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9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF SANTA BARBARA

12 CECILIA PEREZ, individually, and on behalf
13 of other members of the general public
14 similarly situated and on behalf of other
15 aggrieved employees pursuant to the
California Private Attorneys General Act;

16 Plaintiff,

17 vs.

18 SANSUM CLINIC, a California corporation;
and DOES 1 through 100, inclusive,

19 Defendants.
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CASE NO. 23CV01312

Honorable Colleen K. Sterne

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT AND
RELEASE**

Complaint Filed: March 27, 2023

Discovery Cut-off: Per code

Trial Date: Not set

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12 behalf of other members of the general public
similarly situated and on behalf of other
13 aggrieved employees
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1. This Joint Stipulation of Class Action and PAGA Settlement and Release (“**Agreement**” or “**Stipulation**”) is made by and between, on the one hand, Plaintiff Cecilia Perez (“**Plaintiff**”), on behalf of herself and all others similarly-situated, including all members of the Settlement Class as defined below, and on behalf of all similarly-aggrieved employees and members of the general public, as proxy for the State of California, and, on the other hand, Defendant Sansum Clinic (“**Defendant**”), (collectively, the “**Parties**”), in the above-captioned matter.

DEFINITIONS

2. In addition to the terms defined above, the terms below shall have the following meanings:

A. **“Lawsuit”** means Plaintiff’s lawsuit captioned *Cecilia Perez, individually, and on behalf of other members of the general public similarly situated and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act v. Sansum Clinic, a California corporation; and DOES 1 – 100, inclusive*, filed on March 27, 2023, in Santa Barbara County Superior Court, Case No. 23CV01312, and the underlying PAGA Notice sent to the California Labor and Workforce Development Agency (“LWDA”) by Plaintiff on January 19, 2023.

B. **“Class” or “Settlement Class”** means all current and former non-exempt employees employed by Defendant in California at its California facilities at any time from March 27, 2019 through the date of preliminary approval of the Settlement or July 17, 2024, whichever is sooner.

C. **“Class Counsel”** means S. Emi Minne and Jill J. Parker of Parker & Minne, LLP and Arby Aiwazian, Joanna Ghosh, and Vartan Madoyan of Lawyers for Justice, PC for all purposes related to the Settlement. The term “Class Counsel” shall be used synonymously herein with the term “Plaintiffs’ Counsel.”

D. **“Class Counsel Fees” and “Class Counsel Costs”** (collectively the **“Class Counsel Award”**) means the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in

1 connection with the Lawsuit and their related litigation expenses incurred in connection with the
2 Lawsuit.

3 E. **“Class Data”** means information regarding Class Members that Defendant shall
4 compile from its records, as authorized by the Court, and transmit securely to the Settlement
5 Administrator, including each Class Member’s name, last known mailing address, Social Security
6 number, last known telephone number, dates of employment as a non-exempt employee during
7 the Class Period, and other information necessary for the Settlement Administrator to calculate
8 the number of Compensable Workweeks worked during the Class Period and PAGA Period.

9 F. **“Class Member”** or **“Settlement Class Member”** means a member of the Class,
10 as either a Participating Class Member or Non-Participating Class Member (including a Non-
11 Participating Class Member who qualifies as a PAGA-Eligible Employee).

12 G. **“Class Members’ Released Claims”** means the claims being released by the
13 Participating Class Members, as described in Paragraph 20 below.

14 H. **“Class Notice”** means the Court-Approved Notice of Pendency of Class Action
15 Settlement and Final Hearing, to be mailed to Class Members in the form, without material
16 variation, attached as Exhibit 1 and incorporated by reference into this Agreement.

17 I. **“Class Period”** means the period from March 27, 2019 through the date of
18 preliminary approval of the Settlement or July 17, 2024, whichever is sooner.

19 J. **“Class Period End Date”** means the date of preliminary approval of the
20 Settlement or July 17, 2024, whichever is sooner.

21 K. **“Class Representative”** means Cecilia Perez, the named Plaintiff in this Lawsuit,
22 who is seeking Court approval to serve as the Class Representative for settlement purposes.

23 L. **“Class Representative’s Service Award”** means the amount to be paid to the
24 Class Representative for initiating the Lawsuit and providing services in support of the Lawsuit,
25 as approved by the Court.

26 M. **“Compensable Workweeks”** means the number of calendar weeks that a Class
27 Member was employed by Defendant as a non-exempt employee at any time in California at its
28 California facilities during the Class Period, including the PAGA Period.

1 N. **“Court”** means the Santa Barbara County Superior Court.

2 O. **“Defense Counsel”** means Jared W. Speier of Stradling Yocca Carlson & Rauth
3 LLP.

4 P. **“Effective Date”** means the date on which the Settlement becomes “Final,” which
5 means the latest date on which the following events have occurred: (i) the Superior Court has
6 granted Final Approval and entered its Final Judgment approving the Settlement, without material
7 modification and either: (i) the applicable date for seeking appellate review of the Superior
8 Court’s Final Approval has passed without a timely appeal or request for review having been
9 made; or (ii) the California Court of Appeal or the California Supreme Court has rendered a final
10 judgment affirming the Superior Court’s Final Approval without material modification, and the
11 time for any further appeal has expired.

12 Q. **“Final Approval”** means the Court’s order granting final approval of the
13 Settlement.

14 R. **“Final Approval Hearing”** means the Court’s hearing on the motion for Final
15 Approval of the Settlement.

16 S. **“Final Judgment”** means the Judgment entered by the Court upon granting Final
17 Approval of the Settlement.

18 T. **“Individual Class Payment”** or **“Individual Class Payments”** means the
19 Participating Class Member’s pro rata share of the Net Settlement Amount calculated according
20 to the number of Compensable Workweeks worked during the Class Period, as explained below
21 in Paragraph 16.

22 U. **“Individual PAGA Payment”** or **“Individual PAGA Payments”** means the
23 PAGA-Eligible Employee’s pro rata share of 25% of the PAGA Payment, calculated according to
24 the number of Compensable workweeks worked during the PAGA Period by the PAGA-Eligible
25 Employees, whether or not they requested to be excluded from the Settlement, as explained below
26 in Paragraph 17.

27 V. **“LWDA”** means the California Labor and Workforce Development Agency.

28 W. **“LWDA PAGA Payment”** means the 75% share of the PAGA Payment paid to

1 the LWDA under Labor Code section 2699(i).

2 X. **“Maximum Settlement Amount”** means Two Million Nine Hundred Seventy
3 Five Thousand Dollars and No Cents (\$2,975,000.00), which is the total amount Defendant is
4 required to pay under the Settlement, except as provided in Paragraph 11 below, regarding
5 employer payroll taxes on the wage payments being made under the Settlement. The Maximum
6 Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments,
7 the LWDA PAGA Payment, the Class Counsel Award for fees and costs, the Class
8 Representative’s Service Award, and the Settlement Administration Costs. This Maximum
9 Settlement Amount excludes Defendant’s contribution of employer-side payroll taxes due on the
10 settlement payments apportioned as wages, which Defendant will pay separately and in addition
11 to the Maximum Settlement Amount.

12 Y. **“Net Settlement Amount”** means the Maximum Settlement Amount, less the
13 amounts awarded for Class Counsel Fees, Class Counsel Costs, the Class Representative’s
14 Service Award, the PAGA Payment, and the Settlement Administration Costs.

15 Z. **“Non-Participating Class Member”** means any Class Member who opts out of
16 the Settlement by sending the Settlement Administrator a valid and timely Request for Exclusion.

17 AA. **“Objection”** means a Class Member’s valid and timely submission of a written
18 objection to the Settlement to the Settlement Administrator within the Response Deadline,
19 provided that the Class Member did not submit a Request for Exclusion.

20 BB. **“PAGA”** means the Labor Code Private Attorneys General Act of 2004, Cal.
21 Labor Code §§ 2698. *et seq.*

22 CC. **“PAGA-Eligible Employees”** means all current and former non-exempt
23 employees who are members of the Settlement Class as defined above and who have been
24 employed by Defendant in non-exempt positions during the PAGA Period.

25 DD. **“PAGA Payment”** means the total amount of Three Hundred Thousand Dollars
26 (\$300,000.00), in full settlement of Plaintiff’s claims in the Lawsuit for civil penalties under
27 PAGA, subject to the Court’s approval, to be paid from the Maximum Settlement Amount. Of
28 this amount, 75% (\$225,000.00) will be paid to the LWDA and 25% (\$75,000.00) will be paid to

1 the PAGA-Eligible Employees, whether or not they opt out of the Class Settlement.

2 EE. **“PAGA Period”** means the period between January 19, 2022 and the Class Period
3 End Date.

4 FF. **“PAGA-Eligible Employees’ Released Claims”** means the PAGA claims being
5 released as described in Paragraph 21 below.

6 GG. **“Participating Class Member”** means a Class Member who does not submit a
7 valid and timely Request for Exclusion from the Settlement.

8 HH. **“Preliminary Approval Order”** means the Court’s Order granting preliminary
9 approval of the Settlement.

10 II. **“Released Parties”** means Defendant and all of its former and present parents,
11 subsidiaries, divisions, corporate members, and affiliated companies, and their respective officers,
12 directors, exempt employees, partners, shareholders, agents, successors, assigns, and legal
13 representatives.

14 JJ. **“Request for Exclusion”** means a Class Member’s valid and timely submission of
15 a written request to the Settlement Administrator to be excluded from the Class Settlement,
16 signed by the Class Member.

17 KK. **“Response Deadline”** means 45 days after the Settlement Administrator mails the
18 Class Notice to the Class Members, and shall be the last date on which Class Members may mail,
19 e-mail, or fax (1) Requests for Exclusion from the Settlement, (2) an Objection to the Settlement,
20 or (3) a dispute over the number of Compensable Workweeks attributed to them in the Class
21 Notice, unless the Response Deadline is extended by up to seven days as the result of a re-mailing
22 of the Class Notice, as explained below in Paragraph 31 below.

23 LL. **“Settlement”** means the settlement between Parties, which is memorialized in this
24 Agreement, including any attached exhibits, and subject to Court approval.

25 MM. **“Settlement Administrator”** or **“Administrator”** means Simpluris, Inc., the
26 settlement administrator that the Parties have mutually agreed to appoint to administer this
27 Settlement, subject to approval by the Court.

28 NN. **“Settlement Administration Costs”** means the Court-approved fees and

1 reasonable costs incurred by the Settlement Administrator to administer the Settlement, to be
2 reimbursed to the Settlement Administrator from the Maximum Settlement Amount.

3 **RECITALS**

4 3. **The LWDA Letter.** On January 19, 2024, Plaintiff submitted a letter to the
5 LWDA alleging that Defendant subjected her and other current and former hourly-paid or non-
6 exempt employees of Defendant within the State of California to certain violations under
7 California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558,
8 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including inter alia,
9 Wage Orders 4-2001 and 5-2001.

10 4. **The Lawsuit.** On March 27, 2023, Plaintiff filed the Lawsuit alleging the
11 following eleven (11) causes of action: (1) Violation of California Labor Code §§ 510 and 1198
12 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal
13 Period Premiums); (3) Violation of California Labor Code § 226.7 7(Unpaid Rest Period
14 Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum
15 Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid);
16 (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7)
17 Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of
18 California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of
19 California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of
20 California Business & Professions Code §§ 17200, et seq.; and (11) Violation of California Labor
21 Code § 2698, et seq. (California Labor Code Private Attorneys General Act of 2004).

22 5. **Mediation.** Following the filing of the Lawsuit, the Parties met and conferred
23 with respect to the potential for resolution of the Lawsuit, and agreed to engage private mediation.
24 Prior to mediation, Class Counsel diligently investigated the claims against Defendant, including
25 any and all applicable defenses and the applicable law. This investigation included, *inter alia* the
26 exchange of informal discovery, review of numerous corporate policies and practices, and
27 analysis of a random and representative sampling of the time and payroll records for the putative
28 class. Class Counsel's investigation was sufficient to satisfy the criteria for court approval set

1 forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1998) and *Kullar v. Foot*
2 *Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008). On November 7, 2023, the Parties
3 participated in a full-day, arms-length mediation before David A. Rotman of all claims alleged in
4 the Lawsuit. With the assistance of the mediator, the Parties were able to come to a settlement of
5 the claims in the Lawsuit, subject to the Court's approval. The settlement was memorialized in a
6 memorandum of understanding (the "**Memorandum of Understanding**"), subject to later
7 completion of this Agreement. The Parties have filed a stipulation notifying the Court of the
8 Settlement, and the Parties intend that further active litigation in this action shall be stayed and
9 suspended pending the approval of this Settlement. The negotiations leading to the Settlement
10 were at all times conducted at arm-length, and the Settlement is the result of an informed and
11 detailed analysis of Defendant's potential liability in relation to the costs and risks associated with
12 continued litigation.

13 **6. Benefits of Settlement to Plaintiff and the Class Members.** Plaintiff and Class
14 Counsel recognize the expense and length of continued proceedings necessary to litigate
15 Plaintiff's disputes in this Lawsuit through trial and through any possible appeals. Plaintiff has
16 also taken into account the uncertainty and risks of the outcome of further litigation, and the
17 difficulties and delays inherent in such litigation. Plaintiff and Class Counsel also are aware of
18 the burdens of proof necessary to establish liability for the claims asserted in the Lawsuit, both
19 generally and in response to Defendant's defenses thereto, and the difficulties in establishing
20 damages, penalties, restitution and other relief sought in the Lawsuit. Plaintiff and Class Counsel
21 also have taken into account Defendant's agreement to enter into a settlement that confers
22 substantial benefits upon the Class Members. Based on the foregoing, Plaintiff and Class
23 Counsel have determined that the Settlement set forth in this Agreement is fair, adequate, and
24 reasonable and is in the best interests of all Class Members.

25 **7. Defendant's Reasons for Settlement.** Defendant has concluded that further
26 defense of the Lawsuit would be protracted and expensive. Substantial amounts of Defendant's
27 time, energy, and resources have been, and unless this Settlement is completed, shall continue to
28 be, devoted to the defense of the claims asserted by Plaintiff. Defendant also has taken into

1 account the risks of further litigation in reaching its decision to enter into this Settlement. Even
2 though Defendant contends that it is not liable for any of the claims alleged by Plaintiff in the
3 Lawsuit and denies any liability whatsoever, Defendant, nonetheless, has agreed to settle in the
4 manner and upon the terms set forth in this Stipulation and to fully and finally put to rest the
5 claims alleged in the Lawsuit.

6 **CLASS CERTIFICATION**

7 8. **Stipulated Settlement Class.** Solely for purposes of this Settlement only, the
8 Parties have agreed to the certification of a Settlement Class as defined herein. The Parties
9 further agree, for purposes of this Settlement only, to the designation of Parker & Minne, LLP
10 and Lawyers for Justice, P.C. as counsel for the Settlement Class.

11 9. **Certification Is for Settlement Only.** For purposes of this Settlement, the Parties
12 stipulate and agree that the requisites for establishing class certification with respect to the Class
13 have been met and are met. More specifically, for purposes of settlement only, the Parties
14 stipulate and agree that the Settlement Class is ascertainable and so numerous as to make it
15 impracticable to join all Class Members; and that there are common questions of law and fact
16 including, but not limited to, whether Defendant failed to provide meal periods and/or to pay meal
17 premiums in lieu thereof at the regular rate of compensation as required under Labor Code section
18 226.7, whether defendant failed to authorize and permit rest breaks and/or to pay rest break
19 premiums in lieu thereof at the regular rate of compensation as required under Labor Code section
20 226.7; whether Defendant failed to accurately pay overtime, minimum, or regular wages, by
21 failing to pay for off the clock work or failing to pay overtime at the correct regular rate of pay;
22 whether Defendant failed to reimburse employees for business expenses under Labor Code
23 section 2802; whether Defendant failed to furnish accurate, itemized wage statements to all Class
24 Members in accordance with Labor Code section 226; and whether Defendant is liable to the
25 Class Members for derivative waiting time penalties pursuant to Labor Code section 203, among
26 other common issues.

27 10. **Certification Stipulation Nullified if Settlement Not Approved.** Should this
28 Settlement not become final for whatever reason, the Parties shall return to the status quo ante.

1 The Parties agree that certification for settlement purposes under the less stringent standard
2 applied to settlements is in no way an admission that class certification is proper under the more
3 stringent standard applied for litigation purposes. Further, the fact that the Parties were willing to
4 stipulate provisionally to class certification as part of the Settlement and any evidence of this
5 limited Stipulation is for settlement purposes only and shall have no bearing on, and shall not be
6 deemed admissible in the Lawsuit or any other proceeding, except to enforce the terms of the
7 Settlement. Should this Settlement not become final, no class claims shall be pled, and Defendant
8 expressly reserves its right to oppose class certification, as it has successfully done previously in
9 this matter. It is Defendant's position that if the Parties were to litigate the Lawsuit, class
10 certification would be inappropriate because individual issues predominate, among other reasons.

11 **MONETARY TERMS OF THE SETTLEMENT**

12 11. **Maximum Settlement Amount.** The claims of all members of the Settlement
13 Class and the PAGA-Eligible Employees, collectively, are settled for a maximum sum of Two
14 Million Nine Hundred Seventy Five Thousand Dollars and No Cents (\$2,975,000.00) (the
15 Maximum Settlement Amount as defined above). This Maximum Settlement Amount is inclusive
16 of the Class Counsel Award; the Class Representative's Service Award; the Settlement
17 Administration Costs; and the PAGA Payments to the LWDA and the PAGA-Eligible
18 Employees, all as approved by the Court. The Maximum Settlement Amount excludes
19 Defendant's contribution of employer-side payroll taxes due on the settlement payments
20 apportioned as wages, which Defendant will pay outside of (in addition to) the Maximum
21 Settlement Amount.

22 12. **Class Counsel Fees and Class Counsel Costs (the Class Counsel Award).**
23 Class Counsel shall be entitled to request attorneys' fees in an amount not to exceed Thirty-Five
24 Percent (35%) of the Maximum Settlement Amount – that is, estimated not to exceed One Million
25 Forty One Thousand Two Hundred Fifty Dollars (\$1,041,250.00) if the Maximum Settlement
26 Amount is unchanged, plus reimbursement of actual litigation costs in an amount not to exceed
27 Sixty-Thousand Dollars (\$60,000.00). Class Counsel's request for such attorneys' fees and costs
28 shall be subject to approval by the Court. Defendant agrees not to oppose or object to Class

1 Counsel's request for attorneys' fees or reasonable costs within these limits. In the event the
2 Court awards Class Counsel less than these (or any other) requested amounts, the difference shall
3 become part of the Net Settlement Amount and shall be distributed to Participating Class
4 Members as part of their Individual Class Payments. Class Counsel shall be solely and legally
5 responsible to pay all applicable taxes due on the Class Counsel Award. Class Counsel shall
6 provide the Settlement Administrator with properly completed and signed copies of their IRS
7 Form W-9(s) in order for the Settlement Administrator to process the Class Counsel Award
8 approved by the Court. The Settlement Administrator shall issue an IRS Form 1099 to Class
9 Counsel for the amount of the Class Counsel Award.

10 13. **Class Representative's Service Award.** For purposes of this Settlement only, the
11 Parties agree to the designation of Plaintiff Cecilia Perez as the Class Representative. In
12 recognition of her time and effort in bringing and presenting the Lawsuit and for releasing the
13 Plaintiff's Released Claims, Plaintiff shall request a Class Representative's Service Award not to
14 exceed Ten Thousand Dollars (\$10,000.00), to be paid from the Maximum Settlement Amount.
15 Plaintiff's request for such award shall be subject to approval by the Court. Defendant agrees not
16 to oppose or object to Plaintiff's request for a Class Representative's Service Award that does not
17 exceed this amount. The Class Representative's Service Award will be in addition to Plaintiff's
18 Individual Class Payments paid pursuant to the Settlement and/or any PAGA Payment paid to her
19 pursuant to the Settlement. The Settlement Administrator shall issue an IRS Form 1099 to
20 Plaintiff for her Class Representative's Service Award. Plaintiff shall be solely and legally
21 responsible to pay any and all applicable taxes due on her Class Representative's Service Award.
22 Any amount requested by Plaintiff for the Class Representative's Service Award and not awarded
23 by the Court shall become part of the Net Settlement Amount and shall be distributed to
24 Participating Class Members as part of their Individual Class Payments.

25 14. **Settlement Administration Costs.** Subject to the Court's approval, Defendant
26 shall reimburse the Settlement Administration Costs, which are currently estimated to not exceed
27 Twenty Thousand Dollars (\$20,000.00), to be paid from the Maximum Settlement Amount. Prior
28 to the filing of Plaintiff's motion for Final Approval of the Settlement, the Settlement

1 Administrator shall provide the Parties with a statement detailing the Settlement Administration
2 Costs to date.

3 15. **PAGA Payments.** Defendant shall pay the total sum of Three Hundred Thousand
4 Dollars (\$300,000.00) to resolve the claims asserted by Plaintiff Cecilia Perez, as proxy for the
5 State of California and by the State of California itself (including the LWDA), for civil penalties
6 under PAGA. Seventy-five percent (75%) of this amount (\$225,000.00) will be paid to the
7 LWDA as the State of California's settlement share of the civil penalties claimed by Plaintiff
8 pursuant to PAGA. The remaining twenty-five percent (25%) (\$75,000.00) will be distributed to
9 the PAGA-Eligible Employees, based on their proportionate share of Compensable Pay Periods
10 worked during the PAGA Period. These PAGA Payments to the LWDA and PAGA-Eligible
11 Employees will be paid out of the Maximum Settlement Amount. Defendant represents that the
12 PAGA-Eligible Employees worked a collective 45,884 pay periods from January 19, 2022
13 through September 7, 2023.

14 16. **Individual Class Payments.** The Settlement Administrator will determine the
15 Net Settlement Amount by deducting the Class Counsel Award, the Class Representative's
16 Service Award, the PAGA Payment, and the Settlement Administration Costs from the Maximum
17 Settlement Amount. The Settlement Administrator will distribute the Individual Class Payments
18 to the Participating Class Members from the Net Settlement Amount. The Administrator will
19 calculate each Participating Class Member's Individual Class Payment by determining the total
20 number of Compensable Workweeks worked by all Participating Class Members during the Class
21 Period, dividing that number into the Net Settlement Amount to determine the per-workweek
22 value of each Compensable Workweek, and then multiplying that sum by the number of
23 Compensable Workweeks worked by each Participating Class Member during the Class Period.

24 17. **Individual PAGA Payments.** The Settlement Administrator will calculate each
25 eligible employee's Individual PAGA Payment by dividing the 25% portion of the PAGA
26 Payment to be distributed to those individuals, i.e. Seventy-Five Thousand Dollars (\$75,000.00),
27 by the total number of Compensable Workweeks worked by all of the PAGA-Eligible Employees
28 during the PAGA Period to derive the per-workweek value of the Individual PAGA Payments,

1 and then multiplying that sum by the number of Compensable Workweeks worked by each such
2 employee during the PAGA Period.

3 18. **Tax Treatment of Individual Class and PAGA Payments.** The Parties
4 recognize that a portion of the settlement amounts to be paid to the Settlement Class Members
5 under this Settlement are wages for the relief sought in the Lawsuit. The Parties agree that ten
6 percent (10%) of the settlement amounts paid to Settlement Class Members will be treated as
7 payments in settlement of wage claims, subject to W-2 reporting. Applicable employee-side tax
8 deductions and payroll withholdings will be taken from this portion of the payments. The
9 remaining ninety percent (90%) of the settlement payments to those Settlement Class Members
10 will be treated as payments in settlement of claims for penalties and interest sought in the
11 Lawsuit. One hundred percent (100%) of the settlement payments to PAGA-Eligible Employees
12 will be treated as payments in settlement of claims for penalties sought in the Lawsuit. The
13 Settlement Administrator shall issue an IRS Form W-2 to each Participating Class Member for
14 the portion of each Individual Class Payment allocated as unpaid wages. These payments shall be
15 subject to all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form
16 1099 to each Participating Class Member for the remaining portion of each Individual Class
17 Payments. The Settlement Administrator shall also issue an IRS Form 1099 for the Individual
18 PAGA Payments. The non-wage portions of the Individual Class Payments and the entirety of
19 the Individual PAGA Payments will be allocated as non-wage penalties and interest and shall not
20 be subject to payroll tax withholdings.

21 19. **Employer Payroll Taxes.** The Maximum Settlement Amount shall resolve,
22 satisfy and completely extinguish all of Defendant's liability with respect to the Class Members,
23 except that Defendant shall be responsible for paying Defendant's share of employer-side payroll
24 taxes on the portion of the Individual Class Payments that constitute wages. Plaintiff and Class
25 Members will be responsible for paying any taxes that may be owed on amounts they receive
26 under the Settlement, including amounts being reported on the IRS Form 1099. Defendant will
27 pay these taxes, as calculated by the Settlement Administrator, in addition to the Maximum
28 Settlement Amount. Upon Defendant's funding of the Maximum Settlement Amount and the

1 employer portion of payroll taxes on the portion of the Individual Class Payments that constitutes
2 wages, Defendant shall have no further payment or defense obligation whatsoever with respect to
3 any claims covered by this Settlement made or asserted by any person or entity anywhere in the
4 world in connection with the Class Members.

5 **RELEASES**

6 20. **Participating Class Members' Released Claims.** Upon final approval of the
7 Settlement and on the date when Defendant fully funds the Maximum Settlement Amount and its
8 share of employer payroll taxes owed on the wage portion of the Individual Class Payments,
9 Plaintiff Cecilia Perez and each Participating Class Member, as defined herein, will fully, finally
10 and forever release, settle, compromise, relinquish, and discharge Defendant and all of the
11 Released Parties from any and all claims, rights, demands, liabilities, and causes of action of
12 every nature and description, arising during the Class Period, including statutory, contractual, or
13 common law claims for wages, damages, penalties, liquidated damages, interest, attorneys' fees,
14 litigation costs, restitution, or equitable relief – whether asserted under the California Labor Code,
15 Business and Professions Code §§ 17200 *et seq.*, the applicable wage orders at California Code of
16 Regulations, Title 8, Section 11000 *et seq.*, or otherwise – that arise out of or are reasonably
17 related to the factual allegations that were alleged or could have been alleged based on the factual
18 allegations in Plaintiff's operative Complaint relating to Plaintiff's claims, including but not
19 limited to: (a) any and all claims for failure to pay minimum wages under Labor Code sections
20 204, 210, 558, 1194, 1194.2, 1197, 1197.1, 1198, and the applicable wage orders, including but
21 not limited to claims alleging failure to pay for "off the clock" work, failure to pay overtime at the
22 correct regular rate of pay, including but not limited to, Defendant's alleged practice of rounding
23 wages; (b) any and all claims for failure to pay overtime owed under Labor Code sections 510,
24 1194, 1197, 1198, and the applicable wage orders or any other laws governing overtime pay,
25 including but not limited to claims alleging failure to pay for "off the clock" work and/or failure
26 to pay overtime at the correct regular rate of pay; (c) any and all claims for failure to provide
27 lawful meal periods under Labor Code sections 218.6, 226.7, 512, 1198, the applicable wage
28 orders, and/or failure to pay meal premiums at the correct regular rate of pay; (d) any and all

1 claims for failure to authorize and permit rest periods under Labor Code sections 218.6, 226.7,
2 1198, the applicable wage orders, and Civil Code section 3287, and/or to pay rest period
3 premiums in lieu thereof at the correct regular rate of compensation as required; (e) any and all
4 claims for failure to timely pay wages during employment under Labor Code sections 204, 210,
5 218.5, 218.6, 510 and 1194; (f) any and all claims for failure to pay wages owed upon separation
6 from employment under Labor Code sections 201-203; (g) any and all claims for failure to
7 reimburse employees for necessary business expenses under Labor Code sections 2800 and 2802;
8 (h) any and all claims for knowing and intentional failure to furnish accurate itemized wage
9 statements under Labor Code sections 226 and 1174, including allegations that Defendant omitted
10 required information, failed to accurately include all applicable hourly rates and corresponding
11 number of hours worked, did not maintain complete and accurate payroll records pertaining to
12 total hours worked, or failed to maintain accurate records; (i) any and all claims for violation of
13 the Unfair Competition Law under Business and Professions Code section 17200, *et seq.*; and (j)
14 any and all claims for attorneys' fees and costs.

15 21. **PAGA-Eligible Employees' Released Claims.** Upon final approval of the
16 Settlement and on the date when Defendant fully funds the Maximum Settlement Amount and its
17 share of employer payroll taxes owed on the wage portion of the Individual Class Payments,
18 Plaintiff Cecilia Perez, as an agent and proxy of the State of California (including the LWDA),
19 and the State of California itself, acting on behalf of each and all of the PAGA-Eligible
20 Employees, regardless of whether they choose to exclude themselves from the Class Settlement,
21 shall release Defendant and all of the Released Parties, from any and all claims, rights, demands,
22 liabilities, and causes of action of every nature and description for PAGA civil penalties arising
23 during the PAGA Period arising out of the California Private Attorneys General Act of 2004,
24 Labor Code §§ 2698 *et seq.*, based on any of the underlying claims and factual allegations that
25 were alleged, or reasonably could have been alleged in Plaintiff's operative Complaint and/or in
26 Plaintiff Cecilia Perez's notice letter(s) provided to the LWDA, including but not limited to
27 claims for: (a) failure to pay minimum wages under Labor Code sections 204, 210, 558, 1194,
28 1197, 1197.1, 1198 and the applicable wage order, including but not limited to claims alleging

1 failure to pay for “off the clock” work, failure to pay overtime at the correct regular rate of pay,
2 including but not limited to, Defendant’s alleged practice of rounding wages; (b) failure to pay
3 overtime owed under Labor Code sections 510, 1194, 1197, 1198, and the applicable wage orders
4 or any other applicable laws governing overtime pay, including but not limited to claims alleging
5 failure to pay for “off the clock” work and/or failure to pay overtime at the correct regular rate of
6 pay; (c) failure to provide lawful meal periods under Labor Code sections 218.6, 226.7, 512,
7 1198, the applicable wage orders, and/or failure to pay meal premiums at the correct regular rate
8 of pay; (d) failure to authorize and permit rest periods under Labor Code sections 218.6, 226.7,
9 1198, the applicable wage orders, and Civil Code section 3287 and/or failure to pay rest
10 premiums at the correct regular rate of pay; (e) failure to timely pay wages during employment
11 under Labor Code sections 204, 210, 218.5, 218.6, 510, 1194; (f) failure to timely pay wages
12 owed upon separation from employment under Labor Code sections 201-203; (g) failure to
13 reimburse necessary expenses under Labor Code sections 2800 and 2802; (h) failure to provide
14 one day’s rest in a seven-day workweek in violation of Labor Code sections 551 and 552; (i)
15 knowing and intentional failure to comply with itemized wage statement provisions in violation
16 of Labor Code sections 226 and 1174, including allegations that Defendant omitted required
17 information, failed to accurately include all applicable hourly rates and corresponding number of
18 hours worked, did not maintain accurate records pertaining to total hours worked, failed to
19 maintain adequate records, and also derivative violations for the above-stated Labor Code claims;
20 and (j) any and all claims for attorneys’ fees and costs. It is the intent of the Parties that, to the
21 fullest extent permitted by law, the PAGA-Eligible Employees will be deemed to have released
22 all such PAGA claims arising during the PAGA Period.

23 **22. No Right to Opt Out of PAGA Settlement.** It is understood and agreed that
24 PAGA-Eligible Employees will not have the opportunity to opt out of this PAGA Release even if
25 they have requested to be excluded from the Class Settlement. It is the intent of the Parties that,
26 to the fullest extent permitted by law, the PAGA-Eligible Employees will be deemed to have
27 released all such PAGA claims arising during the PAGA Period.
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1 23. **Plaintiff's Additional Release.** In addition to the Class Members' Released
2 Claims and the PAGA-Eligible Employees' Released Claims, upon final approval of the
3 Settlement and on the date when Defendant fully funds the Maximum Settlement Amount and its
4 share of any employer payroll taxes, Plaintiff Cecilia Perez, in her individual capacity, will in
5 exchange for the Class Representative's Service Payment, execute a general release of any and all
6 claims she may have against Defendant and Released Parties, known and unknown, under federal,
7 state and/or local law, statute, ordinance, regulation, common law, or other source of law, arising
8 as of the date of execution of this Agreement, including but not limited to claims arising from or
9 related to her employment with Defendant, her termination of employment with Defendant (if
10 any), her compensation while in Defendant's employ, and all other dealings she has had with the
11 Defendant and the other Released Parties referenced above. Plaintiff expressly waives and
12 relinquishes all rights and benefits of section 1542 of the Civil Code of the State of California,
13 and does so understanding and acknowledging the significance and consequence of specifically
14 waiving her rights under section 1542 not to otherwise release unknown claims. Section 1542 of
15 the Civil Code of the State of California states as follows:

16 A general release does not extend to claims that the creditor or
17 releasing party does not know or suspect to exist in his or her favor
18 at the time of executing the release and that, if known by him or
 her, would have materially affected his or her settlement with the
 debtor or released party.

19 Notwithstanding the provisions of section 1542, and to implement a full and complete
20 release and discharge of the Released Parties, Plaintiff expressly acknowledges that this
21 Agreement is intended to include in its effect, without limitation, all claims that Plaintiff does not
22 know or suspect to exist in her favor at the time of signing this Agreement, and that this
23 Agreement contemplates the extinguishment of any such claims.

24 Notwithstanding the foregoing, this release specifically excludes any claims Plaintiff has or may
25 have that are not waivable by law, including claims for unemployment insurance, disability, social
26 security, workers compensation, and the right to receive benefits under any retirement plan.

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1 26. **Resolution of Court Concerns.** If the Court does not initially grant preliminary
2 approval or conditions preliminary approval on any material change to this Agreement, Class
3 Counsel and Defense Counsel will expeditiously work together, and in good faith, to modify the
4 Agreement and/or otherwise satisfy the Court's concerns.

5 **SETTLEMENT ADMINISTRATION**

6 27. **Selection of Settlement Administrator.** The Parties have jointly selected
7 Simpluris, Inc. to serve as the Settlement Administrator and verified that, as a condition of
8 appointment, the Settlement Administrator agrees to perform, as a fiduciary, all duties specified
9 in this Agreement in exchange for payment of the Settlement Administration Costs. The Parties
10 and their Counsel represent that they have no interest or relationship, financial or otherwise, with
11 the Settlement Administrator other than a professional relationship arising out of prior
12 experiences administering settlements.

13 28. **Qualified Settlement Fund.** The Settlement Administrator shall establish a
14 settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under U.S.
15 Treasury Regulation section 468B-1. The Administrator shall have and use its own Employer
16 Identification Number for purposes of calculating payroll tax withholdings and providing reports
17 to state and federal tax authorities, except as otherwise required or permitted by law.

18 29. **Transmission of Class Data to Administrator.** Within thirty (30) calendar days
19 after the Court grants preliminary approval of the Settlement, to the extent practicable, Defendant
20 will securely provide the Settlement Administrator with the Class Data, including the names, last
21 known addresses and telephone numbers, and social security numbers of the Settlement Class
22 Members, along with data sufficient for the Settlement Administrator to calculate the number of
23 workweeks or pay periods worked by each Settlement Class Member during the relevant Class
24 Period and PAGA Period, as reflected in Defendant's records. Prior to mailing the Notice, the
25 Settlement Administrator shall provide Class Counsel with the total Compensable Workweeks
26 during the Class Period and PAGA Period evidenced by the Class Data. Except for the provision
27 of the total Compensable Workweeks or as otherwise permitted herein, the Administrator will
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1 retain the Class Data and will not share the information contained in the Class Data with Class
2 Counsel.

3 **30. Mailing of Class Notices.** Within twenty (20) calendar days after receiving the
4 Class Data from Defendant, the Settlement Administrator shall mail copies of the Court-approved
5 Class Notice, substantially in the form attached hereto as Exhibit 1, to all Class Members via
6 regular First-Class U.S. Mail in both English and Spanish. Prior to mailing, the Settlement
7 Administrator will perform a search based on the National Change of Address Database for
8 information to update and correct for any known or identifiable address changes. The address
9 identified by the Settlement Administrator as the current mailing address shall be presumed to be
10 the most current mailing address for each Class Member. The Parties agree that this procedure
11 for notice provides the best notice practicable to Class Members and fully complies with due
12 process.

13 **31. Returned or Non-Deliverable Class Notices.** In the event of any returned or
14 non-deliverable Class Notice, the Settlement Administrator will make reasonable efforts to locate
15 Class Members and re-send the Class Notices. Any Class Notice returned to the Settlement
16 Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the
17 forwarding address affixed thereto within five (5) calendar days of receipt of the returned Class
18 Notice by the Settlement Administrator. If no forwarding address is provided, the Administrator
19 shall attempt to determine a correct address by the use of skip-tracing, or other type of automated
20 search, using the name, address and/or Social Security number of the Class Member involved,
21 and shall then perform a re-mailing to the Class Member whose Class Notice was returned as
22 non-deliverable within five (5) calendar days of receipt of the returned Notice by the
23 Administrator, assuming another mailing address is identified by the Administrator. The
24 deadlines for Class Members to submit written Objections, Requests or Exclusion, or challenges
25 to Compensable Workweeks will be extended an additional seven (7) calendar days from the date
26 of the re-mailing, even if this results in an extension of the otherwise-applicable 45-day Response
27 Deadline. If the seventh day after re-mailing falls on a Sunday or Federal holiday, the Response
28 Deadline for the re-mailed notice will be extended to the next day on which the U.S Postal

1 Service is open. If these procedures are followed, notice to Class Members shall be deemed to
2 have been fully satisfied, and if the intended recipient of the Settlement Notice does not receive
3 the Class Notice, the intended recipient shall nevertheless remain a Class Member and shall be
4 bound by all terms of the Settlement and the Final Order and Judgment.

5 **32. Determination of Individual Class Payments and Individual PAGA Payments.**

6 The Settlement Administrator shall determine the eligibility for, and the amounts of, each
7 Individual Class Payment and Individual PAGA Payment under the terms of this Agreement
8 based on the number of Compensable Workweeks worked by each Class Member in the
9 applicable Class Period and/or PAGA Period. The Administrator will then include the estimated
10 number of Compensable Workweeks and the individual payment amounts in each Class
11 Member's Class Notice.

12 **33. Workweek Disputes.** Class Members who wish to contest the calculation of their
13 Settlement Payment and the number of eligible Compensable Workweeks set forth in the Notice
14 may submit a written statement to the Settlement Administrator within the Response Deadline
15 setting forth the number of Compensable Workweeks they believe should be credited to them
16 within the applicable Class Period or PAGA Period, accompanied by any supporting
17 documentation of their claim via mail, e-mail, or facsimile. The Settlement Administrator, in
18 consultation with Class Counsel and Defense Counsel, will review the pertinent payroll records,
19 which Defendant agrees to make available to the Settlement Administrator as needed. Such
20 disputes will be submitted and initially resolved by the Settlement Administrator, subject to final
21 resolution by the Court, if necessary. In the event of such dispute, Defendant's payroll records
22 will be deemed to have a rebuttable presumption of correctness. Prior to any resort to the Court,
23 Class Counsel and Defense Counsel will meet and confer in good faith in an attempt to resolve
24 the dispute. The Settlement Administrator's decision as to the total number of eligible
25 Compensable Workweeks shall be final and non-appealable, subject to the ultimate oversight and
26 approval of the Court if necessary.

27 **34. Objections to the Settlement.** Any Participating Class Member may object to the
28 Settlement by submitting a written objection to the Settlement Administrator within the Response

1 Deadline, unless that deadline has been extended by a re-mailing of the Class Notice, via mail, e-
2 mail, or facsimile. An objection should include: (a) the objector's full name, signature, address,
3 telephone number, and last four (4) digits of their social security number; (b) a written statement
4 of the grounds for the objection accompanied by any legal support for such objection; and (c)
5 copies of any papers, briefs, or other documents upon which the objection is based. Objecting
6 Class Members may appear at the Final Approval Hearing either in person, or through counsel
7 retained at Class Member's own expense, to have their objection heard, whether or not they had
8 submitted a prior written objection as specified in this section. The Court will rule on any
9 objections to the Settlement at the Final Approval Hearing. An objection may be withdrawn at
10 any time. The Settlement Administrator shall provide objections, if any, to Class Counsel and
11 Defense Counsel via email within three (3) calendar days of receipt, and the Settlement
12 Administrator shall attach any objections to its declaration of due diligence, which is to be filed
13 with the Court prior to the Final Approval Hearing. Any Participating Class Member who files an
14 objection remains eligible to receive monetary compensation from the Settlement. At no time
15 shall any of the Parties, Class Counsel, or Defense Counsel solicit or otherwise encourage or
16 discourage Class Members from submitting an Objection or filing an appeal from the Final Order
17 and Judgment. Class Members who submit a Request for Exclusion are ineligible to object to the
18 Settlement.

19 **35. Requests for Exclusion.** Any Class Member may request to exclude themselves
20 from ("opt out" of) the Settlement by submitting a signed, written request to the Settlement
21 Administrator, clearly communicating that the Class Member wishes to be excluded from the
22 Settlement. To be timely and valid, the Request for Exclusion must be mailed (determined by
23 valid postmark), emailed or faxed to the Settlement Administrator by the Response Deadline.
24 The Request for Exclusion should contain the Class Member's name, address, signature, date,
25 telephone number or email address, last four (4) digits of their social security number, the name
26 of the case, and a clear statement requesting to be excluded from the Settlement stating: "I wish to
27 exclude myself from the class settlement reached in the matter of *Perez v. Sansum Clinic*. I
28 understand that by excluding myself, I will not receive money from the settlement of my

individual claims.” Class Members who submit a timely Request for Exclusion will be referred to as Non-Participating Class Members. The Settlement Administrator will accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member’s desire to be excluded. Non-Participating Class Members will not be entitled to receive an Individual Class Payment under the Settlement, will not be bound by the terms and conditions of the Class Settlement, and will not be releasing any of the Class Members’ Released Claims. However, Non-Participating Class Members who are PAGA-Eligible Employees will still receive Individual PAGA Payments and are precluded from bringing PAGA-Released Claims that are released by Plaintiff and the State of California, as described above. Any Class Member who does not submit a timely Request for Exclusion will be deemed to be a Participating Class Member and will be bound by the terms and conditions of the Settlement.

36. **Revocation of Settlement by Defendant.** If five percent (5%) or more of the Class Members request to opt out of the Settlement Class, Defendant will have the sole and absolute discretion to revoke/rescind the Settlement, in which case the Settlement and all actions taken in its furtherance will be null and void, however, Defendant will be required to reimburse the Settlement Administrator for any administration costs incurred prior to such revocation/rescission. The Settlement Administrator shall provide a list of all Class Members who submitted valid Requests for Exclusion, as well as the Requests for Exclusion, within fourteen (14) days after the Response Date. If Defendant elects to revoke/rescind the Agreement, it must provide written notice of such revocation to Class Counsel within fourteen (14) days after receiving the final list of Requests for Exclusion from the Settlement Administrator. Defendant agrees to meet and confer in good faith with Class Counsel before rescinding or voiding the Agreement. Such rescission shall have the same effect as a termination of this Agreement for failure to satisfy a condition of settlement, and the Agreement shall become null and void and have no further force or effect. No Party will encourage any Class Member to opt out of the Settlement. The PAGA-Eligible Employees shall have no right to exclude themselves from the Settlement of the PAGA claims herein if the Settlement is granted Final Approval by the Court.

1 37. **Workweek Count.** Defendant represents that the Settlement Class worked a
2 collective 227,543 workweeks covering the period from March 27, 2019 through September 7,
3 2023. The Parties agree that if the actual number of workweeks worked by the Settlement Class
4 from March 27, 2019 through September 7, 2023, should be determined prior to Final Approval
5 to be ten percent (10%) or more above 227,543 workweeks, then the Parties shall meet and confer
6 about next steps and, absent any agreement to the contrary, Plaintiff will have the right, in her
7 sole and absolute discretion, to revoke the Agreement.

8 38. **Weekly Status Reports.** Following the mailing of the Class Notice, the
9 Settlement Administrator will provide Class Counsel and Defense Counsel with weekly reports
10 of, among other things: the number of Class Notices mailed or re-mailed, Class Notices returned
11 undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, and
12 challenges to the number of Compensable Workweeks received and/or resolved. The
13 Administrator will promptly provide counsel for the Parties with copies of any objections
14 received. Additionally, the Settlement Administrator will provide to counsel for the Parties any
15 other updated reports regarding the administration of the Settlement as may be needed or
16 requested from time to time, including any declarations required by the Court.

17 39. **Other Duties of the Settlement Administrator.** The Settlement Administrator
18 shall perform such other duties as may be necessary from time to time, as directed by Counsel or
19 the Court. This shall include, among other things: (1) maintaining and monitoring an email
20 address and toll-free telephone number to receive and respond to Class Member calls, faxes and
21 emails; (2) establishing and maintaining an internet website to post necessary information for
22 Class Members regarding this Agreement and the Final Approval Hearing, including copies of the
23 Agreement, Preliminary Approval Order and Final Judgment any documents required by the
24 Court; (3) providing Counsel for the Parties with a declaration suitable for filing in Court at least
25 14 days before Plaintiff is required to file her motion for Final Approval of the Settlement,
26 attesting to the Administrator's compliance with all of its obligations under the Agreement and
27 other necessary information regarding the Class Notices, Requests for Exclusion, Objections, and
28 workweek disputes; and (4) providing a final report and compliance declaration suitable for filing

1 with the Court following the Administrator's disbursement of all the payments required by this
2 Agreement, in accordance with any deadlines set by the Court.

3 **MOTION FOR FINAL APPROVAL**

4 40. **Final Settlement Approval Hearing and Entry of Final Order and Judgment.**

5 Following expiration of the Response Deadline, Plaintiff shall prepare and file a motion seeking
6 Final Approval of the Settlement, including a request for approval of the PAGA settlement under
7 Labor Code section 2699(1)(2), a proposed Final Approval Order, and a proposed Judgment,
8 which Defendant will not oppose. Plaintiff shall provide drafts of the motion for Final Approval
9 and proposed Final Order and Judgment to Defense Counsel not later than seven (7) business
10 days prior to filing the motion. Defense Counsel agrees to provide any comments, feedback,
11 and/or proposed revisions to Plaintiff's Motion for Final Approval within five (5) business days
12 thereafter, and to meet and confer in good faith to reach a mutually agreeable final version for
13 final. Plaintiff shall not file the final approval motion without the approval of Defense Counsel,
14 provided Defense Counsel provides its comments, feedback, and/or proposed revisions to the
15 motion within five (5) business days as set forth above. Plaintiff's motion for Final Approval
16 shall be accompanied by a declaration from the Settlement Administrator, as referenced above,
17 describing the process and results of the administration of the Settlement to date. Plaintiff's
18 Motion for Final Approval will include a request for approval of the Class Representative's
19 Service Award and the Class Counsel Award, which Defendant will not oppose. Plaintiff's
20 motion will specify how they wish the total award of attorneys' fees and costs to be apportioned
21 among Plaintiff's counsel in the Lawsuit. If the Court does not grant Final Approval of the
22 Settlement, or if the Court's Final Approval is reversed or materially modified on appellate
23 review, then this Settlement will become null and void.

24 41. **Contents of Proposed Final Order and Judgment.** The proposed Final Order
25 and Judgment will include, among other things:

26 a. Final Approval of the Settlement, adjudging the terms thereof to be fair,
27 reasonable and adequate, and directing consummation of its terms and provisions;
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- 1 b. Approval of Class Counsel’s application for an award of attorneys’ fees
2 and costs;
- 3 c. Approval of the Class Representative’s Service Award payment to
4 Plaintiff;
- 5 d. Approval of the Settlement Administration Costs;
- 6 e. Approval of the PAGA Payments;
- 7 f. The setting of a date when the Parties shall submit the final report
8 regarding the distribution of the Maximum Settlement Amount pursuant to California Code of
9 Civil Procedure section 384, and, if necessary, a date for a final accounting hearing following its
10 receipt of the final report;
- 11 g. The entering of a judgment in the Lawsuit that is intended to preclude any
12 Class Members from pursuing any individual, class or representative claims against any of the
13 Released Parties that have been released herein pursuant to the Agreement, upon satisfaction of
14 all payments and obligations hereunder, excluding the Class claims of those persons who
15 submitted valid and timely Requests for Exclusion.

16 42. **Duty to Cooperate.** If the Court does not grant Final Approval or conditions
17 Final Approval on any material change to the Settlement, the Parties will expeditiously work
18 together in good faith to address the Court’s concerns, including, if necessary, by revising the
19 Agreement to obtain Final Approval and preparing any declarations or other evidence required by
20 the Court. The Court’s decision to award less than the amounts requested for the Class
21 Representative’s Service Payment, Class Counsel Award, PAGA Payments, and/or Settlement
22 Administration Costs shall not constitute a material modification of the Agreement within the
23 meaning of this Paragraph.

24 43. **Jurisdiction of the Court Following Judgment.** Following entry of the Final
25 Order and Judgment, the Court shall retain continuing jurisdiction pursuant to California Rules of
26 Court, Rule 3.769 and Code of Civil Procedure section 664.6 solely with respect to the
27 interpretation, implementation, and enforcement of the terms of this Agreement and all orders and
28 judgments entered in connection therewith; and addressing any other settlement administration

1 and compliance matters that may require its attention. If any party brings an action to enforce the
2 terms of this Agreement, the prevailing party shall be entitled to its/her reasonable attorneys' fees
3 and costs.

4 **SETTLEMENT FUNDING AND PAYMENTS**

5 44. **Information from Settlement Administrator Regarding Funding.** Not later
6 than ten (10) calendar days after the Court's grant of Final Approval of the Settlement, the
7 Settlement Administrator will provide Defense Counsel with an accounting of all anticipated
8 payments from the QSF as specified in this Agreement and approved by the Court, including all
9 necessary routing and payment instructions to the QSF, and including the amount due for the
10 employer's share of payroll taxes on the wage payments to be made outside the Maximum
11 Settlement Amount. The Settlement Administrator also will provide counsel for the Parties with
12 at least fourteen (14) calendar days of lead time, whether before or after the funding date but
13 before the scheduled distribution date, in which to review the Administrator's proposed payment
14 calculations.

15 45. **Funding of Settlement.** Within thirty (30) days after the Settlement becomes
16 Final, Defendant will wire the amounts necessary to fund the Maximum Settlement Amount,
17 together with the amount that the Settlement Administrator has determined or estimated to be
18 Defendant's share of employer taxes due on the wages being paid under the Settlement to the
19 agreed-upon Settlement Administrator.

20 46. **Timing of Settlement Disbursements.** Within fifteen (15) days after Defendant
21 has wired the amounts necessary to fund the Settlement to the Settlement Administrator, the
22 Settlement Administrator will distribute the payments to Plaintiff for her Class Representative's
23 Service Award, to Class Counsel for their Class Counsel Award, to the LWDA, to the
24 Participating Class Members for their Individual Class Payments, to all PAGA-Eligible
25 Employees for their Individual PAGA Payments, and to itself for the Settlement Administration
26 Costs. Before making any distributions, the Settlement Administrator will send counsel for the
27 Parties, for their approval, a draft set of the calculations it has prepared for distribution to the
28 members of the Settlement Class.

1 47. **Method of Individual Payments.** The Settlement Administrator shall mail the
2 Individual Class Payments and Individual PAGA Payments by regular First-Class U.S. Mail to
3 each person's last known mailing address. Prior to mailing the payments, the Settlement
4 Administrator shall perform a search based on the National Change of Address Database
5 maintained by the United States Postal Service to update and correct any known or identifiable
6 address changes.

7 48. **Non-Reversionary Settlement; No Claim Necessary.** This will be a non-
8 reversionary "all-in" settlement. No unclaimed amounts will revert to Defendant. To the extent
9 any eligible Class Member submits an election not to participate, the amounts that would
10 otherwise be paid to them under the Settlement will be redistributed to the other Participating
11 Class Members. There will not be a claims process and Class Members will not be required to
12 submit a claim in order to receive a share of the Net Settlement Amount. To the extent the Court
13 does not approve the full requested attorneys' fees, litigation costs, Class Representative's
14 Service Award or Settlement Administration Costs, the Net Settlement Amount will increase
15 accordingly by the difference between the requested amounts and the amounts awarded by the
16 Court. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded,
17 canceled or fails to become effective for any reason, or if the Effective Date does not occur, then
18 no portion of the Maximum Settlement Amount shall be paid.

19 49. **Disposition of Uncashed Checks.** All Individual Class Payment checks and/or
20 Individual PAGA Payment checks issued by the Settlement Administrator must be cashed within
21 one hundred eighty (180) days after issuance. After the expiration of the 180-day period, the
22 Settlement Administrator will void any uncashed checks. Subject to the Court's approval, the
23 Settlement Administrator will pay the total amount of any uncashed settlement checks to Legal
24 Aid at Work, a non-profit organization that supports projects that will benefit Class Members,
25 pursuant to California Code of Civil Procedure section 384. The Parties and their Counsel certify
26 that they have no connection to or relationship with this *cy pres* recipient.

27 50. **Settlement Binding Even If Checks Not Cashed.** In the event a Participating
28 Class Member or a PAGA-Eligible Employee fails to cash/deposit his or her Individual Class

1 Payment check and/or Individual PAGA Payment check, for whatever reason, that person shall
2 nevertheless remain bound by the Class Settlement and, if applicable, the PAGA Release.

3 **ADDITIONAL PROVISIONS**

4 51. **Nullification of Settlement for Other Reasons.** In the event: (i) the Court does
5 not enter the Preliminary Approval Order; (ii) the Court does not grant Final Approval of the
6 Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement
7 does not become final for any other reason, this Agreement shall be rendered null and void, and
8 any order or judgment entered by the Court in furtherance of this Agreement shall be treated as
9 void from the beginning. In such a case, this Agreement and any documents related to it shall not
10 be used by any Class Member or Class Counsel to support any claim or request for class
11 certification in the Lawsuit, and shall not be used in any other civil or administrative action
12 against Defendant or any of the other Released Parties. Notwithstanding this provision, the
13 Parties agree that they shall make a good faith effort to resolve any issues raised by the Court
14 prior to nullifying the Agreement under this provision.

15 52. **Plaintiff's Waiver of Right to Be Excluded.** Plaintiff agrees that by signing this
16 Agreement, she will be bound by the terms herein. Plaintiff further agrees that, upon signing this
17 Agreement, she will not request to be excluded from this Settlement, and that any such request for
18 exclusion by Plaintiff will be void and of no force or effect.

19 53. **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms
20 and conditions of this Agreement, unless the Court materially modifies the Settlement, the
21 Parties, their respective counsel, and all Participating Class Members who did not object to the
22 Settlement as provided in this Agreement waive all rights to appeal from the Judgment. If an
23 objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be
24 suspended until the appeal is finally resolved and the Judgment becomes final, except as to
25 matters that do not affect the amount of the Net Settlement Amount. However, nothing in this
26 Agreement shall preclude Plaintiff from appealing from a court order denying or failing to grant
27 in full the Class Counsel Award or the Class Representative's Service Payment. Any order
28 reducing the Class Counsel Award or the Class Representative's Service Payment will not

1 constitute a material modification of the Settlement and will not be grounds on Plaintiff's part to
2 nullify or void this Settlement.

3 **54. No Credit Towards Defendant's Benefit Plans.** Neither the terms of this
4 Settlement nor any of the amounts paid to Plaintiff or any Settlement Class Member under the
5 Settlement shall have any effect on the eligibility or calculation of any employee fringe benefits
6 under Defendant's profit-sharing plans, pension plans, 401(k) plans, bonus plans, or any other
7 company-sponsored plans or benefits plans. Any Individual Class Payments or Individual PAGA
8 Payments paid under the Settlement do not represent any modification of any recipient's
9 previously-credited hours of service or other eligibility criteria, and will not be utilized to
10 calculate any additional benefits, vesting or credit under any bonus or compensation plan,
11 collective bargaining agreement, employee pension benefit plan, employee welfare benefit plan,
12 or any other program or policy sponsored by Defendant or any Sutter Health affiliates. It is the
13 intent of the Parties that the Individual Class Payments and Individual PAGA Payments provided
14 for in this Agreement are the sole payments to be made by Defendant to Class Members and
15 others in connection with this Settlement, and that the Class Members are not entitled to any new
16 or additional compensation or benefits as a result of having received the Individual Class
17 Payments and/or Individual PAGA Payments.

18 **55. No Admission of Liability, Class Certification or Representative**
19 **Manageability for Other Purposes.** Defendant denies all claims alleged in the Lawsuit and
20 denies all wrongdoing whatsoever by Defendant. Defendant further denies that any of its
21 employees has been "aggrieved" by a violation of the Labor Code. Nothing in this Agreement,
22 including its existence, nor any of its terms and conditions, nor any of the negotiations connected
23 with it, shall be construed or deemed as a concession or admission of liability, culpability,
24 negligence, or wrongdoing on the part of Defendant, and none shall be used against Defendant as
25 an admission or indication with respect to any claim of any fault, concession, or omission by
26 Defendant or that class certification is proper under the standard applied to contested certification
27 motions. The Parties agree that certification of the proposed class and representative treatment
28 under PAGA is for purposes of this Settlement only. This Agreement will not be admissible in

1 this or any other proceeding as evidence that either a class action should be certified, that
2 Plaintiff's PAGA claims are manageable for trial, or that Defendant is liable to Plaintiff or any
3 Class Member, other than according to the terms of this Agreement.

4 **56. Publicity and Confidentiality.** The Parties and their counsel will treat the terms
5 of this Settlement as strictly confidential prior to the filing of the preliminary approval motion.
6 Both before and after the filing of the preliminary approval motion, the Parties and their counsel
7 agree that they will not issue any press releases or initiate any contact with the media about this
8 case and/or the fact, amount, or terms of the Settlement. If, after the filing of the preliminary
9 approval motion, counsel for either Party receives an inquiry about the Settlement from the
10 media, counsel may respond only after the motion for preliminary approval has been filed and
11 only by stating "no comment" or words to that effect. After the filing of the preliminary approval
12 motion, Plaintiff's counsel shall be permitted to discuss the terms of the Settlement with any
13 Settlement Class members who inquire about the terms. Furthermore, nothing in this provision
14 shall be construed as preventing Class Counsel from referring to the existence and amount of the
15 Settlement or the claims alleged in the Lawsuit, and settlement class definition in support of their
16 adequacy as counsel for a putative class or to justify an award of attorneys' fees in other legal
17 proceedings.

18 **57. Neutral Employment Reference.** Plaintiff agrees to direct all employment
19 verification inquiries to Defendant's Human Resources Director. In the event that Defendant's
20 Human Resources Director receives an inquiry about Plaintiff, Defendant's affiliate provider will
21 limit information provided to Plaintiff's position and dates of employment, or other neutral
22 information. Defendant shall not refer to this Settlement or the Lawsuit when responding to
23 employment verification inquiries pertaining to Plaintiff.

24 **58. Tax Liability.** The Parties and their counsel make no representations as to the tax
25 treatment or legal effect of the payments specified herein, and Class Members are not relying on
26 any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard.
27 Participating Class Members, PAGA-Eligible Employees, Class Counsel, and Plaintiff shall be
28 solely and legally responsible for the payment of all applicable taxes and penalties assessed on the

1 payments specified herein other than the employer's share of the payroll taxes due on the
2 payments designated as wages.

3 **59. Circular 230 Disclaimer.** The Parties acknowledge and agree that (i) no
4 provision of this Agreement, and no written communication or disclosure between or among the
5 Parties, Class Counsel or Defense Counsel and other advisors, is or was intended to be, nor shall
6 any such communication or disclosure constitute or be construed or be relied upon as, tax advice
7 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
8 amended); (ii) the acknowledging party (a) has relied exclusively upon his, her, or its own,
9 independent legal and tax counsel for advice (including tax advice) in connection with this
10 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
11 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
12 communication or disclosure by any attorney or advisor to any other party to avoid any tax
13 penalty that may be imposed on the acknowledging party; and (iii) no attorney or advisor to any
14 other party has imposed any limitation that protects the confidentiality of any such attorney's or
15 advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure
16 by the acknowledging party of the tax treatment or tax structure of any transaction, including any
17 transaction contemplated by this Settlement.

18 **60. Authorization to Enter into Agreement.** Class Counsel and Defense Counsel
19 warrant and represent that they are expressly authorized by the Parties whom they represent to
20 negotiate this Agreement and to take all appropriate actions required or permitted to be taken by
21 the Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents
22 required to effectuate its terms. The person signing this Stipulation of Settlement on behalf of
23 Defendant represents and warrants that he/she is authorized to sign this Agreement on behalf of
24 Defendant. Plaintiff represents and warrants that she is authorized to sign this Agreement on
25 behalf of herself and the Class, and as proxy for the State of California, and that she has not
26 assigned any claim or part of a claim covered by this Agreement to a third party.

27 **61. Cooperation to Effectuate Settlement.** The Parties, Class Counsel and Defense
28 Counsel shall cooperate with each other and use their best efforts to effect the implementation of

1 this Settlement. In the event the Parties are unable to reach agreement on the form or content of
2 any document needed to implement the Settlement, or on any supplemental provisions that may
3 become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of
4 the Court to resolve such disagreement.

5 **62. Invalidity of Any Provision.** In the event the Court declares any material
6 provision of this Agreement invalid, the Agreement will be void and its terms will be of no force
7 and effect, except as otherwise agreed by the Parties in writing, subject to the Court's approval.
8 Before the Court concludes that any term or provision of this Agreement is invalid, the Parties
9 will request that the Court first attempt to construe the terms or provisions valid to the fullest
10 extent possible consistent with applicable precedents so as to define all provisions of this
11 Agreement as valid and enforceable. The Parties further agree to meet and confer in an attempt to
12 resolve any issues or concerns the Court may have as to the validity of any provision in an effort
13 to effectuate the essential terms of this Settlement, and to discuss any possible amendments to this
14 Agreement or its Exhibit 1 needed to obtain the Court's approval of the Settlement.

15 **63. Binding Nature of Notice of Class Action Settlement.** It is agreed that, because
16 the Class Members are so numerous, it is impossible or impractical to have each Class Member
17 execute the Agreement. The Class Notice shall advise all Class Members of the binding nature of
18 the Settlement, and the release of the Class Members' Released Claims as described above shall
19 have the same force and effect as if this Agreement were executed by each Participating Class
20 Member.

21 **64. Entire Agreement.** This Agreement and its attached Exhibit 1 constitute the
22 entire agreement between the Parties, and no oral or written representations, warranties, or
23 inducements have been made to Plaintiff or Defendant concerning this Agreement or Exhibit 1
24 other than the representations, warranties, and covenants contained and memorialized in this
25 Agreement and Exhibit 1. No other prior or contemporaneous written or oral agreements may be
26 deemed binding on the Parties.

1 **65. Cooperation in Drafting.** The Parties have cooperated in the drafting and
2 preparation of this Agreement. This Agreement will not be construed against any Party on the
3 basis that the Party was the drafter or participated in the drafting.

4 **66. Amendment or Modification.** This Agreement may be amended or modified
5 only by a written instrument signed by counsel for all Parties or their successors-in-interest and
6 approved by the Court.

7 **67. Governing Law.** All terms of this Agreement and its exhibit shall be governed by
8 and interpreted according to the laws of the State of California, without regard to conflict of law
9 principles.

10 **68. Binding on Successors and Assigns.** This Agreement shall be binding upon, and
11 inure to the benefit of, the successors and assigns of the Parties.

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

14 **65. Counterparts.** This Agreement may be executed in one or more counterparts by
15 facsimile, electronically (i.e., DocuSign), or email, which for purposes of this Agreement shall be
16 accepted as an original. All executed counterparts and each of them shall be deemed to be one
17 and the same instrument if counsel for the Parties exchange between themselves signed
18 counterparts. Any executed counterpart will be admissible in evidence to prove the existence and
19 contents of this Agreement.

20 **66. Fair and Reasonable Settlement.** The Parties believe this Settlement Agreement
21 is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement
22 after arm's-length negotiations and in the context of adversarial litigation, taking into account all
23 relevant factors, present and potential. The Parties further acknowledge that they are each
24 represented by competent counsel and that they have had an opportunity to consult with their
25 counsel regarding the fairness and reasonableness of this Settlement.

26 **67. Stay of Proceedings Pending Approval of Settlement.** The Parties stipulate and
27 agree that all proceedings and deadlines in the Lawsuit, other than proceedings necessary to carry
28 and/or enforce the terms of the Settlement and to obtain preliminary approval and final approval

1 of the Settlement Agreement, shall be stayed pending completion of the preliminary and final
2 approval of the Settlement. The stay on the Lawsuit shall include, without limitation, a stay on
3 the five-year limitations period to bring the Action to trial under Code of Civil Procedure section
4 583.310, as well as any and all class certification, discovery, and motion deadlines.

5 IN WITNESS WHEREOF, the Parties hereto have knowingly and voluntarily executed
6 this Joint Stipulation of Class Action and PAGA Settlement and Release on the dates set forth
7 below:

8 DATED: 08/22/2024

9 
Cecilia Cervantes Perez (Aug 22, 2024 13:43 PDT)

10 Cecilia Perez, Plaintiff

11 DATED: _____

SANSUM CLINIC

12
13 By: _____

14 Name: Raju Iyer

15 Title: Senior Vice President & General Counsel
16 Sutter Health

17 APPROVED AS TO FORM AND CONTENT:

18 DATED: 08/22/2024

19 PARKER & MINNE, LLP

20 By: 
21 _____

22 S. Emi Minne
23 Counsel for Plaintiff, the Class and the
24 Aggrieved Employees

25 DATED: _____

26 STRADLING YOCCA CARLSON & RAUTH
27 LLP

28 By: _____

Jared W. Speier
Counsel for Defendant Sansum Clinic

of the Settlement Agreement, shall be stayed pending completion of the preliminary and final approval of the Settlement. The stay on the Lawsuit shall include, without limitation, a stay on the five-year limitations period to bring the Action to trial under Code of Civil Procedure section 583.310, as well as any and all class certification, discovery, and motion deadlines.

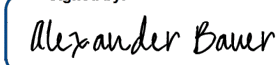
IN WITNESS WHEREOF, the Parties hereto have knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release on the dates set forth below:

DATED: _____

Cecilia Perez, Plaintiff

DATED: 09/11/2024 | 9:17 AM PDT

SANSUM CLINIC

Signed by:
By: 
6241E048527E4GE...
Alexander Bauer
Chief Financial Officer
Sansum Clinic

APPROVED AS TO FORM AND CONTENT:

DATED: _____

PARKER & MINNE, LLP

By: _____
S. Emi Minne
Counsel for Plaintiff, the Class and the
Aggrieved Employees

DATED: 09/11/2024

STRADLING YOCCA CARLSON & RAUTH
LLP

By: 
Jared W. Speier
Counsel for Defendant Sansum Clinic

EXHIBIT 1

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA BARBARA**

CECILIA PEREZ, individually, and on behalf of other members of the general public similarly situated and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act;

Plaintiff,

vs.

SANSUM CLINIC, a California corporation;
and DOES 1 through 100, inclusive,

Defendants.

Case No. 23CV01312

**NOTICE OF PENDENCY OF CLASS
ACTION AND PAGA SETTLEMENT
AND FINAL HEARING**

Honorable Colleen K. Sterne

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT
ARISING FROM YOUR EMPLOYMENT BY SANSUM CLINIC**

A California court authorized this notice. This is not a solicitation from a lawyer.

- A settlement of a lawsuit will pay money to individuals who have been employed by Sansum Clinic (“Sansum”) as non-exempt employees within the State of California, from March 27, 2019 through July 17, 2024 (“Class Period”).
- The Settlement resolves a class action lawsuit alleging various wage and hour claims brought against Sansum on behalf of the persons who were employed by Sansum as non-exempt employees at Sansum’s California facilities during the Class Period. The name of the lawsuit is *Cecilia Perez v. Sansum Clinic*, Santa Barbara County Superior Court Case No. 23CV01312 (“Lawsuit”).
- The Settlement also resolves claims for civil penalties that have been brought on behalf of the State of California under California’s Private Attorneys General Act (“PAGA”).
- The Settlement avoids the costs and risks of continuing the Lawsuit, pays money to employees, and releases Sansum from liability for claims that arise out of or are reasonably related to the factual allegations contained in the Complaint filed in the Lawsuit.
- Sansum expressly denies all of the claims in the Lawsuit and denies any wrongdoing or liability. The two sides disagree on how much money – if any – could have been awarded if employees won at trial.
- **YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.**

YOUR LEGAL RIGHTS AND OPTIONS UNDER THIS SETTLEMENT:	
Do Nothing	You need not take any action if you wish to receive your individual settlement payment. If the Settlement is approved by the Court, you will automatically be mailed a settlement check at the address on file with the Settlement Administrator, Simpluris, Inc. If you move, you must notify the Settlement Administrator of your new address.
Exclude Yourself	Get no Individual Class Payment (as defined in the Settlement). Send a letter to the Settlement Administrator, as explained below, making clear you wish to exclude yourself from the Settlement. This is the only option that allows you to be part of any other Lawsuit against Sansum arising from the California claims that were settled in this case. You will, however, be bound by the Private Attorneys General Act (“PAGA”) release, and you will receive an Individual PAGA Payment for the PAGA release even if you exclude yourself.
Object	Write to the Court, as explained below, about why you believe the Settlement is unfair or objectionable. You may also appear in person at the Final Approval Hearing to present objections to the Settlement.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains the terms of a Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement”) which resolves a class action and PAGA Lawsuit against Sansum alleging wage and hour claims and informs you of your legal rights under that proposed Settlement. You are receiving this notice because you may be a member of the class on whose behalf the Lawsuit was brought (“the Settlement Class”).

WHAT IS THIS LAWSUIT ABOUT?

On January 19, 2023, Plaintiff Cecilia Perez (“Plaintiff”) submitted a letter to the LWDA alleging that Defendant subjected her and other current and former hourly-paid or non-exempt employees of Defendant within the State of California to certain violations under California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including inter alia, Wage Orders 4-2001 and 5-2001.

On March 27, 2023, Plaintiff initiated the Lawsuit by filing a Complaint which alleged the following eleven (11) causes of action: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business & Professions Code §§

17200, et seq.; and (11) Violation of California Labor Code § 2698, et seq. (California Labor Code Private Attorneys General Act of 2004).

Plaintiff alleges that the Settlement Class Members were not always properly paid for all hours worked, including overtime hours; were not always properly provided with meal and rest breaks or properly paid meal and rest break premiums; were not reimbursed for their reasonable business expenses; did not receive accurate wage statements; and were not paid correctly at the termination of employment.

In this matter, Plaintiff seeks to recover unpaid wages, meal and rest break premiums, unreimbursed expenses, statutory and civil penalties, interest, and attorneys' fees and costs, on behalf of herself and other current and former non-exempt employees at Sansum who performed work within the State of California. Sansum denies all of the material allegations in the Lawsuit and denies that it did anything wrong. The Parties' proposed Settlement of the claims has now been submitted to the Sacramento County Superior Court for approval.

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court has not made any ruling in favor of Plaintiff or Sansum. It also has not ruled that the Lawsuit may proceed as a class action, except for purposes of the Settlement. Plaintiff believes she would have prevailed on her claims at a trial. Sansum does not believe that Plaintiff would have won anything from a trial. But there was no trial. Instead, both sides agreed to the Settlement. That way, they each avoid the costs, risks, and uncertainties of a trial, and ensure that the employees allegedly affected by the conduct alleged in the Lawsuit will receive compensation.

On [Insert Date of Preliminary Approval], the Santa Barbara County Superior Court granted preliminary approval of the Settlement, appointed Plaintiff as the Class Representative, and appointed Plaintiff's attorneys at Lawyers for Justice, PC and Parker & Minne, LLP as counsel for the Settlement Class ("Class Counsel"). The Court has not yet made a final determination whether to approve the Settlement.

B. Who is in the Settlement Class?

The Settlement Class consists of all current and former non-exempt employees of Sansum who have been employed by Sansum in California at its California facilities at any time from March 27, 2019 through July 17, 2024.

The settlement of Plaintiff's PAGA penalty claims will cover all current and former non-exempt employees who were members of the Settlement Class at any time from January 19, 2022 through July 17, 2024 ("PAGA-Eligible Employees").

C. What Does the Settlement Provide?

The Settlement provides that Sansum will pay \$2,975,000.00 (the "Maximum Settlement Amount") to settle the Lawsuit. The following sums will be paid from the Maximum Settlement Amount: (1) Class Counsel's attorneys' fees in an amount not to exceed 35% of the Maximum Settlement Amount (\$1,041,250.00), subject to approval by the Court, (2) Class Counsel's documented litigation costs in an amount not to exceed \$60,000.00, subject to Court approval; (3) a Class

Representative Service Award to Plaintiff in an amount not to exceed \$10,000.00, for her service as class representative in the lawsuit, subject to approval by the Court; and (4) reimbursement of Settlement Administration Costs to the Settlement Administrator in an amount currently estimated not to exceed \$20,000.00, subject to approval by the Court. Sansum also has agreed to pay Three Hundred Thousand Dollars (\$300,000.00) from the Maximum Settlement Amount, in full settlement of Plaintiff's claims in the Lawsuit for civil penalties under PAGA, subject to the Court's approval. Of this amount, 75% (\$225,000.00) will be paid to the LWDA and 25% (\$75,000.00) will be paid to the PAGA-Eligible Employees, whether or not they opt out of the Class Settlement.

The portion of the Maximum Settlement Amount remaining after these payments is the Net Settlement Amount, which will be paid out to those Settlement Class Members who do not opt out of the Settlement on a pro-rata basis, as explained below in paragraph E. Sansum will also pay the employer share of applicable payroll taxes due on the portion of the individual settlement payments designated as "wages," which will be paid in addition to the Maximum Settlement Amount. PAGA-Eligible Employees who also receive a pro-rata share of the 25% portion of the PAGA Payment allocated to PAGA-Eligible Employees

D. What are you giving up to get a payment and stay in the Class?

Upon the Court's final approval of the Settlement and the date Defendant fully funds the Maximum Settlement Amount and its share of employer payroll taxes, all members of the Settlement Class who do not opt out of the Settlement will release Sansum, and any of its current and former parents, corporate members, subsidiaries, divisions, and affiliated companies, and their respective officers, directors, employees, partners, shareholders, agents, insurers, successors, assigns and legal representatives (the "Released Parties"), as follows:

- (1) If you do not request exclusion from the Settlement, you will release the Released Parties from any and all claims, rights, demands, liabilities, and causes of action of every nature and description (except for the claims discussed in subparagraph D(4) below) from any and all claims, rights, demands, liabilities, and causes of action of every nature and description, arising during the Class Period, including statutory, contractual, or common law claims for wages, damages, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief – whether asserted under the California Labor Code, Business and Professions Code §§ 17200 et seq., the applicable wage orders at California Code of Regulations, Title 8, Section 11000 et seq., or otherwise – that arise out of or are reasonably related to the factual allegations that were alleged or could have been alleged based on the factual allegations in Plaintiff's operative Complaint relating to Plaintiff's claims, including but not limited to: (a) any and all claims for failure to pay minimum wages under Labor Code sections 204, 210, 558, 1194, 1194.2, 1197, 1197.1, 1198, and the applicable wage orders, including but not limited to claims alleging failure to pay for "off the clock" work, failure to pay overtime at the correct regular rate of pay, including but not limited to, Defendant's alleged practice of rounding wages; (b) any and all claims for failure to pay overtime owed under Labor Code sections 510, 1194, 1197, 1198, and the applicable wage orders or any other laws governing overtime pay, including but not limited to claims alleging failure to pay for "off the clock" work and/or failure to pay overtime at the correct regular rate of pay; (c) any and all claims for failure to provide lawful meal periods under Labor Code sections 218.6, 226.7, 512, 1198, the applicable wage orders, and/or failure to pay meal premiums at the correct regular rate of pay; (d) any and all claims for failure to authorize and permit rest periods under Labor Code sections 218.6, 226.7, 1198, the applicable wage orders, and Civil Code section 3287, and/or to pay rest period premiums in lieu thereof at the correct regular rate of

- compensation as required; (e) any and all claims for failure to timely pay wages during employment under Labor Code sections 204, 210, 218.5, 218.6, 510 and 1194; (f) any and all claims for failure to pay wages owed upon separation from employment under Labor Code sections 201-203; (g) any and all claims for failure to reimburse employees for necessary business expenses under Labor Code sections 2800 and 2802; (h) any and all claims for knowing and intentional failure to furnish accurate itemized wage statements under Labor Code sections 226 and 1174, including allegations that Defendant omitted required information, failed to accurately include all applicable hourly rates and corresponding number of hours worked, did not maintain complete and accurate payroll records pertaining to total hours worked, or failed to maintain accurate records; (i) any and all claims for violation of the Unfair Competition Law under Business and Professions Code section 17200, et seq.; and (j) any and all claims for attorneys' fees and costs.
- (2) Plaintiff, as agent and proxy of the State of California, and all PAGA-Eligible Employees, will release Defendant and the Released Parties from any and all claims for PAGA civil penalties arising from January 19, 2022 through July 17, 2024, that were alleged or reasonably could have been alleged based on the facts contained in Plaintiffs' operative complaint (a) failure to pay minimum wages under Labor Code sections 204, 210, 558, 1194, 1197, 1197.1, 1198 and the applicable wage order, including but not limited to claims alleging failure to pay for "off the clock" work, failure to pay overtime at the correct regular rate of pay, including but not limited to, Defendant's alleged practice of rounding wages; (b) failure to pay overtime owed under Labor Code sections 510, 1194, 1197, 1198, and the applicable wage orders or any other applicable laws governing overtime pay, including but not limited to claims alleging failure to pay for "off the clock" work and/or failure to pay overtime at the correct regular rate of pay; (c) failure to provide lawful meal periods under Labor Code sections 218.6, 226.7, 512, 1198, the applicable wage orders, and/or failure to pay meal premiums at the correct regular rate of pay; (d) failure to authorize and permit rest periods under Labor Code sections 218.6, 226.7, 1198, the applicable wage orders, and Civil Code section 3287 and/or failure to pay rest premiums at the correct regular rate of pay; (e) failure to timely pay wages during employment under Labor Code sections 204, 210, 218.5, 218.6, 510, 1194; (f) failure to timely pay wages owed upon separation from employment under Labor Code sections 201-203; (g) failure to reimburse necessary expenses under Labor Code sections 2800 and 2802; (h) failure to provide one day's rest in a seven-day workweek in violation of Labor Code sections 551 and 552; (i) knowing and intentional failure to comply with itemized wage statement provisions in violation of Labor Code sections 226 and 1174, including allegations that Defendant omitted required information, failed to accurately include all applicable hourly rates and corresponding number of hours worked, did not maintain accurate records pertaining to total hours worked, failed to maintain adequate records, and also derivative violations for the above-stated Labor Code claims; and (j) any and all claims for attorneys' fees and costs. **If you are a PAGA-eligible employee, this release of PAGA penalty claims will be deemed to apply to you whether or not you request to be excluded from the Class Settlement.**
- (3) Finally, Plaintiff, in her individual capacity only, will generally release all known and unknown claims she may have against Sansum, of any nature whatsoever, not limited to the wage and hour claims alleged in the Lawsuit.
- (4) The Released Claims do not include a release of all the other rights you may have as an employee or former employee of Sansum. The Released Claims are specifically limited to the claims set forth above.

E. How much money will I receive from the Settlement?

Each Settlement Class Member who does not submit a timely request to be excluded from the Settlement (“Participating Class Members”) will receive an “Individual Class Payment” which is a share of the Net Settlement Amount. The Net Settlement Amount is calculated by deducting the following amounts from the Maximum Settlement Amount: (1) the court-approved attorneys’ fees and costs to Class Counsel; (2) the court-approved Settlement Administration Costs; (3) the court-approved Class Representative Service Award to Plaintiff; and (4) PAGA Payment to the State of California and the PAGA-Eligible Employees.

Based on Sansum’s records, the Settlement Administrator will determine the number of workweeks worked by each Settlement Class Member. Participating Class Members will receive an individual settlement award that amounts to a pro rata share of the Net Settlement Amount, based on the number of Compensable Workweeks they worked during the Class Period in proportion to the total number of Compensable Workweeks worked by all of the Participating Class Members.

According to Sansum’s records, you were employed in the Settlement Class for [REDACTED] Compensable Workweeks between March 27, 2019 and July 17, 2024.

Also, according to Sansum’s records, you were employed for [REDACTED] workweeks during the PAGA Period (between January 19, 2022, and May 1, 2024).

Based on these numbers, your gross Individual Payment Amount is estimated to be \$[REDACTED] and your PAGA-Payment is estimated to be \$[REDACTED]. The actual amounts you receive could be more or less than these amounts, depending on the final settlement terms approved by the Court and whether any Settlement Class Members request to be excluded from the Settlement.

Please be advised that the number of Compensable Workweeks listed above is presumed to be correct unless you submit documents proving otherwise. If you disagree with the number of Compensable Workweeks listed above, please submit an explanation and evidence of your proposed Compensable Workweeks to the Settlement Administrator via mail, e-mail, or facsimile by no later than [Insert Response Deadline - 45 days after mailing, or extended 7 days after re-mailing, for any re-mailed notices]. The Settlement Administrator’s contact information is:

Simpluris, Inc.

[Address]

[Telephone No].

[Fax No.]

[E-mail address]

In the event of a dispute about the correct number of Compensable Workweeks you worked during the Class Period, the Settlement Administrator will resolve the challenge with input from Sansum and Class Counsel, subject to final resolution by the Court if necessary.

F. Will any taxes be taken out of the Settlement payments?

Ten percent (10%) of your Individual Payment Amount will be treated as back wages and reported on an IRS Form W-2 with all appropriate taxes withheld. The remaining ninety percent (90%) will be treated as interest and penalties and reported as non-wage income on an IRS Form 1099 with no payroll withholding. The PAGA payments will be treated solely as penalties and reported on an IRS Form 1099, without tax withholding. The Settlement Administrator will issue W-2 and 1099 Forms to all Settlement Class Members and PAGA-eligible employees who cash their checks, as required by law.

Aside from the employer portion of payroll taxes, Settlement Class Members are responsible for the appropriate payment of any federal, state, and/or local income or payroll taxes owed on the Individual Payment Amounts they receive. The tax issues for each Settlement Class Member are unique to that Settlement Class Member. You are advised to obtain tax advice from your own tax advisor with respect to any payments resulting from this Settlement. This Notice does not constitute legal or tax advice regarding any federal, state, or local tax issue, and nothing in this Notice is intended to or should be used by any person for the purpose of avoiding any tax liability or tax penalties.

G. How do I get a payment from the Settlement?

You do not have to take any action to receive payment from the Settlement.

H. How will I know if the Settlement was approved?

If the Settlement is approved by the court, a notice of final judgment will be posted on the Settlement Administrator's website at [\[insert URL\]](#).

THE FINAL APPROVAL HEARING

The Court will conduct a final approval hearing regarding the proposed Settlement (the "Final Approval Hearing") on [\[redacted\]](#), 2024, at [\[redacted\]](#) a.m., in Department 5 of the Santa Barbara County Superior Court, located at 1100 Anacapa Street, Santa Barbara, California 93121. At the Final Approval Hearing, the Court will determine: (i) whether the lawsuit should be certified as a class action for settlement purposes only; (ii) whether the Settlement should be given the Court's final approval as fair, reasonable, adequate, and in the best interests of the Settlement Class Members; (iii) whether the Participating Settlement Class Members (those who do not opt out) should be bound by the terms of the Settlement; (iv) the amount of the attorneys' fees and costs to be awarded to Class Counsel; (v) the amount that should be awarded to Plaintiff for as a Class Representative Service Award; (vi) the amount that should be approved for civil penalties under PAGA; and (vii) the amount that should be approved for Settlement Administration Costs. At the Final Approval Hearing, the Court will hear all objections as well as arguments for and against the proposed Settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, at your own expense, or to enter an appearance and represent yourself.

If you wish to appear at the hearing remotely, you can join via the following zoom link: <https://www.zoomgov.com/j/1615053019?pwd=RTduQXNvbGUyVEtnWl4SnJvYU16QT09>. A copy of the Court's tentative ruling on the Motion for Final Approval may be posted on the Court's website at: <https://www.santabarbara.courts.ca.gov/online-services/tentative-rulings>. Tentative ruling are typically posted the court day before the hearing.

WHAT ARE YOUR OPTIONS?

• **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU WILL NEVER BE REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move your residence, you must update your address with the Settlement Administrator. If you disagree with the number of workweeks worked as indicated in section E above, you must submit an explanation and/or documentation to the Settlement

Administrator to support your position via U.S Mail, e-mail, or facsimile by no later than [Insert Response Deadline - 45 days after mailing, or extended 7 days after re-mailing, for any re-mailed notices]. The Settlement Administrator’s contact information is:

Simpluris, Inc.
[Address]
[Telephone No].
[Fax No.]
[E-mail address]

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member but you object to the proposed Settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to the Settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed, e-mailed, or faxed to the Settlement Administrator, Simpluris, Inc. by no later than [Insert Response Deadline - 45 days after mailing, or extended 7 days after re-mailing, for any re-mailed notices]. However, you still may appear at the Final Approval Hearing and raise an objection to the Settlement even if you did not submit written objections within this 45-day deadline.

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself from (“opt out” of) the Settlement, but if you choose to do so, you will not receive any payment from the proposed Class Settlement. You also will not be bound by a judgment in the Lawsuit as to the Class claims, and you will have the right to file your own lawsuit against Sansum and pursue your own claims in a separate suit, if you wish. You can opt out of the Class by mailing, e-mailing, or faxing a written statement to the Settlement Administrator, Simpluris, Inc., at the above-stated address. The written statement should contain your name, address, telephone number, last four (4) digits of your social security number, and signature, and the following statement: “I wish to exclude myself from the class settlement reached in the matter of *Perez v. Sansum Clinic*. I understand that by excluding myself, I will not receive money from the settlement of my individual claims.” It must be mailed (postmarked), e-mailed, or faxed on or before [Insert Response Deadline - 45 days after mailing, or extended 7 days after re-mailing, for any re-mailed notices]. If you do not exclude yourself from the Settlement in accordance with this procedure, you will be bound by the terms of the Settlement and the related judgment entered by the Court. However, even if you exclude yourself as described above, you will still be bound by the PAGA release and you will receive a PAGA payment if you were employed within the PAGA Period.

NOTE REGARDING RESPONSE DEADLINES:

The 45-day deadline for you to opt out of the Settlement, object to the Settlement, or submit a challenge to the number of Compensable Workweeks being credited to you may be extended if your Notice was initially returned to the Settlement Administrator as undeliverable and, as a result, the Settlement Administrator re-mailed this Notice to you later. In such a case, you will have an additional 7 calendar days from the date of the re-mailing to submit your response, even if that falls beyond the regular 45-day deadline.

CHANGE OF ADDRESS

If you move after receiving this Notice, if it was misaddressed, or if for any reason you want your Settlement Payment or future correspondence concerning this Action to be sent to a different address, you must supply your preferred address to the Settlement Administrator.

HOW DO I GET MORE INFORMATION ABOUT THE SETTLEMENT?

This notice summarizes the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you may review the detailed “Joint Stipulation of Class Action and PAGA Settlement and Release,” which is available for viewing online, free of charge, at the Settlement Administrator’s website, [redacted]. The pleadings and other court records in the lawsuit are available online at <https://www.santabarbara.courts.ca.gov/online-services/case-records-search> and may also be examined in person at any time during regular business hours at the Office of the Clerk of the Santa Barbara County Superior Court, 1100 Anacapa Street, Santa Barbara, CA 93101. If you obtain copies of the Settlement through the Court, the Settlement is attached as Exhibit 1 to the Declaration of S. Emi Minne In Support of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement.

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO THE SETTLEMENT ADMINISTRATOR OR COUNSEL FOR THE CLASS. THE CONTACT INFORMATION FOR CLASS COUNSEL AND THE SETTLEMENT ADMINISTRATOR IS:

PARKER & MINNE, LLP
S. Emi Minne
700 South Flower Street, Suite 1000
Los Angeles, California 90017
Telephone: (310) 882-6833 / Fax: (310) 889-0822

LAWYERS FOR JUSTICE, PC
Arby Aiwazian,
Joanna Ghosh
Vartan Madoyan
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

Simpluris, Inc.
[Address]
[Telephone No].
[Fax No.]
[E-mail address]

DO NOT CONTACT THE COURT FOR LEGAL ADVICE OR FOR INFORMATION ABOUT THIS SETTLEMENT.

**BY ORDER OF THE SANTA BARBARA COUNTY
SUPERIOR COURT**