so to speak in the wage and hour class/representative action  
21 arena and that the imposition of a maximum penalty would be "unjust, arbitrary, and oppressive."  
22 As such, Plaintiffs believe that the meal and rest break claims have a reasonable trial estimate of  
23 \$134,400.

24 29. For the unpaid minimum wage claims, Plaintiffs argued that Defendants had in  
25 place two primary practices or procedures giving rise to the failure to pay for all hours worked.  
26 First, Plaintiffs alleged that Defendants utilized an illegal rounding feature for purposes of  
27 processing payroll which resulted in the widespread underpayment of wages. Plaintiffs alleged  
28 that these violations occurred in nearly 54% of the pay periods at issue. Second, Plaintiffs

1 additionally argued that Defendants engaged in an unlawful act of “shaving time” by deducting  
2 time from the hours worked by employees to eliminate or minimize the occurrence of overtime  
3 and payment of wages. As such, there was a maximum theoretical value of \$419,800, i.e., 1st pay  
4 period x [Initial: \$100<sup>1</sup> + \$50<sup>2</sup>] + 1,199 pay periods x [Subsequent Penalty: \$100 + \$250] for the  
5 minimum and overtime wage claims

6 30. Plaintiffs were again mindful of the wide discretion given to trial courts in assessing  
7 the civil penalties associated with such violations. *See Carrington, supra*. Based on these defenses,  
8 as well as a review of Defendants’ policies and practices, Plaintiffs estimated that there was a 30%  
9 risk of defeat on the minimum wage claims. However, unlike the claims where Plaintiffs  
10 anticipated a substantial discretionary reduction of the penalties, Plaintiffs believe that any PAGA  
11 penalties for unpaid wages would only receive a slight reduction by this Court (10%) given that  
12 the claim, if true, caused harm to the Aggrieved Employees through the deprivation of earned  
13 wages – and this reduction would occur mainly because the violations, if any occurred, during the  
14 pandemic era where much of any work environment was struggling to combat the new age  
15 pressures and realities caused by the novel coronavirus. Therefore, Plaintiffs believe that the  
16 reasonable trial estimate for the unpaid minimum wage claims is \$264,474.00.

17 31. Relatedly, since Plaintiffs and other Aggrieved Employees were required to use  
18 personal cell phones – a necessary expenditure as described above that should have been borne by  
19 Defendants – they are entitled to civil penalties for incurring these expenses in connection with their  
20 work. An employer must indemnify its employees for all necessary expenditures incurred by the  
21 employee in direct consequence of the discharge of his or her duties. Cal. Lab. Code § 2802.  
22 Defendants denied any liability for this claim. Defendants further argued that on the rare occasions  
23 where Aggrieved Employees did incur business expenses, there was a process to request  
24 reimbursement. Plaintiffs likewise assessed a maximum figure of \$239,900 but when considering  
25 Defendants’ defenses and the Court’s assessment of liability and penalties, for the same reasons  
26

27 \_\_\_\_\_  
28 <sup>1</sup> Per Labor Code § 1197, \$100 initial penalty, \$250 subsequent penalty for minimum wages claim under LC § 1197.

<sup>2</sup> Per Labor Code § 558, \$50 initial penalty, \$100 subsequent penalty for overtime claims under LC § 510.

1 articulated above, Plaintiffs concluded that the risk-adjusted amount of penalties for Plaintiffs' §2802  
2 claim would equate to \$59,975.00.

3 32. Plaintiffs further argued that Defendants failed to provide accurate itemized wage  
4 statements to the Aggrieved Employees. Based on information learned from both formal and informal  
5 discovery, the maximum theoretical value of this claim was \$1,199,250.

6 33. However, this maximum figure ignores the many risks and defenses of this wage  
7 statement claim. After a thorough analysis of this claim and the corresponding defenses, Plaintiffs  
8 estimate that there was a 30% risk of defeat on the merits. Plaintiffs also believe that the Court would  
9 reduce the assessed penalty amount by 70% because a higher assessment would be "unjust, arbitrary  
10 and oppressive, or confiscatory" in light of "the facts and circumstances of [this] particular case"  
11 (Labor Code § 2699(h)); namely, Defendants contended that it would be "unjust" to impose significant  
12 penalties for the alleged wage statement violations because the Aggrieved Employees did not suffer  
13 any injury in relation to these claims. *See Fleming v. Covidien* (C.D. Cal. 2011) No. ED CV 10-01487  
14 RGK (OPx), 2011 U.S. Dist. LEXIS 154590 (approximate 82.14% reduction of PAGA penalties on  
15 Labor Code § 226 claim); *Aguirre v. Genesis Logistics* (C.D. Cal 2013) No. SACV 12-00687 JVS  
16 (ANx), 2013 WL 10936035 (applying approximate 73% reduction on PAGA penalties for Labor Code  
17 § 226 claims).

18 34. Furthermore, while a PAGA claim for violation of Labor Code § 226 does not  
19 require a showing of knowledge or willfulness (*Lopez v. Friant & Associates, LLC* (2017) 15  
20 Cal.App.5th 773), Defendants contended that it would be "unjust" to impose significant penalties  
21 for the alleged wage statement violations because the Aggrieved Employees did not suffer any  
22 injury in relation to these claims. As such, Plaintiffs believe that the wage statement claim has a  
23 reasonable trial estimate of \$251,842.50.

24 35. Plaintiffs also raised claims for failure to timely pay wages under the theory that  
25 Defendants' failure to timely pay wages on separation of employment under Labor Code §§ 201 –  
26 203. Plaintiffs premised this claim directly on Defendants' practice of failing to pay Plaintiffs and  
27 Aggrieved Employees for all hours worked "off-the-clock" and failure to pay premium wages for meal  
28 and rest break violations. Thus, the claim was entirely derivative and duplicative of penalties for

1 unpaid wages. And because Plaintiffs believe that they could not stack penalties in this manner,  
2 Plaintiffs further believe that the only potential recovery (if any) for failure to timely pay wage claims  
3 was under Labor Code § 201 – 203.

4 36. For the Labor Code §§ 201 – 203 claims, Plaintiffs calculated the maximum penalty as  
5 \$239,900.00, which is the \$100 initial penalty plus the \$200 subsequent penalty multiplied by 1,199  
6 pay periods for the 96 former Aggrieved Employees that allegedly did not receive all wages owed  
7 upon separation of employment. Because Plaintiffs believe that these individuals were subjected to  
8 the unpaid wage claims discussed above, these derivative claims rise and fall based on the same  
9 defenses and risks. Thus, the reasonable trial value of these derivative claims is \$50,379.00, which is  
10 a 79% reduction based on the outlined defenses and risks.

11 **Gross Settlement is Favorable to the Likely Recovery**

12 37. In light of the above, the Gross Settlement Amount is approximately 11% of  
13 Defendants’ potential PAGA maximum exposure and if the Court accepts Plaintiffs’ risk-adjusted  
14 trial estimates as articulated above, the Gross Settlement Amount is approximately 31% of the  
15 \$761,070.50 calculated exposure [Unpaid Wages (\$264,474.00) + Meal & Rest Breaks  
16 (\$134,400.00) + Reimbursement Claim (\$59,975) + Inaccurate Wage Statements (\$251,842.50) +  
17 Waiting Time Penalties (\$50,379.00)]. The Gross Settlement Amount compares favorably to the  
18 likely recovery of PAGA penalties through continued litigation. This is especially true if the Court  
19 were to disallow the stacking feature and calculate Defendants’ total exposure by plainly applying  
20 a set dollar amount on the total number of pay periods.

21 38. Defendants’ maximum exposure to PAGA penalties is not a realistic outcome of the  
22 litigation because it fails to account for the multiple risks of continued litigation including, but not  
23 limited to, Defendants’ defenses. *See, Zayerz v. Kiewit Infrastructure West*, 2018 U.S. Dist. LEXIS  
24 14918, \*14 (C.D. Cal. January 18, 2018). For instance, Defendants argued that they can only be  
25 assessed civil penalties for actual violations of the Labor Code. *See* Lab. Code § 2699(f)(2). In other  
26 words, to recover any civil penalties, Plaintiffs would be required to prove the underlying Labor Code  
27 violations. (*Cardenas v. McLane Foodservice, Inc.*, 2011 U.S. Dist. LEXIS 13126, \*10 (C.D. Cal.  
28 2011) [“Given the statutory language [of PAGA], a plaintiff cannot recover on behalf of individuals

1 whom the plaintiff has not proven suffered a violation of the Labor Code by the defendant.”].) To do  
2 this, Plaintiffs would need to prove each Aggrieved Employee was subject to the alleged Labor Code  
3 violation, which would be difficult to do, since Defendants deny any liability or wrongdoing of any  
4 kind associated with the claims alleged in this action.

5 39. Finally, the maximum penalty figure does not consider that courts have complete  
6 discretion to “award a lesser amount than the maximum civil penalty amount specified [by PAGA] if,  
7 based on the facts and circumstances of the particular case, to do otherwise would result in an award  
8 that is unjust, arbitrary and oppressive, or confiscatory.” (Cal. Lab. Code § 2699(e)(2)). In fact, Courts  
9 routinely exercise their authority to reduce PAGA penalties by 85% to 95%. *See e.g. Carrington v.*  
10 *Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018) (reducing PAGA penalties to \$5 per pay period;  
11 “Although the trial court may have disagreed with Starbucks regarding the issue of liability, it clearly  
12 took the circumstances proffered by Starbucks into consideration when it imposed the penalty ... only  
13 \$5 per initial violation”); *Kaanaana v. Barrett Bus. Servs., Inc.*, 29 Cal App 5th 778, 788 (2018),  
14 review granted on other grounds (noting that the trial court “exercised its discretion to reduce the  
15 [PAGA] penalties to 13 percent of the full amount [requested, because] [o]n average, plaintiffs were  
16 deprived of 13 percent of the 30-minute meal period”); *Fleming v. Covidien, Inc.*, 2011 WL 7563047,  
17 \*4 (C.D. Cal. 2011) (exercising discretion to reduce the maximum amount of PAGA civil penalties  
18 for plaintiffs’ section 226 claims from \$2,800,000 to \$500,000 because the employees suffered no  
19 injuries as a result of the erroneous wage statements and made no complaints about the errors or  
20 omissions in the wage statements, thus reducing the maximum penalty by 82%); *see also, Gola v.*  
21 *University of San Francisco*, San Francisco Superior Court Case No. CGC-18-5655018, Proposed  
22 Statement of Decision, dated July 21, 2020, Judge Curtis A. Karnow of San Francisco Complex  
23 (concluding after a full-blown bench trial that a penalty of 15% of the maximum PAGA penalties was  
24 the appropriate penalty).

25 40. The gross amount obtained by Aggrieved Employees Counsel is reasonable in light  
26 Defendants’ arguments. Further, the adverse decision in *Wesson* poses a very significant, and even  
27 fatal, risk to Plaintiffs’ case.

28 41. Defendants’ substantial compliance could also operate to prevent the imposition of

1 PAGA penalties. A corollary of PAGA being an enforcement action is that “substantial  
2 compliance with statutory directives will suffice if the purpose of the statute is thereby  
3 satisfied.” *Downtown Palo Alto v. City Council*, 180 Cal.App.3d 384, 395 (1986) (emphasis  
4 supplied); *see also Hernandez v. BCI Coca-Cola Bottling Co.*, 2012 WL 12272348, at \*8 (C.D.  
5 Cal. Apr. 12, 2012), *aff’d*, 554 F. App’x 661 (9th Cir. 2014) (granting defendant’s motion for  
6 summary judgment based on defendant’s “substantial compliance” with Labor Code section 226).  
7 In this regard, “[t]he paramount consideration is the objective of the statute.” *Id.* “Where there is  
8 compliance as to all matters of substance[,] technical deviations are not to be given the stature of  
9 noncompliance.” *Cal-Air Conditioning v. Auburn Union School Dist.*, 21 Cal.App.4th 655, 668  
10 (1993) (emphasis supplied). “Unless the intent of a statute can only be served by demanding strict  
11 compliance with its terms, substantial compliance is the governing test.” *County of Tulare v.*  
12 *Campbell*, 50 Cal. App. 4th 847, 853 (1996) (emphasis supplied). With respect to Plaintiff’s meal  
13 break claim – one of the core claims Plaintiff pursued against Defendants – Mr. Orellana and Mr.  
14 Mays alleged that the uniform meal period was also well beyond the fifth hour of work as mandated  
15 by California law and *Brinker Restaurant Corp. v. Superior Ct.*, Cal.4th 1004 (2012). From  
16 Plaintiff’s perspective, this contention had merit as a review of the punch data ACSS provided  
17 revealed that the average start time for Aggrieved Employees during the PAGA Period was  
18 anywhere between 6:00 a.m. and 7:00 a.m. Thus, this too achieves the deterrent and remedial  
19 purposes of the PAGA by remedying the alleged unlawful meal period policy in place for Plaintiff  
20 and Aggrieved Employees.

21 42. Given Defendants’ defenses to the claimed Labor Code violations at issue, and the  
22 risks and costs of continued litigation, Plaintiffs and Plaintiffs’ Counsel believe that the Gross  
23 Settlement Amount is fair and reasonable. This settlement was negotiated by experienced counsel  
24 at arm’s length.

25 43. The LWDA has been provided notice of this motion and the PAGA settlement, and  
26 the decision of LWDA to accept the PAGA settlement and not oppose the motion should be given  
27 considerable weight. Moreover, the LWDA is a sophisticated government entity that can assert  
28 and protect its own rights.

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44. The requested Attorneys' Fee of \$82,250.00 and reimbursement of Attorneys'

45. Plaintiffs' Counsel negotiated a recovery of \$235,000.00, and this result justifies requested fees equal to one third of this recovery. This percentage is within the standard percent recovery percentage of one-third, and this percentage is what was expressly approved by the Supreme Court in *Laffitte v. Robert Half Int'l Inc.*, 1 Cal.5th 480, 504, (2016). At the time the case was brought, the result was far from certain. Defendants' defenses to the merits of the case created difficulties with proof and complex legal issues for Plaintiffs' Counsel to overcome. Several defenses asserted by Defendants present serious threats to the claims of Plaintiffs and Aggrieved Employees.

46. Defendants asserted that its employment practices complied with all applicable laws. If successful, Defendants' factual and legal defenses would eliminate *any recovery* to the grievated Employees. While Plaintiffs believe that these defenses could be overcome, Plaintiffs maintain that these defenses have merit and therefore present a serious risk to the Settlement. The Settlement was possible because, in Plaintiffs' Counsel's eyes, Plaintiffs' Counsel was able to persuade Defendants that there was an appreciable risk that Plaintiffs would prevail on the factual and legal issues underlying liability and overcome difficulties in proof as to any relief.

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47. This case was taken on a contingency basis with the real risk that my office, would no compensation whatsoever for our efforts. The potential costs which we can be required to pay in PAGA actions like this one are substantial. Attached hereto as **Exhibit D** is a true and correct copy of my firm's out-of-pocket costs incurred to date in this matter. Furthermore, as detailed above, my firm has extensive experience in class action and representative litigation, particularly in the employment context, and as detailed herein, the Settlement Class and the State of California reaped significant benefits.

8

1           48.     The fee award is justified by the work performed. A cross-check of Plaintiffs  
2 Counsel's lodestar confirms that the fee request here is reasonable. Generally, the Ninth Circuit  
3 and California Courts award multipliers between 2 to 4 times the lodestar to reward counsel for  
4 accepting the contingent risks of the litigation or obtaining good results. *See, e.g., Laffitte*, 1 Cal.  
5 5th at 506 (approving one-third fee award with multiplier between 2.03 and 2.13); *Pellegrino v.*  
6 *Robert Half Intern., Inc.*, 182 Cal.App.4th 278 (2010) (noting reasonable multipliers of 2.0 to 4.0  
7 are often applied and affirming 1.75 multiplier); *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th  
8 224, 254 (2001) (noting that multipliers can range from 2 to 4 or higher); *Vandervort v. Balboa*  
9 *Capital Corp.*, 8 F.Supp. 3d 1200, 1210 (C.D. Cal. 2014) (awarding one-third of fund, which was  
10 a 2.52 multiplier of lodestar); *Boyd v. Bank of America*, 2014 WL 6473804, at \*11 (C.D. Cal.  
11 2014) (awarding one-third of fund, which was a 2.58 multiplier of lodestar); *Hopkins v. Stryker*  
12 *Sales Corp.*, No. 11-CV-02786-LHK, 2013 WL 496358, at \*6 (N.D. Cal. Feb. 6, 2013) (approving  
13 fee award that represented a multiplier of 2.76 as falling within the "majority" range for risk  
14 multipliers).

15           49.     My hourly rate is \$800.00. I believe this hourly rate to be justified for an attorney  
16 with over sixteen years of experience practicing exclusively in the field of labor and employment  
17 law. Moreover, the hourly rate is also reasonable in light of the excellent results I have achieved  
18 in the past, as detailed above, as well the rates I have been awarded in the past. For example, on  
19 two occasions in 2014 and in 2015, I was approved at a rate of \$475 per hour in the *Leos* and  
20 *Meneses* cases. Subsequently, I was approved at a rate of \$550 in 2016 in *Garcia I*. After not  
21 raising my attorneys' fees for over two years, I raised my attorney fee rate per hour by \$25 for  
22 2018. A little over two and half years later, in 2022, I raised my hourly rate to \$725 which was  
23 approved in the *Caballero* matter. Aside from being warranted by our skill, experience and ability,  
24 Class Counsel rates that were used in application of the lodestar cross check in this case, are also  
25 supported by the Laffey Matrix. *See* <http://www.laffeymatrix.com>. The Laffey Matrix is a fee  
26 schedule used by many courts throughout the United States, including some California state courts  
27 and California Federal District Courts. The Laffey Matrix is a well-established objective source  
28 that California courts have relied on in assessing hourly rates since 2005. *See In Re HPL*

1 *Technologies, Inc. Securities Litigation*, 366 F.Supp.2d 912, 921 (N.D. Cal. 2005) (Confirming  
2 use of the Laffey Matrix adjusted to account for locality pay differentials); *Rubalcaba v.*  
3 *Albertson's, LLC*, No. BC528755, 2017 WL 4330597, at \*4 (Cal. Super. Ct. May 25, 2017),  
4 reversed on other grounds.) According to the Laffey Matrix, Class Counsel rates are less than or  
5 in line with the prevailing market rates (e.g., Michael Boyamian \$800.00/hr v. \$948.00/hr (17  
6 years)).

7         50. My total lodestar to date is \$66,400.00. Your Declarant performed a substantial  
8 amount of work in order to investigate the claims, establish a reasonable settlement value, and  
9 prepare the case for mediation. This work included: (1) Preparing for and attending court  
10 appearances; (2) Researching legal claims, drafting the PAGA Notice, and representative  
11 Lawsuit; (3) Internal discussions and coordination with Mays Counsel, and filing amended  
12 complaints and stipulations; (4) Researching, drafting and opposing Defendants' Motion to  
13 Compel Arbitration, which demonstrated the enforceability of the arbitration agreements; (5)  
14 Conducting outreach efforts with other aggrieved employees and understanding their work  
15 experiences at Mariposa Detox Center; (6) Reviewing Defendants' policies and procedures  
16 related to the issues at dispute in this lawsuit; (7) Reviewing pay records, time punch records,  
17 and records related to the claims alleged in this representative action, and hiring an expert  
18 statistician to determine the total amount of civil penalties owed to the State of California and  
19 other Aggrieved Employees; (8) Preparing, drafting the Mediation Brief and corresponding with  
20 co-counsel and retained expert; (9) Attending and participating in the mediation session with a  
21 well-respected mediator; (10) Reviewing additional data and information provided post-  
22 mediation in order to verify the previous calculations made and to ensure the settlement was  
23 fair, reasonable, and adequate.<sup>3</sup> Here, the lodestar approach supports the conclusion that the fee  
24 award sought by PAGA Counsel is fair and reasonable. This is because Plaintiffs' Counsel's  
25 lodestar for the work performed on behalf of the PAGA Group is well over the requested amount  
26 of fees. In other words, Plaintiffs' Counsel is requesting an award of \$82,250.00 – which would  
27 effectively be employing a *negative* multiplier of approximately 0.44. Plaintiffs' Counsel's

28 <sup>3</sup> Should the Court request it, I can provide detailed records of my billing time sheets for an in camera inspection.

lodestar to date is as follows:

| <u>Attorney</u>            | <u>Hours &amp; Rates</u> | <u>Attorney's Fees</u> |
|----------------------------|--------------------------|------------------------|
| Michael H. Boyamian        | 83 hours                 | \$66,400.00            |
| The Spivak Law Firm        | 279.75 hours             | \$89,650.25            |
| United Employees Law Group | 40.30 hours              | \$29,217.50            |
| <b>Total: \$185,267.75</b> |                          |                        |

51. The availability of a multiplier under the lodestar approach further confirms the reasonableness of Plaintiffs' requested attorneys' fees though it is not necessary here. The analysis only underscores the reasonableness of the fees requested. Thus, Plaintiffs' Counsel's collective lodestar is greater than the requested fee amount of \$82,250.00 or 35% of the common fund, which is a reasonable fee under the circumstances of this case and is prima facie reasonable both because it is within the range of reasonableness of fees in similar cases, and because a cross-check of Class Counsel's lodestar confirms that the fee request here is reasonable. Your Declarant's lodestar to date is \$66,400.00 (83 hours \* 800.00 per hour). I anticipate having to expend an additional 8-10 hours on this case dealing with issues regarding the settlement, class member inquiries, and inquiries related to distribution. Moreover, I note that my office nor my co-counsel's office have received any attorneys' fees to date in this matter as we have been representing Plaintiff, the State of California and the pool of aggrieved employees on a contingency basis. I believe this to be an important consideration as the Court assesses our collective lodestar and the total attorneys' fees to award to Plaintiffs' Counsel.

52. Attorneys' fee awards in the amount sought here are well-established by California law and practice. Accordingly, Plaintiffs' Counsel's fee request is fair and reasonable and is consistent with the awards in California and the Ninth Circuit. It is also reasonable given the history of this action and the results obtained. For these reasons, the requested fee is eminently reasonable, as it is in line with the collective lodestar based on nearly two and a half years of hard work and time spent litigating, the skill and experience of Aggrieved Employees Counsel, the preclusion of counsel from pursuing other employment, and the obstacles and risks faced and overcoming in achieving this settlement.

53. Plaintiffs' Counsel will distribute the attorney's fees accordingly with the fully executed fee split agreement: 50% of the attorneys' fees to Boyamian Law, Inc., and 50% of the attorneys' fees to Spivak Law Firm, APC and United Employees Law Group.

54. In the course of this litigation, my office had to incur out-of-pocket costs of \$5,174.35. The costs incurred included filing fees, mediation fees, photocopy charges, service of process fees, travel expenses, research expenses, and mailing charges. My firm's itemization of costs is attached hereto as **Exhibit D**. Plaintiffs' Counsel's in total had costs of \$19,280.68 based upon \$5,174.35 for my firm, \$12,660.48 for The Spivak Law Firm, and \$1,445.85 for United Employees Law Group. The itemization of these cost figures of my co-counsel are set forth in the Declaration of David Spivak and Declaration of Walter L. Haines, respectively. These out-of-pocket expenses are the types of expenses normally charged to paying clients including the following: filing fees; copying; postage; factual and legal research charges; mediation fees; and expert costs which were all incurred during, and were necessary for the successful prosecution of, the litigation and, therefore, should be reimbursed.

55. By collecting several bids from reputable third-party administrators, Simpluris was selected because they are competent, highly capable, and provided the most competitive bid. Aggrieved Employees Counsel has also incurred positive experiences with Simpluris on these types of representative actions where a payment plan has been entered into by the parties. Claims administration costs, as provided by the claims administrator Simpluris, are estimated to be \$3,500. A true and correct copy of the bid is attached hereto as **Exhibit E**.

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed this 17th day of October 2025 at Glendale, California.

Michael H. Boyamian

Exhibit “A”



## BOYAMIAN LAW

May 23, 2023

**SUBMITTED ELECTRONICALLY VIA ONLINE SUBMISSION**

Labor and Workforce Development Agency  
Attention: PAGA Administrator  
455 Golden Gate Avenue, 9th Floor  
San Francisco, California 94102

Re: *Orellana adv. Magnified Health Systems West LLC, et al.*  
Notice of PAGA Claims Pursuant to Labor Code § 2699.3

To Whom It May Concern:

My office represents Morris Orellana (hereinafter “Claimant”), with respect to claims on behalf of himself and other similarly situated current and former non-exempt, hourly employees (collectively hereinafter referred to as “Medical Assistants”) of Magnified Health Systems West LLC, Phase Two ATC LLC, Mariposa Detox Center LLC, and Mariposa Detox Center II LLC (hereinafter “Magnified”, “Respondent”, or “Company”) who worked in California at the Company’s residential and detox treatment center locations from May 23, 2022 and continuing to the present (“Relevant Time Period”). The purpose of this letter is to satisfy the notice requirements of Labor Code § 2699.3(a). This notice is provided to enable Claimant to proceed in a court of law against the Company as authorized by California Labor Code section 2695, *et seq.*

Below we set forth the facts and theories which we believe support our contention that Magnified has violated and continues to violate various provisions of the California Labor Code including, but not limited to, failures by Magnified to pay minimum wages and overtime wages, to provide statutorily-mandated meal and rest periods, and for related derivative claims of inaccurate wage statements and waiting time penalties.

**Facts & Theories About the Case**

Respondents Magnified Health Systems West LLC, Mariposa Detox Center LLC, and Mariposa Detox Center II LLC, at all times herein mentioned, are companies conducting business in the State of California as “Mariposa Detox Center.” Defendants operate several Mariposa Detox Centers, which are drug and alcohol rehabilitation centers and clinics located in the greater Los Angeles area and each location is registered as a separate business entity with the California Secretary of State’s website. Upon information and belief, all identified business entities share or are affiliated with the same top-level management.

The degree of control exercised by Magnified Health over Mariposa Detox is enough to reasonably deem Mariposa Detox as agents of Magnified Health under traditional agency principles. Mariposa Detox can legitimately be described as only a

means through which Magnified Health acts and conducts its nationwide business. Defendants Magnified Health and Mariposa Detox have such a unity of interest and ownership that the separate personalities do not in reality exist and that the corporate structure is just a shield for the alter ego of each other. Plaintiff therefore is informed and believes and thereupon alleges that Magnified Health Systems West LLC, Mariposa Detox Center LLC, and Mariposa Detox Center II LLC, and each of them, were his employer under California law, that Defendants herein did acts consistent with the existence of an employer-employee relationship with Plaintiff and that Mariposa Detox was owned, controlled, directly or indirectly, by Magnified Health.

Respondents, jointly and severally, employed Claimant as an hourly-paid, non-exempt employee from approximately February 2020 to approximately September 2022, in the State of California, County of Los Angeles. Claimant maintained the position and title of “Medical Assistant” throughout his employment with Respondent, and worked at Magnified’s drug and alcohol treatment centers in Encino and West Hollywood, California.

Our investigation has revealed that Medical Assistant, including Mr. Orellana, are not provided with legally compliant meal periods and rest breaks. Magnified’s scheduling and staffing practices coupled with the nature of the work does not relieve them from all duty. With respect to rest breaks, Mr. Orellana and other similarly situated Medical Assistants are not provided any training about statutory breaks under California law, are not scheduled to take rest breaks, and in fact, rest breaks are not made available to them. Medical Assistants, including Mr. Orellana, are instructed not to leave their posts, to maintain coverage, and to tend to patients’ needs at a moment’s notice and at the expense of violating mandated meal and rest break provisions.

California law requires that an employer provides an employee who works more than five hours a meal break that is no less than 30 minutes in duration. 8 CCR 11070(11)(A). Unless an employee is relieved of all duty during the 30-minute meal period, the meal period is considered an on-duty meal period and counted as time worked. *Id.* However, an on-duty meal period is permitted only when the nature of the work prevents an employee from being relieved of all duty and the parties agree in writing to an on-the-job paid meal period. *Id.* If an employer fails to provide an employee a lawful meal period, the employer must pay the employee one hour of pay for each violation. 8 CCR 11070(11)(D). Additionally, California law mandates that an employer must “authorize and permit” an employee to take a duty-free rest period not less than 10 minutes in duration for every four hours of work. 8 CCR 11070(12)(A). Violation of the rest break provisions requires the employer pay the employee one hour of pay for each workday a rest period was not provided. 8 CCR 11070(12)(B). Lastly, in California, the employer is required to keep records of all hours worked. Labor Code § 1174(d). In an explication of employer “control,” the California Supreme Court held, in *Augustus v. ABM Security Services, Inc.*, 2 Cal. 5th 257 (2018), that employees are under employer control when the employer directs them to be ready to respond during breaks. *Augustus*, 2 Cal. 5th. The Court further clarified that employees who must keep

phones with them during allegedly off-duty breaks are under employer control even if the phone never rings during those periods and the employee is never called back to full duty. *Augustus*, 2 Cal. 5th at 271-272 (expressly refusing to adopt an unclear rule that control only exists in on-call situations when the employer actually calls the employee back to work.)

With respect to meal periods, the Company also engaged in an unlawful act of “shaving time” by automatically deducting a 30-minute meal period from the hours worked by Medical Assistants, even though the Company’s time records show that Medical Assistants were punched out for less than thirty minutes, skipped a meal period, or punched out late for a statutory mandated meal period. Claimant therefore seeks to recover the unpaid compensation for all hours worked as defined by the Labor Code and the applicable Industrial Welfare Commission wage order as to the time during which an employee is subject to the control of an employer, and includes all the time the employee is engaged, suffered or permitted to work, whether or not required to do so, or as otherwise set forth in *Dynamex Operations West, Inc. v. Superior Court of Los Angeles*, 4 Cal.5th 903 (2018).

Magnified would also “shave time” by manipulating the time entries on Magnified’s timekeeping system by adjusting work that would qualify as overtime to regular time in an effort to deprive Medical Assistants, including Mr. Orellana, with the overtime rate of pay for work performed in excess of 8 hours in a day and/or 40 hours in a week. California law requires that all hours worked over 8 in a day or 40 in a week or worked on the 7th consecutive day of a work week be paid 1.5 times an employee’s regular rate of pay. *See, e.g.*, Lab. Code §§ 510, 1194; Cal. Code Regs., tit. 8, § 11090, et seq. In addition, hours worked over 12 in a day or hours over 8 worked on the 7th consecutive day in a week are paid at 2 times an employee’s regular rate of pay.

Because Claimant and other similarly situated Medical Assistants were not compensated for all hours worked, were deprived of overtime compensation, and were not provided the statutorily mandated meal and rest breaks, Magnified also failed to provide accurate wage statements in a violation of Labor Code Section 226, and failed to fully compensate former employees in a timely manner when their employment ended, in violation of Labor Code Section 201 *et seq.*

California Labor Code Section 2699.3(a) requires an aggrieved employee to inform the Agency before filing a civil action under the Private Attorneys General Act of 2004 (“PAGA”). Based on the foregoing facts, Claimant is asserting PAGA claims on behalf of himself and on behalf of all other non-exempt, hourly employees employed by Magnified in its residential and detox treatment center locations from May 23, 2022, to the present. Claimant seeks *civil penalties* under PAGA for the following Labor Code violations:

1. Violations of Labor Code sections 216, 1194, 225.5, 558 for failing to pay minimum and overtime wages due. Specifically, does not pay minimum and overtime

wages to Claimant and other non-exempt, hourly Medical Assistant employees for all hours worked, as required by Labor Code sections 216, 510, 511, 558, 1182.1-1182.3, 1194-1197.1 and 1198.

2. Violations of Labor Code section 558 for failing to pay wages due, including those for missed meal and rest periods as required by Labor Code sections 226.7, 512, 551-553. Specifically, with respect to meal breaks, Magnified does not permit Claimant and other non-exempt, hourly Medical Assistants to take an uninterrupted, off-duty, and/or full meal periods, and does not pay one additional hour of pay at their regular rate of compensation for each missed meal period. The Company also does not provide Claimant and other non-exempt, hourly employees with rest periods. Nor does it pay one additional hour of pay at their regular rate of compensation for each missed rest period.

3. Violations of Labor Code sections 226 and 226.3, requiring employers to provide specific information on employees' itemized wage statements, as the Company does not include all hours worked and wages earned on the wage statements of Claimant and other non-exempt, hourly Medical Assistants.

4. Violations of Labor Code sections 204 and 210, based on the Company's failure to pay Claimant and similarly situated non-exempt, hourly employees on the regular pay day all owed wages, and the Company's failure to fully compensate former employees in a timely manner when their employment ended, in violation of Labor Code Section 201 *et seq.*

Accordingly, we believe Magnified has violated, and continues to violate, numerous provisions of California law, including, without limitation Labor Code Sections §§ 201, 202, 203, 204, 210, 216, 221, 223, 225.5, 226, 226.3, 226.7, 510, 511, 512, 551, 552, 558, 1174, 1174.5, 1194-1197.1, 1198, and 2698, *et seq.*, as well as the relevant IWC orders and regulations, and that Claimant and other similarly situated current and former non-exempt, hourly employees are entitled to all damages, restitution and statutory penalties allowed by law. Our investigation is continuing, and there may be more violations uncovered.

We respectfully request that the Labor Workforce Development Agency notify this office within sixty (60) days if it wishes to investigate this matter further or, in the alternative, notify us that you will not pursue an investigation so that we may pursue these penalties under the Private Attorney General Act of 2004. Should you have any questions or concerns or require additional information, please do not hesitate to contact the undersigned. If the Company wishes to resolve these claims without resorting to protracted litigation, please contact the undersigned forthwith to discuss this matter further.

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Thank you for your immediate attention to this matter.

Very truly yours,



Michael H. Boyamian

Cc: Magnified Health Systems West LLC (Sent via Certified Mail, Return Receipt Requested)  
Registered Agent, Inc. (Registered Agent for Service of Process)  
1401 21<sup>st</sup> Street, Suite R  
Sacramento, CA 95811

Mariposa Detox Center LLC (Sent via Certified Mail, Return Receipt Requested)  
Registered Agent, Inc. (Registered Agent for Service of Process)  
1401 21<sup>st</sup> Street, Suite R  
Sacramento, CA 95811

Mariposa Detox Center II LLC (Sent via Certified Mail, Return Receipt Requested)  
Registered Agent, Inc. (Registered Agent for Service of Process)  
1401 21<sup>st</sup> Street, Suite R  
Sacramento, CA 95811

Phase Two ATC LLC (Sent via Certified Mail, Return Receipt Requested)  
Registered Agent, Inc. (Registered Agent for Service of Process)  
1401 21<sup>st</sup> Street, Suite R  
Sacramento, CA 95811

Exhibit “B”

## PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs MICHAEL MAYS and MORIS ORELLANA (“Plaintiffs”) and Defendants MAGNIFIED HEALTH SYSTEMS WEST, LLC, MARIPOSA DETOX CENTER LLC, PHASE TWO ATC LLC, and MARIPOSA DETOX CENTER II (“Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

### 1. DEFINITIONS.

- 1.1. Action: Michael Mays’ lawsuit alleging wage and hour violations against Mariposa Detox Center LLC captioned “Michael Mays, on behalf of himself, and all others similarly situated, and as an ‘aggrieved employee’ on behalf of other ‘aggrieved employees’ under the Labor Code Private Attorneys General Act of 2004, *Plaintiff(s)*, vs. Mariposa Detox Center LLC, a California limited liability company; and DOES 1 through 50, inclusive, *Defendant(s)*,” Case No. 22STCV30341 initiated on September 16, 2022 and pending in Superior Court of the State of California, County of Los Angeles; Moris Orellana’s lawsuit alleging wage and hour violations against Magnified Health Systems West, LLC, Mariposa Detox Center LLC, Phase Two ATC LLC, and Mariposa Detox Center II LLC captioned “Moris Orellana, an individual, individually and on behalf of all others similarly situated, *Plaintiff(s)*, vs. Magnified Health Systems West LLC, et al., Detox Center LLC, a Delaware limited liability company, et al.; and DOES 1 through 100, inclusive, *Defendant(s)*,” Case No. 22STCV38056 initiated on December 6, 2022 and pending in Superior Court of the State of California, County of Los Angeles; and Moris Orellana’s lawsuit seeking civil penalties for alleged wage and hour violations against Magnified Health Systems West, LLC, Mariposa Detox Center LLC, Phase Two ATC LLC, and Mariposa Detox Center II LLC captioned “Moris Orellana, on behalf of himself, all other aggrieved employees, and the general public, Plaintiff, vs. Magnified Health Systems West LLC, a Delaware limited liability company, et al.; and DOES 1 through 100, inclusive, Defendant(s),” Case No. 23STCV18036 initiated on July 31, 2023, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. Administrator: Simpluris, or another neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. Administration Expenses Payment: The amount the Administrator will be paid from the Gross Settlement Amount not to exceed \$12,500.00 to reimburse its reasonable fees and expenses.
- 1.4. Aggrieved Employee: A person employed by Defendant in California and classified hourly and non-exempt by any Defendant during the PAGA Period.
- 1.5. Aggrieved Employees Data: Aggrieved Employees identifying information in Defendants’ possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

- 1.6 Aggrieved Employee Counsel Fee Payment: The amount allocated to Aggrieved Employees Counsel to an amount of no more than 35% of the Gross Settlement Amount for reimbursement of reasonable attorneys' fees incurred to prosecute the Actions
- 1.7 Aggrieved Employees Counsel Litigation Expenses Payment: The amounts allocated to Aggrieved Employees Counsel of not more than \$27,500.00 for reimbursement of expenses incurred to prosecute the Actions.
- 1.8 Aggrieved Employees Counsel: Michael H. Boyamian of Boyamian Law, Inc. David Glenn Spivak of The Spivak Law Firm, and Walter L. Haines of United Employees Law Group.
- 1.9 [omitted]
- 1.10 Court: The Superior Court of California, County of Los Angeles.
- 1.11 Defendants: Defendants Magnified Health Systems West, LLC, Mariposa Detox Center LLC, Phase Two ATC LLC, and Mariposa Detox Center II LLC.
- 1.12 Defense Counsel: Rosely George and Steve R. Belilove of Kaufman Dolowich, LLP.
- 1.13 Denial of other Pending Claims: Defendants are unaware of any pending claims or notices of the LWDA that will be affected by the "Released Claims" Provision above.
- 1.14 Disputes: Any dispute between the Parties as to the remaining terms of the settlement agreement shall be presented to the Mediator, the Honorable Zaven V. Sinanian (ret).
- 1.15 Effective Date: The date by when both of the following have occurred: (a) the court enters a judgment on its order granting approval of the Settlement; and (b) the judgment is final. The Judgment is final as of the latest of the following occurrences: (b) if one or more Aggrieved Employees objects to the Settlement, the day after the deadline for filing a notice of appeal from the judgment; or if a timely appeal from the judgment is filed, the day after the appellate court affirms the judgment and issues a remittitur.
- 1.16 Notice of Settlement To LWDA: Plaintiffs shall timely file a notice of claim and notice of settlement with the LWDA.
- 1.17 Approval Hearing: The Court's hearing on the Motion for Approval of the Settlement.
- 1.18 Approval: The Court's Order Granting approval of the Settlement.
- 1.19 Funding of Gross Settlement Amount: Defendants shall fund the Gross Settlement Amount by transmitting (5) monthly equal installment payments commencing no earlier than 30 days after the Effective Date or March 1, 2025, whichever is later.
- 1.20 Gross Settlement Amount: means \$235,000.00 which is the total amount Defendants agree to pay under the Settlement except as provided in the Escalator Clause and Individual Release Payment(s). The Gross Settlement Amount will be used to pay Individual PAGA Payments,

the LWDA Payment, Aggrieved Employees Counsel Fees, Aggrieved Employees Counsel Expenses, and the Administrator's Expenses.

- 1.21 Individual PAGA Payment: The Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.22 Judgment: The judgment entered by the Court based upon the Approval.
- 1.23 LWDA: The California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.24 LWDA PAGA Payment: The 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.25 Net Settlement Amount: The Gross Settlement Amount, less the following payments in the amounts approved by the Court: Aggrieved Employees Counsel Fees Payment, Aggrieved Employees Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
- 1.26 PAGA Notice: Plaintiff Mays's September 16, 2022 letter to Defendant and the LWDA and Plaintiff Orellana's May 23, 2023 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a)
- 1.27 PAGA Pay Period: Any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.28 PAGA Penalties: The total amount of PAGA civil penalties to be paid from the Gross Settlement Amount after reductions for Aggrieved Employees Counsel Fees Payment, Aggrieved Employees Litigation Expenses Payment, and Administration Expenses Payment (i.e., Net Settlement Amount), allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of the PAGA claims.
- 1.29 : PAGA Period: The period from September 16, 2021 to the date of Court Approval.
- 1.30 Plaintiffs: Michael Mays and Moris Orellana, the named plaintiffs in the Action.
- 1.31 Plaintiffs' Release: Each Plaintiff will execute a general release with a waiver of rights under California Civil Code Section 1542.
- 1.32 Released PAGA Claims: All claims for civil penalties under PAGA stated in Plaintiff Mays' pre-filing letter to the LWDA and those based solely upon the facts alleged in his pre-filing letter to the LWDA. Plaintiffs release all claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff Mays' pre-filing letter to the LWDA; Plaintiffs do not release the claims for wages or damages of any Aggrieved Employee.
- 1.33 Released Parties: Defendants and each of their officers, directors, employees and agents.

1.34 Settlement: The disposition of the Actions effected by this agreement and the judgment.

## 2 RECITALS.

2.1 On September 16, 2022, Plaintiff Michael Mays commenced this Action by filing a PAGA Notice letter. Following exhaustion of the 65-day notice period, Plaintiff Mays filed his PAGA Complaint on September 16, 2022 (Los Angeles County Superior Court Case No. 22STCV30341, "Guzman Action"). On May 23, 2023, Plaintiff Moris Orellana filed a PAGA letter. Following the exhaustion of the 65-day notice period, on December 6, 2023, the Orellana Plaintiff filed a PAGA Complaint (Los Angeles Superior Court Case No. 22STCV38056, "Orellana Action"). The Complaint will be the operative complaint in this Action ("Operative Complaint") containing the following allegations which are currently pled in the Johnson and Castro Actions: liability under the PAGA Statute (Cal. Labor Code Section 2698 *et seq.*) for (1) failing to comply with California law concerning payment of lawful wage for all hours worked including overtime hours worked, commission and piece rate violations; (2) failing to pay minimum wage; (3) failing to provide timely meal breaks; (4) failing to provide rest breaks; (5) failure to timely pay all wages owed; (6) failing to provide accurate itemized wage statements; (7) violations of sick pay; (8) unlawful deductions; and (9) unreimbursed expenses. Plaintiffs allege violations of the following Labor Code sections: 200-204, 207, 210, 216, 218, 218.5, 221, 223, 225.5, 226, 226.3, 226.7, 246, 510, 512, 551, 552, 558, 1174, 1174.5, 1194-1197.2, 1198, 1199, 2802, 2698, and 2699. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Mays and Orellana Actions, as well as the Operative Complaint, and deny any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notices.

2.3 On January 30, 2024, the Parties participated in an all-day mediation presided over by Honorable Zaven V. Sinanian (ret.) which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiff obtained key company documents and data, including a sampling of time and payroll records for the alleged Aggrieved Employees through informal discovery.

2.5 The Parties, Aggrieved Employees' Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

## 3 MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$235,000.00 and no more as the Gross Settlement Amount. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

3.3 To Aggrieved Employees Counsel: Attorney's fees of not more than 35% of the Gross Settlement Amount, currently estimated to be \$82,250.00 and costs of not more than \$27,500. Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs and/or Aggrieved Employees' Counsel will file an application or motion for Aggrieved Employees' Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves an Aggrieved Employees' Fees Payment and/or an Aggrieved Employees' Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Aggrieved Employees' Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Aggrieved Employees' Counsel Fee Payment and/or Aggrieved Employees' Counsel Litigation Expenses Payment. The Administrator will pay the Aggrieved Employees' Counsel Fees Payment and Aggrieved Employees' Counsel Expenses Payment using one or more IRS 1099 Forms. Aggrieved Employees' Counsel assumes full responsibility and liability for taxes owed on the Aggrieved Employees' Counsel Fees Payment and the Aggrieved Employees' Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.4 To the Administrator: An Administrator Expenses Payment not to exceed \$12,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than the amount stated above, the Administrator will retain the remainder in the Net Settlement Amount.

3.5 To the LWDA and Aggrieved Employees: PAGA Penalties to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.6 The Administrator will calculate each Individual PAGA Payment by  
(a)

dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

#### **4 SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Aggrieved Employee Pay Periods. Based on a review of its records as of the date of March 11, 2024 mediation, Defendant estimates there are 96 Aggrieved Employees who worked a total 1,200 PAGA Pay Periods from September 16, 2021 through the date of Court Approval.

4.2 Aggrieved Employee Data. Within 14 days of settlement approval, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Aggrieved Employees' Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendants shall fund the Gross Settlement Amount by transmitting to the Administrator (5) consecutive monthly equal installment payments of \$47,000 each commencing no later than 30 days after the Effective Date or March 1, 2025, whichever is later.

4.4 Payments from the Gross Settlement Amount. The Administrator shall make payments from the Gross Settlement Amount within 14 days after Defendants have transmitted the Gross Settlement in full under Paragraph 4.7, above. The Administrator will issue checks for all Individual PAGA Payments and Plaintiffs' representative service awards, the Administration Expenses Payment, Aggrieved Employees' Counsel's Attorneys Fees' and Expenses payment.

4.5 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.6 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator

must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, as requested by the Aggrieved Employee prior to the void date.

4.7 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and canceled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.5.1 4.8 The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5.1 Release by Aggrieved Employees:

Plaintiffs do not release the claims for wages or damages of any Aggrieved Employee. All claims for civil penalties under PAGA stated in Plaintiff Mays' pre-filing letter and Plaintiff Orellana's pre-filing letter to the LWDA and those based solely upon the facts alleged in Plaintiffs' pre-filing letters to the LWDA. Plaintiffs release all claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff Mays' and/or Plaintiff Orellana's pre-filing letters to the LWDA; Plaintiffs do not release the claims for wages or damages of any Aggrieved Employee.

5.2 Release by Aggrieved Employees Counsel:

Aggrieved Employees Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

**6 MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare and file a stipulation and/or motion for approval of this Settlement.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial

relationship with Plaintiff, Aggrieved Employees' Counsel or Defense Counsel; (iii) a signed declaration from Aggrieved Employees' Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiffs and Aggrieved Employees' Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2 Responsibilities of Aggrieved Employees Counsel. Aggrieved Employees' Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the stipulation and/or motion for approval of this Settlement no later than 15 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. Aggrieved Employees' Counsel are responsible for delivering the Court's order approving the settlement to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, Aggrieved Employees' Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, Aggrieved Employees' Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

## **7 SETTLEMENT ADMINISTRATION.**

- 7.1 Selection of Administrator. The Parties have jointly selected Simpluris to serve as the Administrator and verified that, as a condition of appointment, Simpluris, agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

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

**8 AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR CLAUSE**

Based on its records, as of the date of the March 11, 2024 mediation, Defendants estimate there are 96 Aggrieved Employees who worked a total 1,200 PAGA Pay Periods from September 16, 2022 through, the date of Court approval. If, as of the date the Court approves the settlement, the Aggrieved Employee PAGA Pay Periods increase by more than 10%, the Gross Settlement Amount, including the Aggrieved Employees Counsel Fees Payment, will increase proportionally based on according to the number of additional PAGA Pay Periods or Aggrieved Employees, whichever results in a higher increase in the Gross Settlement Amount. This will include a *pro rata* increase in the Aggrieved Employees' Counsel Fees Payment.

**9 CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

**10 ADDITIONAL PROVISIONS.**

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3 Attorney Authorization. Aggrieved Employees Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other

documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Admission: The Parties agree the Settlement is not an admission of any liability or wrongdoing. Defendants deny any liability or wrongdoing of any kind and further deny that, for any purpose other than settling the Actions, the Actions are or would be appropriate for representative treatment. Defendants maintain, among other things, that they have complied with California law in all aspects, and continue to do so. Nothing in the PAGA Settlement Term Sheet or Settlement negotiations, approval of Settlement, orders related to Settlement or any other aspect of the Settlement will be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants.
- 10.6 No Publicity Regarding The Settlement: Aggrieved Employees Counsel and Plaintiffs shall not publicize or communicate the fact or terms of the settlement on any social media, internet site, print media, or marketing/advertising materials. The Court shall have the power to enjoin violations of this provision and the prevailing party(ies) shall be entitled to his/its/their attorneys' fees and costs.
- 10.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.8 No Tax Advice. Neither Plaintiffs, Aggrieved Employees' Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.10 Agreement Binding on Successors. This Agreement will be binding upon, and

inure to the benefit of, the successors of each of the Parties.

- 10.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.14 Use and Return of Aggrieved Employee Data. Information provided to Aggrieved Employees' Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to Aggrieved Employees' Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants makes a written request to Aggrieved Employees' Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 10.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

BOYAMIAN LAW, INC.  
Michael H. Boyamian, SBN 256107  
michael@boyamianlaw.com

550 North Brand Boulevard, Suite 1500  
Glendale, California 91203-1922  
Telephone: 818.547.5300  
Facsimile: 818.547.5678

The Spivak Law Firm  
David G. Spivak  
8605 Santa Monica Blvd. PMBB 42554  
West Hollywood, California 90069  
Telephone: (213) 725-9094  
Facsimile: (213) 634-2485  
E-mail: david@spivaklaw.com

United Employees Law Group  
Walter L. Haines  
8605 Santa Monica Bl.  
PMB 63354  
West Hollywood CA 90069  
Telephone: (562) 256-1047  
Facsimile: (562) 256-1006  
E-mail: walter@uelglaw.com

To Defendants:

KAUFMAN DOLOWICH LLP  
Steve R. Belilove, SBN 119506  
[sbelilove@kaufmandolowich.com](mailto:sbelilove@kaufmandolowich.com)  
Rosely George, SBN 256186  
[rgeorge@kaufmandolowich.com](mailto:rgeorge@kaufmandolowich.com)  
11111 Santa Monica Blvd., Suite 850  
Los Angeles, California 90025  
Telephone: (310) 775-6511  
Facsimile: (310) 575-9720

- 10.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.19 Stay of Litigation. The Parties agree that upon the signing of this PAGA Settlement Term Sheet by the Parties, this Actions shall remain stayed and all applicable deadlines shall be extended pending the outcome of the settlement process. The Parties further agree that upon the signing of this PAGA Settlement Term Sheet that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

***Plaintiffs:***

Dated: June <sup>30.00</sup>\_\_, 2025

DocuSigned by:  
  
CC:629D322643409  
\_\_\_\_\_  
Plaintiff, Moris Orellana

Dated: June \_\_, 2025

\_\_\_\_\_  
Plaintiff, Michael Mays

***Defendants:***

Dated: June \_\_, 2025

\_\_\_\_\_  
By:  
Defendants Magnified Health Systems West, LLC,  
Mariposa Detox Center LLC, Phase Two ATC LLC,  
and Mariposa Detox Center II LLC.

***Approved as to form:***

Dated: June \_\_, 2025

\_\_\_\_\_  
Steve R. Belilove, Esq.  
Rosely George, Esq.  
Kaufman Dolowich  
Counsel for Defendants

Dated: July 8, 2025

  
\_\_\_\_\_  
Michael Boyamian, Esq.  
Boyamian Law, Inc.  
Counsel for Plaintiffs

Dated: June \_\_, 2025

\_\_\_\_\_  
David Spivak, Esq.  
The Spivak Law Firm  
Counsel for Plaintiffs

Dated: June \_\_, 2025

\_\_\_\_\_  
Walter L. Haines, Esq.  
United Employees Law Group  
Counsel for Plaintiffs

***Plaintiffs:***

Dated: June \_\_, 2025

06 / 26 / 2025

Dated: June \_\_, 2025

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Plaintiff, Moris Orellana



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Plaintiff, Michael Mays

***Defendants:***

Dated: June \_\_, 2025

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By:

Defendants Magnified Health Systems West, LLC,  
Mariposa Detox Center LLC, Phase Two ATC LLC,  
and Mariposa Detox Center II LLC.

***Approved as to form:***

Dated: June \_\_, 2025

---

Steve R. Belilove, Esq.  
Rosely George, Esq.  
Kaufman Dolowich  
Counsel for Defendants

Dated: June \_\_, 2025

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Michael Boyamian, Esq.  
Boyamian Law, Inc.  
Counsel for Plaintiffs

06 / 25 / 2025

Dated: June \_\_, 2025



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David Spivak, Esq.  
The Spivak Law Firm  
Counsel for Plaintiffs

Dated: June \_\_, 2025

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Walter L. Haines, Esq.  
United Employees Law Group  
Counsel for Plaintiffs

***Plaintiffs:***

Dated: June \_\_, 2025

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Plaintiff, Moris Orellana

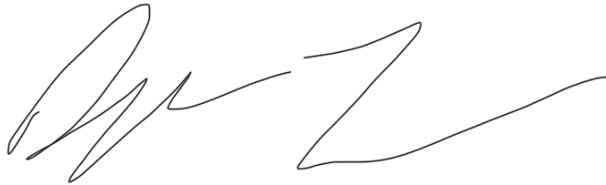
Dated: June \_\_, 2025

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Plaintiff, Michael Mays

***Defendants:***

Dated: July 3, 2025



By: Brandon Freeman  
Defendants Magnified Health Systems West, LLC,  
Mariposa Detox Center LLC, Phase Two ATC LLC,  
and Mariposa Detox Center II LLC.

***Approved as to form:***

Dated: July 3, 2025



Steve R. Fenilove, Esq.  
Rosely George, Esq.  
Kaufman Dolowich  
Counsel for Defendants

Dated: June \_\_, 2025

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Michael Boyamian, Esq.  
Boyamian Law, Inc.  
Counsel for Plaintiffs

Dated: June \_\_, 2025

---

David Spivak, Esq.  
The Spivak Law Firm  
Counsel for Plaintiffs

Dated: June \_\_, 2025

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Walter L. Haines, Esq.  
United Employees Law Group  
Counsel for Plaintiffs

***Plaintiffs:***

Dated: June \_\_, 2025

---

Plaintiff, Moris Orellana

Dated: June \_\_, 2025

---

Plaintiff, Michael Mays

***Defendants:***

Dated: June \_\_, 2025

---

By:  
Defendants Magnified Health Systems West, LLC,  
Mariposa Detox Center LLC, Phase Two ATC LLC,  
and Mariposa Detox Center II LLC.

***Approved as to form:***

Dated: June \_\_, 2025

---

Steve R. Belilove, Esq.  
Rosely George, Esq.  
Kaufman Dolowich  
Counsel for Defendants

Dated: June \_\_, 2025

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Michael Boyamian, Esq.  
Boyamian Law, Inc.  
Counsel for Plaintiffs

Dated: June \_\_, 2025

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David Spivak, Esq.  
The Spivak Law Firm  
Counsel for Plaintiffs

Dated: June 24, 2025

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Walter L. Haines, Esq.  
United Employees Law Group  
Counsel for Plaintiffs

EXHIBIT A – NOTICE OF PAGA SETTLEMENT

[Date], 202\_\_

[Settlement Administrator Name]  
[Settlement Administrator Address]

[Employee Name]  
[Employee Street Address]  
[City, State Zip]

Re: PAGA Settlement Payment

Dear Current or Former Magnified Health Systems West, LLC, Employee:

You have received this notice because Magnified Health Systems West, LLC, Mariposa Detox Center LLC, Phase Two ATC LLC, and Mariposa Detox Center II LLC. (“Defendants”) records indicate that you work or have worked for Defendants in California at some time between September 16, 2021 through [REDACTED] [we don’t have this date yet] (the “PAGA Period”). This notice relates to the settlement of two lawsuits titled: *Michael Mays v. Mariposa Detox Center LLC, et al.*, Los Angeles County Superior Court, Case No.: 22STCV30341; and *Moris Orellana v. Magnified Health Systems West, LLC, et. al.*, Los Angeles Superior Court, Case No.: 22STCV38056. (“Lawsuits”).

In the Lawsuits, Plaintiffs Michael Mays and Moris Orellana (“Plaintiffs”) seek civil penalties pursuant to the California Private Attorneys General Act (“PAGA”), a law which allows Plaintiffs to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiffs claim were “aggrieved” by alleged wage and hour violations. In the Lawsuits, Plaintiffs allege that Defendants are liable for failure to pay overtime; failure to pay for all hours worked; failure to pay minimum wage, commission and piece-rate payments; failure to authorize and permit meal periods; failure to authorize and permit rest periods; failure to timely pay wages at termination; failure to provide accurate itemized wage statements; failure to reimburse for necessary business expenditures; and violation of record keeping requirements.

Defendants strongly dispute Plaintiffs’ allegations and maintain that Defendants have fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Lawsuits. Nonetheless, to avoid the cost and distraction of litigation, Defendants have made a business decision to settle the Lawsuits, which settlement has been approved by the Court.

**The enclosed settlement check represents your portion of the Court-approved PAGA settlement. You will not be retaliated against for cashing your check. Checks that are not cashed within 180 days of issuance will be voided and the funds will be transmitted to the state controller unclaimed payment fund in your name.**

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuits.

If you have any questions about this notice, please contact the Settlement Administrator, [NAME] at <<number/email>>.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUITS. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASES.

Exhibit “C”

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## Thank you for your Proposed Settlement Submission

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**From** no-reply@formassembly.com <no-reply@formassembly.com>

**Date** Fri 10/17/2025 10:50 AM

**To** Aram Apinyan <aram@boyamianlaw.com>

[You don't often get email from no-reply@formassembly.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification> ]

10/17/2025 10:49:52 AM

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

Item submitted: Proposed Settlement

On 10/17/2025 10:49:52 AM your Proposed Settlement was successfully processed for case number LWDA-CM-957038-23

If you have questions or concerns regarding this submission or your case, please send an email to [pagainfo@dir.ca.gov](mailto:pagainfo@dir.ca.gov).

DIR PAGA Unit on behalf of  
Labor and Workforce Development Agency

Website: [http://labor.ca.gov/Private Attorneys General Act.htm](http://labor.ca.gov/Private_Attorneys_General_Act.htm)

Exhibit “D”

| Date       | Vendor        | Notes (if applicable)                         | Amount             | Source                     |
|------------|---------------|-----------------------------------------------|--------------------|----------------------------|
| 2022-12-06 | LASC          | Class Complaint                               | \$ 435.00          | Amex 1003                  |
| 2022-12-06 | LASC          | Complex Fees                                  | \$ 1,000.00        | Amex 1003                  |
| 2022-12-06 | GreenFiling   | Complaint                                     | \$ 43.12           | Amex 1003                  |
| 2022-12-15 | ValPro        | Service on Def. Magnified Health              | \$ 143.00          | Amex 1003                  |
| 2022-12-15 | ValPro        | Service on Def. Mariposa                      | \$ 93.00           | Amex 1003                  |
| 2022-12-15 | ValPro        | Service on Def. Mariposa II                   | \$ 93.00           | Amex 1003                  |
| 2022-12-16 | GreenFiling   | POS of Summons'                               | \$ 13.12           | Amex 1003                  |
| 2023-02-15 | GreenFiling   | Notice of Minute Order                        | \$ 13.12           | Amex 1003                  |
| 2023-03-30 | GreenFiling   | Joint Status Conference Report                | \$ 13.12           | Amex 1003                  |
| 2023-04-17 | GreenFiling   | Notice of Related Case                        | \$ 13.12           | Amex 1003                  |
| 2023-05-23 | LWDA          | PAGA Letter                                   | \$ 75.00           | Visa 0974                  |
| 2023-05-23 | USPS          | Certified Mail - PAGA Letter x4               | \$ 31.76           | <a href="#">stamps.com</a> |
| 2023-10-23 | CaseAnywhere  | Service Fee                                   | \$ 165.00          |                            |
| 2023-12-07 | CaseAnywhere  | System Access Fee                             | \$ 135.00          |                            |
| 2023-12-21 | Greenfiling   | CMS                                           | \$ 13.12           | Amex 1003                  |
| 2024-3-7   | Greenfiling   | Joint Status Conference Report                | \$ 14.22           | Visa 5662                  |
| 2024-3-11  | CaseAnywhere  |                                               | \$ 435.00          | Visa 5662                  |
| 2024-06-06 | CaseAnywhere  | Invoice 330497                                | \$ 135.00          | AMEX 1003                  |
| 2024-09-03 | Greenfiling   | Filing of POS (4)                             | \$ 14.22           | AMEX 1003                  |
| 2024-10-04 | Case Anywhere | System Access Fee                             | \$ 141.00          | Visa 3453                  |
| 2024-12-06 | Case Anywhere | Invoice 353125                                | \$ 135.00          |                            |
| 2024-11-25 | Case Anywhere | Invoice 366861                                | \$ 120.78          |                            |
| 2025-03-05 | Case Anywhere | Invoice 373760                                | \$ 135.00          |                            |
| 2025-04-08 | Case Anywhere | Invoice 386777                                | \$ 45.00           | Visa 5662                  |
| 2024-04-11 | JTC Corp.     | Expert Work for Mediation                     | \$ 925.00          | Check No. 1097             |
| 2025-05-05 | Case Anywhere | Invoice 398701                                | \$ 45.00           | Visa 3453                  |
| 2025-06-03 | Case Anywhere | Invoice 410767                                | \$ 45.00           | Visa 3453                  |
| 2025-07-02 | Case Anywhere | Invoice 423114                                | \$ 45.00           | Visa 3453                  |
| 2025-07-22 | LASC          | Minute Order Retrieval                        | \$ 2.00            | Visa 5527                  |
| 2025-07-23 | Greenfiling   | Notice of appearance- Stanley Mosk            | \$ 17.77           | Visa 5527                  |
| 2025-07-30 | Green Filing  | Notice of appearance- Spring Street           | \$ 17.77           | Visa 5527                  |
| 2025-07-30 | Green Filing  | Decl. of ARK re OSC                           | \$ 17.77           | Visa 5527                  |
| 2025-08-06 | Case Anywhere | Invoice 435681                                | \$ 51.00           | Visa 5527                  |
| 2025-18-08 | Green Filing  | Notice of Appearance (Stanley Mosk) Christina | \$ 17.77           | Visa 5662                  |
| 2025-09-03 | Case Anywhere | Invoice 448214                                | \$ 51.00           | Visa 5527                  |
| Upcoming   | Greenfiling   | Motion for PAGA Settlement Approval           | \$ 79.57           |                            |
| Upcoming   | Case Anywhere | Future Case Anywhere Costs                    | \$ 405.00          |                            |
|            |               |                                               |                    |                            |
|            |               |                                               |                    |                            |
|            |               | <b>TOTAL:</b>                                 | <b>\$ 5,174.35</b> |                            |

Exhibit “E”



Reference No. 20240530-PJI-01

May 30, 2024

Emily HOUNG Ly  
The Spivak Law Firm  
1801 Century Park East, 25th Floor  
Los Angeles, CA 90067

**RE:     *Mays v. Mariposa***

Dear Emily,

Thank you for this opportunity to provide a quote for your PAGA settlement. Using the parameters you described, Simpluris' total estimated cost is \$4,132. As a courtesy, we are offering a \$632 discount, for a discounted total of \$3,500.

Please let me know if you have questions. I look forward to this opportunity to work together.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Patrick J. Ivie".

**PATRICK J. IVIE**  
Chief Revenue Officer

m: 310-995-6455  
o: 714-975-5260  
e: [pivie@simpluris.com](mailto:pivie@simpluris.com)



3194-C Airport Loop Drive, Costa Mesa, CA 92626  
[www.simpluris.com](http://www.simpluris.com) | 1 (800) 779 - 2104



3194-C Airport Loop Drive  
Costa Mesa, CA 92626  
800-779-2104  
www.simpluris.com

|                           |                 |                            |                                                              |
|---------------------------|-----------------|----------------------------|--------------------------------------------------------------|
| Estimate Number:          | 20240530-PJI-01 | Prepared By:               | Patrick Ivie                                                 |
| Estimate Date:            | 5/30/2024       | Telephone Number (mobile): | 310.995.6455                                                 |
| Estimate Expiration Date: | 8/28/2024       | Email:                     | <a href="mailto:pivie@simpluris.com">pivie@simpluris.com</a> |

**Client Contact**  
Attorney: **Emily Hough Ly**  
Firm: The Spivak Law Firm  
Email: [emily@spivaklaw.com](mailto:emily@spivaklaw.com)

**Opposing Counsel Contact**  
Attorney:  
Firm:  
Email:

**Case Name: Mays v. Mariposa  
PAGA Settlement**

## Assumptions

In addition to the assumptions enumerated below, this estimate assumes that

- (1) Simpluris will receive data in a single, complete file; (2) there will be no substantial change to class size or in response rate;
- (3) administration costs will be paid from the QSF, and (4) Simpluris will submit revisions to this estimate to account for any material changes to scope.

|                               |          |                          |           |
|-------------------------------|----------|--------------------------|-----------|
| Anticipated Class Size:       | 96       | Undeliverable Rate:      | 10%       |
| Claims Rate:                  | n/a      | Call Rate:               | n/a       |
| Opt-out Rate:                 | n/a      | Average Call Length:     | n/a       |
| Language(s) for Communication | EN/SP    | Fund Distribution:       | Simpluris |
| Reminder Mailing:             | n/a      | Number of Distributions: | 1         |
| Unclaimed Funds:              | Escheat  | State(s):                | CA        |
| Lengths of Administration:    | 6 Months | Tax Years:               | 1         |

## Case Setup

- Undertake postings on Simpluris website of key documents as ordered by the Court (e.g. orders and the Settlement Agreement)
- Data compilation: develop case-specific response tracking

| Category                                 | Unit Value | # of Units | Total    |
|------------------------------------------|------------|------------|----------|
| Project Manager - Case Setup             | \$90.00    | 1          | \$90.00  |
| Case Document Web Postings               | \$225.00   | 1          | \$225.00 |
| Database Manager - Initial Data Analysis | \$105.00   | 1          | \$105.00 |
| Total:                                   |            |            | \$420.00 |

## Award Disbursement

- Establish 26 CFR § 1.468B-1 compliant Qualified Settlement Fund ("QSF")
- Spanish translation of the notice
- Disburse Notice with award payments and tax document
- Uncashed checks shall be sent to the Controller of the State of California
- Conduct regular and annual IRS-mandated QSF reporting and reconciliation (one per calendar year)
- Complete all required filings with state and federal tax authorities

| Category                                     | Unit Value | # of Units | Total      |
|----------------------------------------------|------------|------------|------------|
| Disbursement Data Preparation                | \$125.00   | 1          | \$125.00   |
| Disbursement Manager - Data Validation       | \$80.00    | 2          | \$160.00   |
| Setup Banking Account/QSF                    | \$350.00   | 1          | \$350.00   |
| QSF Monthly Maintenance                      | \$75.00    | 6          | \$450.00   |
| NCOA/CASS/LACS                               | \$0.14     | 96         | \$13.44    |
| Spanish Translation (assuming 900 words)     | \$0.20     | 900        | \$180.00   |
| Print & Mail Notice, Check and Tax Documents | \$1.25     | 96         | \$120.00   |
| Postage                                      | \$0.62     | 96         | \$59.52    |
| Process Returned Checks                      | \$0.10     | 10         | \$1.00     |
| Skip Trace Search Undeliverable Checks       | \$0.12     | 10         | \$1.20     |
| Remail Checks (Includes Postage)             | \$2.20     | 10         | \$22.00    |
| Escheat Uncashed Checks                      | \$500.00   | 1          | \$500.00   |
| QSF Reporting and Final Declaration          | \$500.00   | 1          | \$500.00   |
| Reissue Checks / Mailing                     | \$5.00     | 2          | \$10.00    |
| Reissue 1099s                                | \$5.00     | 1          | \$5.00     |
| Responding to IRS/State/Agency Inquiries     | \$75.00    | 2          | \$150.00   |
| QSF Annual Tax Reporting and Reconciliation  | \$750.00   | 1          | \$750.00   |
| Distribution Manager                         | \$80.00    | 1          | \$80.00    |
| Total:                                       |            |            | \$3,477.16 |

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## Case Completion

- Final audit and review
- Send final declaration and reporting to counsel

| Category                             | Unit Value | # of Units | Total    |
|--------------------------------------|------------|------------|----------|
| Data Manager-Final Reporting         | \$105.00   | 1          | \$105.00 |
| Clerical-Clean Up Any Misc.          | \$40.00    | 1          | \$40.00  |
| Project Manager-Wrap-up Final Issues | \$90.00    | 1          | \$90.00  |
| Total:                               |            |            | \$235.00 |

|                                         |                |
|-----------------------------------------|----------------|
| Total Estimated Cost of Administration: | \$4,132        |
| Less Client Courtesy Discount:          | <u>-\$632</u>  |
| Discounted Total:                       | <u>\$3,500</u> |

# Terms and Conditions

All administration services to be provided by Simpluris to Client, are provided subject to the following terms and conditions ("Agreement"):

**1. Services:** Simpluris agrees to provide Client those services set forth in the Proposal (the "Services") to which these terms and conditions are attached and which has been provided to Client. As compensation for such Services, Client agrees to pay the fees for Services outlined in the Proposal. Simpluris will often take direction from Client's representatives, employees, agents and or professionals (collectively, the "Client Parties") with respect to the Services. The parties agree that Simpluris may rely upon, and Client agrees to be bound by, any direction, advice or information provided by the Client Parties to the same extent as if provided by Client. Client agrees and understands that Simpluris shall not provide Client or any other party with any legal advice.

**2. Fee Estimates Not Binding:** Simpluris and Client acknowledge that it is difficult to determine all necessary work required for the Services or the total amount of fees that may be incurred in performing the Services. Client agrees that fees for Services described in the Proposal are estimated based on the requirements provided by Client. Actual fees charged by Simpluris may be greater or less than such estimate. Client specifically agrees that it will be responsible for the payment of all such fees. Simpluris will provide estimates and budgets, but they are not intended to be binding; are subject to unforeseen circumstances, and by their nature are inexact.

**3. Billing and Payment:** Simpluris will invoice Client on a regular basis unless a specific timeframe is otherwise set forth in the Proposal. Client shall pay all invoices within 30 days of receipt. Amounts unpaid after thirty (30) days are subject to a service charge at the rate of 1.5% per month or, if less, the highest rate permitted by law. Services are not provided on a contingency basis and Client shall remain liable to Simpluris for all fees incurred by Simpluris in performing the Services, regardless of any circumstance that impacts the outcome of Client's matter, including but not limited to, court decisions, actions by the parties, or a failure to consummate a settlement.

**4. Further Assurances:** Client agrees that it will use its best efforts to include provisions reasonably acceptable to Simpluris in any relevant court order, settlement agreement or similar document that provide for the payment of Simpluris' fees and expenses hereunder. No agreement to which Simpluris is not a party shall reduce or limit the full and prompt payment of Simpluris' fees and expenses as set forth herein and in the Proposal.

**5. Rights of Ownership:** The parties understand that the software programs and other materials furnished Simpluris to Client and/or developed during the course of the performance of Services are the sole property of Simpluris. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. Client agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished to Client. Fees and expenses paid by Client do not vest in Client any rights in such property, it being understood that such property is only being made available for Client's use during and in connection with the Services provided by Simpluris.

**6. Bank Accounts:** Simpluris will establish a demand deposit checking account (i.e. non-interest bearing) for funds received related to a distribution, unless directed otherwise in writing by the parties or unless the settlement agreement stipulates otherwise. Simpluris may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and compensation for services Simpluris performs for financial institutions to be eligible for FDIC deposit insurance. The amounts held pursuant to these Terms and Conditions are at the sole risk of Client and, without limiting the generality of the foregoing, Simpluris shall have no responsibility or liability for any diminution of the fund that may result from any deposit made with a financial institution including any losses resulting from a default by such institution or other credit losses. It is acknowledged and agreed that Simpluris will have acted prudently in depositing the fund at such institution.

**7. Retention of Documents & Data:** Unless otherwise required in writing by the Client or court orders, all returned/undeliverable physical documents will be securely shredded after the data has been confirmed uploaded to our systems. Simpluris will retain bank and tax documents for such period of time as it determines is required to maintain compliance with various federal and state law requirements. Unless otherwise required in writing by the Client or court orders, Simpluris will adhere to the Company's data deletion policies and will destroy all remaining project-related information from our systems three (3) years after the conclusion of the project. Storage beyond three (3) years is available upon request and will be billed as incurred.

**8. Limitation of Liability; Disclaimer of Warranties:** Simpluris warrants that it will perform the Services diligently, with competence and reasonable care. In no event will Simpluris be liable to Client or any third party for any claims, losses, costs, penalties, fines, judgments, tax activities, lost profits or business opportunities, business interruptions or delay, special, exemplary, punitive, consequential, indirect or incidental damages relating to the performance of the Services, regardless of whether Client's claim is for breach of contract, tort (including negligence and strict liability) or otherwise, regardless of whether such damage was foreseeable and whether such party has been advised of the possibility of such damages. Simpluris' cumulative liability for damages to Client hereunder will be limited to the total fees charged or chargeable to Client for the particular portion of the Services affected by Simpluris' omission or error. THE WARRANTIES SET FORTH IN THIS SECTION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

**9. Force Majeure:** To the extent performance by Simpluris of any of its obligations hereunder is substantially prevented or delayed by reason of any act of God, flood, fire, earthquake or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date

that Simpluris began performing Services, epidemic, pandemic, quarantine, civil commotion, national or regional emergency, strikes, labor stoppages or slowdowns or other industrial disturbances, passage of Law or any action taken by a governmental or public authority, including imposing an export or import restriction, quota, or other restriction or prohibition or any complete or partial government shutdown, or national or regional shortage of adequate power or telecommunications or transportation or because of any other matter beyond Simpluris' reasonable control, then Simpluris' performance shall be excused and this Agreement, at Simpluris' option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

**10. Rights in Data:** Client agrees that it will not obtain, nor does Simpluris convey, any rights of ownership in the programs, system data, or materials provided or used by Simpluris in the performance of the Services.

**11. Electronic Communications:** During the provision of the Services, the parties may wish to communicate electronically with each other at a business e-mail address. However, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly, each party agrees to use commercially reasonable procedures to check for the then most commonly known viruses and to check the integrity of data before sending information to the other electronically, but each party recognizes that such procedures cannot be a guarantee that transmissions will be virus free. It remains the responsibility of the party receiving an electronic communication from the other to carry out a virus check on any attachments before launching any documents whether received on disk or otherwise.

**12. Notice:** Any notice required or permitted hereunder shall be in writing and shall be delivered personally, by, or sent by registered mail, postage prepaid, or overnight courier to the address identified by each Party in the Proposal. Notice shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service. Notice should be addressed to an officer or principal of Client and Simpluris, as the case may be.

**13. Waiver:** Failure or delay on the part of a party to exercise any right, power or privilege hereunder shall not operate as a waiver thereof or any of other subject, right, power or privilege.

**14. Termination:** Client may terminate the Services at any time upon 30 days prior written notice to Simpluris. Termination of Services shall in no event relieve Client of its obligation make any payments due and payable to Simpluris for Services rendered up to the effective date of Termination. Simpluris may terminate this Agreement (i) for any reason upon no less than 60 days prior written notice to the Client; or (ii) upon 15 calendar days' prior written notice if the Client is not current in payment of fees.

**15. Jurisdiction:** These Terms and Conditions will be governed by and construed in accordance with the laws of the state of California, without giving effect to any choice of law principles.

**16. Survival:** Any remedies for breach of this Agreement, this Section and the following Sections will survive any expiration or termination of this Agreement: Section 4 - Limitation of Liability; Disclaimer of Warranties, Section 6 – Rights in Data, and Section 12- Jurisdiction, 14 -Confidentiality, and Section 15 – Indemnification.

**17. Confidentiality:** Simpluris maintains reasonable and appropriate safeguards to protect the confidentiality and security of data provided by Client to Simpluris in connection with the Services. If, pursuant to a court order or other proceeding, a third-party requests that Simpluris to disclose any confidential data provided by or for Client, Simpluris will promptly notify the Client unless prohibited by applicable law. Client will then have the option to provide Simpluris with qualified legal representation at Client's expense to defend against such request. If, pursuant to a court order, Simpluris is required to disclose data, produce documents, or otherwise act in contravention of the obligation to maintain confidentiality set forth in these terms and conditions, Simpluris will not be liable for breach of said obligation.

**18. Indemnification:** Client will indemnify and hold Simpluris (and the officers, employees, affiliates and agents) harmless against any losses whatsoever incurred by Simpluris, arising out of any action by a third party, including governmental agencies, in connection with , or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by Simpluris in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by Simpluris pursuant to Client's instructions.

**19. Severability:** If any term or condition or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**20. Database Administration:** Simpluris' database administration for Client assumes that Client will provide complete data that includes all information required to send notifications and calculate and mail settlement payments. Data must be provided in a complete, consistent, standardized electronic format. Simpluris' standardized format is Microsoft Excel, however, Simpluris may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by Simpluris on a time and materials basis according to Simpluris' Standard Rates.

**21. Entire Agreement:** These Terms and Conditions together with the Proposal constitutes the entire agreement between the parties with respect of the subject matter hereof and supersede all prior understandings, agreements, or representations by or among the parties, written or oral, to the extent they relate in any way to the subject matter hereof.