

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES**

LA LASER CENTER, P.C., CALIFORNIA
PROFESSIONAL MEDICAL
CORPORATION, a California professional
corporation,

Plaintiff,

v.

DREW LAKEY, an individual,

Defendants.

DREW LAKEY, KINSTON CUMMINGS,
and all other similarly situated,

Cross-Complainants,

v.

LA LASER CENTER, P.C., CALIFORNIA
PROFESSIONAL MEDICAL
CORPORATION, a California professional
corporation,

Cross-Defendants.

Case No. 23STCV17949

**CLASS ACTION, COLLECTIVE ACTION,
AND PAGA SETTLEMENT AGREEMENT**

Assigned for all purposes to:
Hon. Peter A. Hernandez, Dept. 34

Action Filed: July 31, 2023
Cross-Complaint Filed: October 24, 2023

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CLASS ACTION, COLLECTIVE ACTION, AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (the “Agreement”) is made by and between Drew Lakey (“Lakey”) and Kinston Cummings (“Cummings”), on the one hand, and LA Laser Center PC, a Professional Medical Corporation (“LALC”), on the other hand, in connection with the civil action pending in the Superior Court of the State of California for the County of Los Angeles as *LA Laser Center PC, a Professional Corporation v. Drew Lakey*, Case No. 23STCV17949, including all cross-complaints therein (the “Litigation”). This Agreement refers to Lakey, Cummings, and LALC collectively as the “Parties,” with each individually being referred to herein as a “Party.”

RECITALS

- A. LALC is a professional medical corporation that previously operated a full-service dermatology practice with locations in California and Arizona.
- B. LALC is owned by its founder and chief executive officer, Dr. Daniel Taheri (“Dr Taheri”). Dr. Taheri is a dermatologist and dermatologic surgeon who owns several companies related to the business of LALC. These include Daniel Taheri M.D. Inc., which is a dermatology pathology lab that performed pathology readings for the LALC clinics, and Daniel Taheri M.D., P.C., which previously operated dermatology clinics in Nevada.
- C. LALC, Daniel Taheri M.D. Inc., and Daniel Taheri M.D. P.C. no longer have any active employees. As part of a business restructuring, all employees of LALC, Daniel Taheri M.D. Inc., and Daniel Taheri M.D. P.C. were transitioned to LA Business Management Services LLC as of April 1, 2024. LA Business Management Services LLC is a management services organization and a wholly owned subsidiary of LALC.
- D. Lakey is a licensed physician assistant and a former employee of LALC. Lakey worked for LALC from March 7, 2022, until March 10, 2023, as a physician assistant at LALC’s offices in Bakersfield and Delano, California.
- E. Cummings is a licensed physician assistant and a former employee of LALC. Cummings worked for LALC from September 6, 2022, until July 30, 2025, as a physician assistant at LALC’s offices in Tracy and Modesto, California.
- F. Lakey and Cummings both entered into employment agreements with LALC at the start of their employment with LALC whereunder they agreed to work for LALC. Both of their employment agreements contained a “Training Costs and Repayment” provision that required them to repay some or all of the specified “Provider Training Costs” if they quit their employment without cause, or if LALC terminated their employment for cause, before they completed their three-year term of employment.
- G. LALC commenced the Litigation on July 31, 2023, by filing a breach of contract lawsuit against Lakey in the Los Angeles County Superior Court. LALC alleged that Lakey breached her employment agreement by quitting her employment without cause prior to completing their three-year term required under the employment agreement. Based

thereon, LALC sought to recover \$38,000 in training costs under the “Training Costs and Repayment” provision, along with damages and other relief.

- H. On October 24, 2023, Lakey answered LALC’s complaint in the Litigation and filed a cross-complaint. Lakey filed a First Amended Cross-Complaint on September 9, 2024.
- I. On September 15, 2025, Cummings, in accordance with California Labor Code section 2699.3(a), filed with the California Labor and Workforce Development Agency, and sent to LALC via certified U.S. Mail, a letter providing written notice of Cummings’s intent to seek civil penalties under the Labor Code Private Attorneys General Act of 2004 for alleged violations of the California Labor Code, the specific provisions of the California Labor Code alleged to have been violated, and the facts and theories to support the alleged violations.
- J. On December 11, 2025, Cummings joined the Litigation as a cross-complainant and as the representative for claims under the Labor Code Private Attorneys General Act of 2004 when Lakey and Cummings filed a Second Amended Cross-Complaint.
- K. The Second Amended Cross-Complaint is the operative cross-complaint in the Litigation. In it, Lakey and Cummings allege that LALC violated California and federal law by requiring physician assistants and nurse practitioners to sign employment agreements with a “Training Costs and Repayment” provision that required providers to repay some or all of the cost of the “Provider Training Program” that LALC mandated during the first few months of their employment if they left their employment without cause before completing their three-year contract term. Lakey and Cummings allege that this practice violates the reimbursement requirements of California Labor Code section 2802 and constitutes unlawful labor trafficking under California law, an unlawful kickback under the Fair Labor Standards Act, and a failure to pay wages “free and clear” as required by the Fair Labor Standards Act. Lakey and Cummings also allege that LALC’s standard employment agreement for physician assistants and nurse practitioners contains non-compete, non-disparagement, and confidentiality provisions that violate California law.
- L. The Second Amended Cross-Complaint alleges causes of action for: (1) failure to reimburse expenses in compliance with Labor Code sections 2802 and 2804; (2) illegal kickback in violation of the Fair Labor Standards Act (29 U.S.C. § 216); (3) failure to pay wages “free and clear” in compliance with the Fair Labor Standards Act (29 U.S.C. § 216); (4) failure to pay wages for all hours worked in compliance with the Fair Labor Standards Act (29 U.S.C. § 216); (5) labor trafficking in violation of California Civil Code section 52.5; (6) unfair competition in violation of the Unfair Competition Law (Cal. Bus. & Prof. Code § 17200); and (8) declaratory and injunctive relief. (Cal. Code Civ. Proc. § 1060). Lakey and Cummings assert these claims as both: (a) a class and collective action on behalf of all persons whom LALC employed during the applicable statutes of limitations as a nurse practitioner or physician assistant subject to a “Training Costs and Repayment” provision and (b) a representative action under the Labor Code Private Attorneys General Act of 2004 on behalf all persons whom LALC employed in California during the applicable statute of limitations as a nurse practitioner or physician assistant subject to a “Training Costs and Repayment” provision.

M. On May 16, 2025, the Parties participated in a mediation with mediator Gail Glick of Judicate West. The Parties continued negotiation after the mediation. After evaluating the strengths and weaknesses of their respective positions and considering the time, expense, and risk associated with litigating each of the claims and defenses in the Litigation to a judgment, the Parties accepted a mediator's proposal made by Ms. Glick to fully and finally settle and resolve the claims in the Litigation.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises contained in this Agreement, the Parties hereby agree to the following Settlement Terms.

SETTLEMENT TERMS

1. Definitions

The following definitions shall apply to capitalized terms used in this Agreement. In addition to the defined terms in this Section 1, other terms may be defined in the Agreement with capitalized and underlined text appearing in quotations at the first reference to the defined term.

1.1. Approval Judgment

The "Approval Judgment" means the judgment entered by the Superior Court, or another court of competent jurisdiction, on the Final Approval Order.

1.2. California Notice Packet

The "California Notice Packet" means the Notice of Proposed Settlement and Final Settlement Approval Hearing attached hereto as **Exhibit A**.

1.3. California Class

The "California Class" means all persons who worked for LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC as a physician assistant or nurse practitioner in California at any time during the Class Period.

1.4. California Class Member

A "California Class Member" means any person who falls within the California Class, as defined in this Agreement.

1.5. Class Counsel

"Class Counsel" shall mean the attorneys and law firms representing Cross-Complainants in the Litigation: (a) attorneys Rachel W. Dempsey and David H. Seligman of law firm Towards Justice of Colorado and (b) attorneys Cornelia Dai and Sarah Cayer of the law firm Hadsell Stormer Renick & Dai LLP.

1.6. Class Data

“Class Data” means information in LALC’s possession, custody, or control relating to the identity and work history for the Settlement Class Members, including, but not limited to, a Settlement Class Member’s name, Social Security number, last-known mailing address, employment history, rates of pay, number of Qualifying Workweeks, and number of PAGA Pay Periods.

1.7. Class Period

The “Class Period” means the time period beginning on October 24, 2019, and continuing through and including the date when the Superior Court, or another court of competent jurisdiction, enters the Preliminary Approval Order.

1.8. Costs Award

The “Costs Award” means a payment out of the Gross Settlement Amount to Class Counsel for litigation-related costs that is awarded and paid to Class Counsel out of the Gross Settlement Amount as reimbursement for costs recoverable pursuant to state and federal laws applicable to the claims in the Litigation.

1.9. Cross-Complainants

“Cross-Complainants” means and refers to the two named cross-complainants in the Litigation: Drew Lakey and Kinston Cummings, each of whom may be referred to individually in this Agreement as a Cross-Complainant.

1.10. Date of Finality

The “Date of Finality” means the following:

- (a) if neither the LWDA nor any Settlement Class Member objects to the Agreement, the date when the Superior Court, or another court of competent jurisdiction, enters the Approval Judgment.
- (b) if the LWDA and/or a Participating Settlement Class Member objects to the Agreement, the latter of either: (i) the date when the deadline for filing an appeal, from the Approval Judgment expires without the timely filing of a notice of appeal from the Approval Judgment, or (ii) if the LWDA or a Participating Settlement Class Member timely appeals the Approval Judgment, the day after the appellate court affirms the Approval Judgment and issues a remittitur.

1.11. Effective Date

The “Effective Date” means the date when both: (a) the Approval Judgment has been entered and (b) the Date of Finality occurs.

1.12. Fees Award

The “Fees Award” means a payment out of the Gross Settlement Amount to Class Counsel as award of reasonable attorney’s fees pursuant to 29 U.S.C. § 216(b), California Civil Code section 52.5(a), California Code of Civil Procedure section 1021.5, California Labor Code section 218.5(c), California Labor Code section 2802(c), or other applicable law applicable to reimburse Class Counsel for the attorney’s fees they have already incurred in the Litigation and that they reasonable expect to incur through the date of the Approval Judgment.

1.13. Final Approval Hearing

The “Final Approval Hearing” means a hearing on the Motion for Final Approval (as defined in Section 10 of this Agreement) for the Superior Court, or another court of competent jurisdiction, to review the Parties’ completion of the settlement administration process set forth in Section 8 of this Agreement, evaluate any objections submitted by Participating Settlement Class Members in accordance with Section 8.6 of this Agreement, review and consider the rate of participation by Settlement Class Members, and make a final determination as to whether the terms of this Agreement are fair, reasonable, adequate, in the best interest of the Settlement Class, in furtherance of the purposes of PAGA, and should be finally approved.

1.14. Final Approval Order

The “Final Approval Order” means the order or statement of decision by the Superior Court granting final approval of this Agreement.

1.15. Gross Settlement Amount

The “Gross Settlement Amount” means the total gross sum of \$985,000.00, which is the total and maximum amount that LALC will be required to pay under this Agreement to fully and finally settle the allegations in the Operative Cross-Complaint, and any causes of action arising therefrom, in accordance with the terms of this Agreement, and which shall be inclusive of both: (a) any amounts approved by the Superior Court in accordance with this Agreement for Service Awards to Cross-Complainants, PAGA Penalties to the LWDA and the PAGA Group, a Fees Award and Costs Award to Class Counsel, Administration Costs to the Settlement Administrator, and Individual Class/Collective Awards; and (b) all employer-side payroll taxes (including, but not limited to, the employer’s share of any applicable taxes under the Federal Insurance Contributions Act for Social Security or Medicare, employer taxes under the Federal Unemployment Tax Act, and other applicable employer-side payroll taxes under federal, state, or local law) owed by LALC or the other Released LALC Parties in connection with the payments required under this Agreement.

1.16. LALC’s Counsel

“LALC’s Counsel” shall mean Keith Goodwin of Sheppard Mullin Richter & Hampton LLP.

1.17. Litigation

The “Litigation” means the civil action presently pending in the Superior Court of the State of California for the County of Los Angeles as *LA Laser Center PC, a Professional Corporation v. Drew Lakey*, Case No. 23STCV17949, including all cross-complaints filed therein.

1.18. LWDA

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

1.19. Non-California Notice Packet

The “Non-California Notice Packet” means the Notice of Proposed Settlement and Final Settlement Approval Hearing collectively attached hereto as **Exhibit B**.

1.20. Non-California Collective

The “Non-California Collective” means all persons who worked for LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC as a physician assistant or nurse practitioner in Arizona or Nevada, but not in California, at any time during the Class Period, were subject to a Training Repayment Agreement, and who timely and validly opt-in to this Agreement in accordance with Section 8.5.3 of this Agreement.

1.21. Non-California Collective Member

A “Non-California Collective Member” means any person who falls within the Non-California Collective, as defined in this Agreement.

1.22. Notice Packets

A “Notice Packet” and the “Notice Packets” mean the California Notice Packet and the Non-California Notice Packet.

1.23. Operative Complaint

The “Operative Complaint” means the unverified complaint filed by LALC in the Litigation on July 31, 2023.

1.24. Operative Cross-Complaint

The “Operative Cross-Complaint” means the unverified Second Amended Cross-Complaint filed by Cross-Complainants in the Litigation on December 11, 2025.

1.25. PAGA

“PAGA” means the California Labor Code Private Attorneys General Act of 2004, which is presently codified in Part 13 of Division 2 of the California Labor Code as Labor Code sections 2698 through 2699.8.

1.26. PAGA Group

The “PAGA Group” means the group consisting of all persons who worked for LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC as a physician assistant or nurse practitioner in California at any time during the PAGA Period.

1.27. PAGA Group Member

A “PAGA Group Member” means any individual who falls within the definition of the PAGA Group set forth in Section 1.26 of this Agreement.

1.28. PAGA Notice

The “PAGA Notice” means the letter that Cummings filed with the LWDA and sent to LALC via certified U.S. Mail on September 15, 2025, pursuant to California Labor Code section 2699.3(a) to provide written notice of Cummings’s intent to seek civil penalties under the PAGA for alleged violations of the California Labor Code, the specific provisions of the California Labor Code alleged to have been violated, and the facts and theories to support the alleged violations.

1.29. PAGA Penalties

The “PAGA Penalties” means the total amount paid out of the Gross Settlement Amount as civil penalties under PAGA, allocated 65% to the LWDA and 35% to the PAGA Group, for the settlement of the Released PAGA Claims.

1.30. PAGA Period

The “PAGA Period” means the time period from September 15, 2024, through and including the date when the Superior Court, or another court another of competent jurisdiction, enters the Preliminary Approval Order.

1.31. Participating California Class Member

A “Participating California Class Member” means a person who worked for LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC as a physician assistant or nurse practitioner in California at any time during the Class Period and who does not timely and validly request exclusion from the California Class by exercising their rights to opt-out of their class claims under the Labor Code in accordance with Section 8.5.2 of this Agreement.

1.32. Participating Non-California Collective Members

A “Participating Non-California Collective Member” means a person who worked for LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC in Arizona or Nevada, but not in California, at any time during the Class Period and who opts in to the Non-California Collective in accordance with Section 8.5.3 of this Agreement.

1.33. Participating Settlement Class Members

A “Participating Settlement Class Member” means a person who is a Participating California Class Member or a Participating Non-California Collective Member, as defined in this Agreement.

1.34. Preliminary Approval Order

The “Preliminary Approval Order” means the order or statement of decision by the Superior Court granting preliminary approval of this Agreement and that is substantially in the same form attached to this Agreement as **Exhibit C**.

1.35. Released LALC Parties

The “Released LALC Parties” means the following persons and entities: (a) LALC, Daniel Taheri M.D. Inc., LA Business Management Services LLC, and G&A Partners LLC; (b) all current or former parent entities, subsidiaries, sister entities, or affiliated entities of LALC, LA Business Management Services LLC, and G&A Partners LLC; (c) all current or former officers, directors, partners, principals, owners, shareholders, employees, agents, representatives, attorneys, fiduciaries, successors, or assigns of LALC, LA Business Management Services LLC, and G&A Partners LLC; and (d) all current or former officers, directors, partners, principals, owners, shareholders, employees, agents, representatives, attorneys, fiduciaries, successors, or assigns of any current or parent entities, subsidiaries, sister entities, or affiliated entities of LALC, LA Business Management Services LLC, and G&A Partners LLC.

1.36. Request for Exclusion

A “Request for Exclusion” means a written request made by a California Class Member to the Settlement Administrator seeking to be excluded from the California Class, in the manner set forth in Section 8.5.2 of this Agreement and described in the Notice Packet.

1.37. Service Awards

The “Service Awards” means and refers to payments out of the Gross Settlement Amount to Lakey and/or Cummings in recognition and consideration of their respective roles, efforts, services, and risks assumed in bringing the class action and PAGA claims in the Litigation and in exchange for their general release of all known and unknown claims that have, or may have ever had, against LALC and the other Released LALC Parties.

1.38. Settlement Administrator

The “Settlement Administrator” means CAC Services Group LLC, the neutral third-party entity the Parties have agreed to appoint to provide settlement administration services.

1.39. Settlement Class

The “Settlement Class” means the group consisting of all persons who fall within the California Class or the Non-California Collective, as defined in this Agreement.

1.40. Settlement Class Member

A “Settlement Class Member” means any person who falls within the Settlement Class, as defined in this Agreement.

1.41. Superior Court

The “Superior Court” means the Superior Court of the State of California for the County of Los Angeles.

1.42. Taheri Entities

The “Taheri Entities” means LALC and any other company, corporation, or legal entity controlled by Daniel Taheri, M.D., each of which may be referred to individually as a “Taheri Entity.”

1.43. Training Repayment Agreement

A “Training Repayment Agreement” means a contract or agreement—including a standalone contractual agreement, a provision within a broader contract or agreement, or a legally binding policy accepted as a term and condition of employment—between a Settlement Class Member and LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC requiring, if the Settlement Class Member quit without cause or was terminated by for cause before they completed a minimum term of employment, the Settlement Class Member to repay some or all of the cost of employment-related training that was mandated by LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC; was not required to legally practice the profession at issue; and did not result in a license, credential, certification, degree, or certificate with portable or transferable value in the profession.

1.44. Qualifying PAGA Pay Period

A “Qualifying PAGA Pay Period” means any regular biweekly pay period during the PAGA Period in which a PAGA Group Member recorded any hours worked for LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC as a physician assistant or nurse practitioner in California.

1.45. Qualifying Workweek

A “Qualifying Workweek” means a period of seven consecutive 24-hour periods beginning on Sunday and ending on Saturday (i.e., a calendar week) during the Class Period in which a Settlement Class Member recorded any hours worked for LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC as a physician assistant or nurse practitioner.

2. No Admission of Liability or Wrongdoing

This Agreement represents a compromise and settlement of highly disputed claims. The Parties continue to dispute their respective claims and defenses against one another in the Litigation. As such, this Agreement, and the settlement memorialized therein, is made and entered into without any admission of liability, culpability, negligence, or wrongdoing by LALC, the Released LALC

Parties, Lakey, or Cummings, each and all of whom expressly deny and disclaim any liability, culpability, negligence, or wrongdoing whatsoever in connection with the Litigation and the events alleged therein. Neither the execution of this Agreement, its creation, the payment of any sum or consideration hereunder, the performance of any obligation required by this Agreement, nor the any action taken or made by in furtherance or implementation of this agreement (including, without limitation, any statements, discussions, communications, or any materials prepared, exchanged, issued, or used during the course of the negotiations leading up to the Agreement) is, or shall be construed as, an liability, culpability, negligence, or wrongdoing on the part of LALC, the LALC, the Released LALC Parties, or Cross-Complainants.

Without limiting the foregoing, Lakey and Cummings both acknowledge and agree that LALC is entering into this Agreement, and that LALC and certain related persons and entities are providing specified consideration under the is Agreement, solely and exclusively to resolve highly disputed claims that Lakey and Cummings are asserting against LALC and some or all of the Released LALC Parties in the Litigation and avoid further disputes, legal proceedings, and attendant inconvenience and expenses. Therefore, nothing in this agreement is intended, or shall be construed as, an admission by LALC or any of the other Released LALC Parties that any of the allegations in the Operative Cross-Complaint have merit, that Lakey or Cummings have standing to pursue claims against LALC or the Released LALC Parties in the form of a class action, collective action, or a representative action under PAGA, or that LALC or any of the Released LALC Parties has any liability for any claims asserted.

3. Monetary Terms of the Settlement

3.1. Gross Settlement Amount

In addition to the non-monetary consideration discussed below in Section 4 of this Agreement. LALC will pay the total gross sum of \$985,000.00 (the “Gross Settlement Amount”), allocated and distributed in accordance with Section 3.2 of this Agreement, to fully and finally settle the allegations in the Operative Cross-Complaint, and any causes of action arising therefrom, in accordance with the terms of this Agreement.

The Gross Settlement Amount shall be the maximum total amount that LALC shall be required to pay to settle the Operative Cross-Complaint and shall be inclusive of all employer-side payroll taxes (including, but not limited to, the employer’s share of any applicable taxes under the Federal Insurance Contributions Act for Social Security or Medicare, employer taxes under the Federal Unemployment Tax Act, and other applicable employer-side payroll taxes under federal, state, or local law). LALC shall under no circumstances be required, or called upon, to contribute more than the Gross Settlement Amount or to pay any portion of the Gross Settlement Amount in a manner other than in the allocations set forth above in Section 3.2.

3.2. Allocation of the Gross Settlement Amount

The Gross Settlement Amount shall consist of the following categories of payments: Service Awards to Cross-Complainants; PAGA Penalties to the LWDA; a Fees Award and Costs Award to Class Counsel; Administration Costs to the Settlement Administrator; and Individual

Class/Collective Awards. Subject to approval by the Superior Court, these amounts shall be paid and allocated provided below in Sections 3.2.1 through 3.2.7 of this Agreement.

3.2.1. Service Awards to Cross-Complainants

Class Counsel may request that Lakey and Cummings each be awarded and paid a Service Award out of the Gross Settlement Amount in recognition and consideration of: (a) their role in prosecuting the class action and PAGA claims in the Operative Cross-Complaint, taking the risks of serving as named representatives, providing factual information and documentation necessary to the prosecution of the Class Action and the PAGA Action and (b) their general release of all known and unknown claims that have, or may have ever had, against LALC and the other Released LALC Parties.

LALC will not object to or oppose any request for a Service Award to Cross-Complainants so long as the Service Award for each Cross-Complainant do not exceed the amounts authorized under Section 3.2.1.1 of this Agreement and Cross-Complainants cooperate in the administration and efforts to approve and implement the terms of this Agreement.

3.2.1.1. Authorized Amounts for Service Awards

Class Counsel may request that the Lakey be awarded and paid up to \$10,000.00 out of the Gross Settlement Amount as a Service Award. Class Counsel may also request that Cummings be awarded and paid up to \$2,000.00 out of the Gross Settlement Amount as a Service Award.

3.2.1.2. Effect of Reduced Service Awards

This Agreement is not contingent upon the Superior Court approving Service Awards to Lakey or Cummings in amounts equal to the maximum amount authorized by Section 3.2.1.1 of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve Service Awards that are less than the amounts authorized by Section 3.2.1.1 of this Agreement or the specific amounts requested by Class Counsel or to deny the award of any Service Award to Lakey and/or Cummings.

If the Superior Court awards Lakey or Cummings a Service Award in an amount that is less than the amount authorized by Section 3.2.1, or declines to approve the payment of any Service Award to Lakey and/or Cummings, then: (a) only the approved and awarded amounts shall be paid as Service Awards; (b) the payment of that amount shall constitute satisfaction of LALC's obligations with respect to the Service Awards; and (c) the difference between the amount authorized by Section 3.2.1 and the awarded amounts for the Service Awards shall be reallocated to the Non-PAGA Payout Fund.

Neither Cross-Complainants nor Class Counsel shall seek to modify, revoke, cancel, terminate, or void this Agreement or seek, request, or demand an increase in the Gross Settlement Amount based on the Superior Court denying, modifying, or reducing any request for a Service Award.

3.2.2. PAGA Penalties

Class Counsel shall request that the total gross sum of \$30,000.00 be paid out of the Gross Settlement Amount as civil penalties for the settlement of the Released PAGA Claims as defined in Section 5.3 (the “PAGA Penalties”). LALC will not object to or oppose this request so long as Class Counsel does not request that more than the total gross sum of \$30,000.00 be allocated to PAGA Penalties.

3.2.2.1. Distribution of PAGA Penalties

In accordance with California Labor Code section 2699(m), the PAGA penalties will be divided into two allocations. First, the gross sum of \$19,500.00, representing 65% of the PAGA Penalties, will be paid to the LWDA for enforcement of labor laws, including the administration of PAGA, and for education of employers and employees about their rights and responsibilities under this code (the “LWDA Payment”).

Second, the gross sum of \$10,500.00, representing 35% of the PAGA Penalties, shall be distributed among each of the PAGA Group Members, with each PAGA Group Member receiving a share of the \$10,500 proportionate to the number of Qualifying PAGA Pay Periods they worked relative to number of Qualifying PAGA Pay Periods worked by the entire PAGA Group (“Individual PAGA Awards”).

3.2.2.2. Effect of Reduced PAGA Penalties

This Agreement is not contingent upon the Superior Court approving PAGA Penalties in an amount equal to the maximum amount authorized by Section 3.2.2 of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve PAGA Penalties that are less than the amount authorized by Section 3.2.2 of this Agreement.

If the Superior Court approves an allocation of the Gross Settlement Amount to the payment of PAGA Penalties in an amount that is less than the amount the amount authorized by Section 3.2.2 of this Agreement, then: (a) only the approved and awarded amounts shall be paid as PAGA Penalties; (b) the payment of the approved amount of PAGA Penalties shall constitute satisfaction of LALC’s obligations with respect to the PAGA Penalties; and (c) the difference between the amount authorized by Section 3.2.2 of this Agreement for PAGA Penalties and the awarded amount for PAGA Penalties shall be reallocated to the Non-PAGA Payout Fund.

3.2.3. Fees Award

Class Counsel may request that up to 35% percent of the Gross Settlement Amount, or the total gross sum of \$344,750.00, be awarded and paid to Class Counsel out of the Gross Settlement Amount as a Fees Award. LALC will not object to or oppose this request so long as Class Counsel does not collectively request that more than a combined total gross sum of \$344,750.00 be awarded to Class Counsel as a Fees Award.

3.2.3.1. Potential Division or Sharing of the Fees Award

The Parties understand, acknowledge, and agree that Class Counsel may choose to share and divide the Fees Award amongst the various attorneys and law firms comprising Class Counsel. The Parties further understand, acknowledge, and agree that neither LALC, LALC's Counsel, nor any of the Released LALC Parties is, was, or will be a party to any agreement to any agreement regarding the sharing and division of the Fees Award amongst the various attorneys and firms comprising Class Counsel or other persons.

Class Counsel, and each of them, shall indemnify and hold harmless LALC, LALC's Counsel, and each the Released LALC Parties from and against any dispute or controversy of any kind regarding, arising out of, or in any way relating to any division or sharing of any of the Fees Award by Class Counsel, or any of them.

3.2.3.2. Effect of Reduced or Denied Fees Award

This Agreement is not contingent upon the Superior Court approving a Fees Award in an amount equal to the maximum amount authorized by Section 3.2.3 of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve a Fees Award to Class Counsel that is less than the amount authorized by Section 3.2.3 of this Agreement or to not approve any Fees Award at all.

If the Superior Court approves a Fees Award in an amount that is less than the amount authorized by Section 3.2.3 of this Agreement, or declines to approve any Fees Award at all, then: (a) only the approved and awarded amounts shall be paid as a Fees Award; (b) the payment of the approved Fees Award shall constitute satisfaction of LALC's obligations with respect to the Fees Award; and (c) the difference between the amount authorized by Section 3.2.3 of this Agreement for the Fees Award and the amount awarded as a Fees Award shall be reallocated to the Non-PAGA Payout Fund.

3.2.4. Costs Award

Class Counsel may seek as part of their fee application up to \$15,000.00 in litigation-related costs reasonably incurred by Class Counsel in the Litigation. LALC will not object to or oppose Class Counsel's request for a Cost Award so long as Class Counsel does not collectively request more than a combined total gross sum of \$15,000.00 for a Costs Award.

This Agreement is not contingent upon the Superior Court approving a Costs Award in an amount equal to the maximum amount authorized by Section 3.2.4 of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve a Costs Award to Class Counsel that is less than the amount authorized by Section 3.2.4 of this Agreement or to not approve any Costs Award at all. If the Superior Court approves a Costs Award in an amount that is less than the amount authorized by Section 3.2.4 of this Agreement, or declines to approve any Costs Award at all, then: (a) only the approved and awarded amounts shall be paid as a Costs Award; (b) the payment of the approved Costs Award shall constitute satisfaction of LALC's obligations with respect to the Costs Award; and (c) the difference between the amount authorized by Section 3.2.4 of this Agreement for the Fees Award and the amount awarded as a Costs Award shall be reallocated to the Non-PAGA Payout Fund.

3.2.5. Settlement Administration Costs

Class Counsel shall request that up to \$6,500.00 be paid to the Settlement Administrator for Administration Costs. No more than \$6,500.00 shall be paid to the Settlement Administrator for Administration Costs unless an increased amount is approved by the Superior Court upon a showing of good cause for an increased allocation to Administration Costs.

3.2.5.1. Effect of Reduced Administration Costs

This Agreement is not contingent upon the Superior Court approving Administration Costs in an amount equal to the maximum amount authorized by Section 3.2.5 of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Superior Court to approve Administration Costs in an amount that is less than the amount authorized by Section 3.2.5 of this Agreement.

If the Superior Court approves Administration Costs in an amount that is less than the amount authorized by Section 3.2.5, then: (a) no more than the approved amount shall be paid to the Settlement Administrator out of the Gross Settlement Amount and (b) the difference between the Administration Costs authorized by Section 3.2.5 and the Administration Costs approved by the Superior Court shall be reallocated to the Non-PAGA Payout Fund.

3.2.5.2. Allocation of Unused Administration Costs

If the Settlement Administrator actually incurs Administration Costs that are less than the amount the Superior Court approves for Administration Costs, the difference between the approved Administration Costs and the actual Administration Costs incurred by the Settlement Administrator shall be reallocated to the Non-PAGA Payout Fund.

3.2.6. Individual Class/Collective Awards

The portion of the Gross Settlement Amount that remains after deducting the amounts approved by the Superior Court for the Service Awards, the PAGA Penalties to the LWDA and the PAGA Group, the Fees Award, the Costs Award, and the Administration Costs shall be called the “Non-PAGA Payout Fund,” which will be allocated to payments to Settlement Class Members for their non-PAGA claims. The Non-PAGA Payout Fund will be divided into two components: (1) a Non-TRA Fund from which payments will be made to California Class Members as compensation for claims in the Litigation arising solely under California law that are unrelated to Training Repayment Agreements, and (2) a Training Repayment Fund from which payments will be made to Settlement Class Members who were subject to a Training Repayment Agreement as compensation for the non-PAGA claims in the Litigation arising out of the Settlement Class Member being subject to a Training Repayment Agreement.

Each Settlement Class Member shall receive a share of the Non-PAGA Payout Fund (an “Individual Class/Collective Award”) calculated in accordance with Sections 3.2.6.1 and 3.2.6.2 of this Agreement. As set forth below in Sections 3.2.6.1 and 3.2.6.2 of this Agreement, an “Individual Class/Collective Award” may include a “Non-TRA Award,” a “Training Repayment Award,” or combination of the two, depending on the particular employment history of the Settlement Class Member.

3.2.6.1. Awards from the Non-TRA Fund

Ten percent (10%) of the Non-PAGA Payout Fund will be allocated to the “Non-TRA Fund.” Each California Class Member shall receive a share of the Non-TRA Fund (a “Non-TRA Award”) calculated as follows:

- Using LALC’s records, the Settlement Administrator will calculate the number of Qualifying Workweeks worked by each of the California Class Member by calculating the number of days between their “start” and “end” date during the Class Period, dividing that number by 7, and rounding that number up to the nearest whole number.
- The Settlement Administrator will divide the Non-TRA Fund by the total number of Qualifying Workweeks for all members of the California Class to yield the “Per Week Non-TRA Rate.”
- The Settlement Administrator will calculate the Non-TRA Award for each California Class Member’s share of the Non-TRA Fund by multiplying the Per Week Non-TRA Rate by their number of Qualifying Workweeks.

3.2.6.2. Awards from the Training Repayment Fund

Ninety percent (90%) of the Non-PAGA Payout Fund will be allocated to the “Training Repayment Fund.” Shares of the Training Repayment Fund (a “Training Repayment Award”) shall be calculated as follows:

- Using LALC’s records, the Settlement Administrator will identify all California Class Members who were subject to a Training Repayment Agreement and are therefore eligible to receive a Training Repayment Award (“CA-TRA Members”).
- Using LALC’s records, the Settlement Administrator will calculate the number of Qualifying Workweeks worked by each CA-TRA Member and each Non-California Collective Member by calculating the number of days between their “start” and “end” date during the Class Period, dividing that number by 7, and rounding that number up to the nearest whole number.¹
- In recognition of the higher value of claims under California law specific to the CA-TRA Members, the Settlement Administrator shall apply a “1x” multiplier to the Qualifying Workweeks for each Non-California Collective Member and “2x” multiplier to the Qualifying Workweeks for each CA-TRA Member, to yield each CA-TRA Member’s and each Non-California Collective Member’s “Adjusted Workweeks.”
- The Settlement Administrator will divide the Training Repayment Fund by the total number of Adjusted Workweeks for all CA-TRA Members and all Non-California Collective Members to yield the “Per Week Training Repayment Rate.”

¹ All Non-California Collective Members were, by virtue of the definition of the Non-California Collective, persons who were subjected to a Training Repayment Agreement. As such, all Non-California Collective Members are entitled to a share of the Training Repayment Fund.

- The Settlement Administrator will calculate the Training Repayment Award for each CA-TRA Member and each Non-California Collective Member by multiplying the Per Week Training Repayment Rate by their number of Adjusted Workweeks.

3.2.7. Distribution of Unclaimed California Funds for the PAGA Group and Participating Class Members

Any unpaid cash residue and unclaimed or abandoned funds allocated for distribution to the Participating Settlement Class Members or the PAGA Group Members will be forwarded to the California State Controller's Office Unclaimed Property Fund to be held for the benefit of the Participating Settlement Class Member to whom the payment was designated.

3.2.8. Distribution of Unclaimed Funds Allocated to Non-California Collective Members Who Do Not "Opt In" to the Agreement

If a Non-California Collective Member does not validly exercise their right to participate in this Agreement by cashing, depositing, endorsing, or otherwise negotiating their Individual Class/Collective Award in accordance with Section 8.5.3 of this Agreement, and thus does not become a Participating Non-California Collective Member and release the Released Class/Collective Claims under Section 5.2 of this Agreement, the portion of the Non-PAGA Payout Fund allocated to their Individual Class/Collective Award shall be allocated as follows: fifty percent (50%) shall revert to LALC, and fifty percent (50%) shall be allocated to the Arriba Las Vegas Workers' Center.

3.3. Taxation and Tax Obligations for Settlement Payments

3.3.1. Taxation of Service Awards to Cross-Complainants

The Service Awards shall be treated as IRS Form 1099 income and will not be taxed as wages. The Settlement Administrator will report such payments on an IRS Form 1099, as appropriate. Cross-Complainants shall each be solely and legally responsible for any and all tax obligations attributable to them, including all reporting and payment obligations, which may arise as a consequence of their receipt of any Service Award. Cross-Complainants shall each indemnify and hold harmless LALC, LALC's Counsel, and each the Released LALC Parties from and against any claim or liability for taxes, penalties, or interest arising result of the payment of their respective Service Award.

3.3.2. Taxation of Payments to Class Counsel

The Fees Award and the Costs Award shall be treated as IRS Form 1099 income. Accordingly, the Settlement Administrator shall report such payment on an IRS Form 1099, as appropriate, for Class Counsel's respective share of the Fees Award and Costs Award paid to them out of the Gross Settlement Amount. Class Counsel shall be solely and legally responsible for any and all tax obligations attributable to them, including all reporting and payment obligations, which arise as a consequence of Class Counsel's receipt of any Fees Award or Costs Award, or any share thereof. Class Counsel shall indemnify and hold harmless LALC, LALC's Counsel, and each the Released LALC Parties from and against any claim or liability for taxes, penalties, or interest arising result of the payment of the Fees Award or the Costs Award, or any share thereof.

3.3.3. Taxation of PAGA Penalties to the LWDA

The payment of LWDA Payment under Section 3.2.2.1 this Agreement shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income. Accordingly, the Settlement Administrator shall report such payment on an IRS Form 1099 to the extent that one is required by law.

3.3.4. Taxation of Individual PAGA Awards

Each of the Individual PAGA Awards shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income. Accordingly, the Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member who receives an Individual PAGA Award reflecting the amount of their Individual PAGA Award.

Each PAGA Group Member shall be solely and legally responsible for any and all tax obligations attributable to them, including all reporting and payment obligations, which may arise as a consequence of their receipt of an Individual PAGA Award under this Agreement.

3.3.5. Taxation of Individual Class/Collective Awards

Each Individual Class/Collective Award shall consist of wages, statutory penalties, and interest, with 40% of each Individual Class/Collective Award allocated to the settlement of wage claims (the “Wage Portion”) and 60% of each Individual Class/Collective Award allocated to the settlement of claims for statutory penalties and interest (the “Non-Wage Portion”). The Wage Portion shall be subject to applicable federal, state, and local tax withholdings and will be reported on an IRS Form W-2. The Non-Wage Portion shall be subject to treatment as IRS Form 1099 income and shall not be subject to tax withholding. The Settlement Administrator shall issue an IRS Form W-2 and IRS Form 1099 to each Settlement Class Member for the Wage Portion and Non-Wage Portion of their Individual Class Award.

Each Settlement Class Member shall be solely and legally responsible for any and all tax obligations attributable to them, including all reporting and payment obligations, which may arise as a consequence of their receipt of an Individual Class Award under this Agreement.

4. Non-Monetary Consideration from LALC and Related Entities

In addition to paying the Gross Settlement in accordance with Section 3 of this Agreement, LALC and/or other entities controlled by Daniel Taheri, M.D., will provide the non-monetary consideration set forth in this Section 4.

4.1. LALC’s Release of Claims against Cross-Complainants

On the Effective Date, LALC, in consideration for the promises, covenants, releases, and undertakings by Cross-Complainants set forth in this Agreement, shall—on behalf of itself and any its heirs, agents, representatives, attorneys, executors, administrators, successors, assigns—fully, finally, forever, and to the maximum extent permitted by law releases and discharges Cross-Complainants, and each of them, from any and all actions, charges, suits, claims, demands, rights, liabilities, obligations, debts, costs, attorney’s fees, expenses, damages, losses, and causes of action

of every nature and description whatsoever that LALC now has or ever has had, or which LALC or its heirs, agents, representatives, attorneys, executors, administrators, successors, assigns hereafter can, shall, or may have based on any act, matter, omission, event, or other thing occurring or failing to occur prior to the date of Cross-Complainants signing this Agreement, including, but not limited to, the claims and causes of action that LALC asserted against Lakey in the Operative Complaint (collectively, the “Released LALC Claims”).

4.2. Termination of Training Repayment Agreement

4.2.1. General Duty to Terminate Training Repayment Agreements

Except as provided by Section 4.2.2 of this Agreement, the Taheri Entities will stop using employment policies or contract clauses that require employees to pay or repay some or all of the cost of employment-related training mandated by a Taheri Entity, unless the training results in a license, credential, certification, degree, or certificate that has a portable or transferable value in the profession.

4.2.2. Exclusions from Duty to Terminate Training Repayment Agreements

Notwithstanding Section 4.2.1 of this Agreement:

- (a) The Taheri Entities may each require their employees to pay for employment-related training that is undertaken by the employee voluntarily and not as result of an employer-specific mandate.
- (b) The Taheri Entities may each require an employee to pay or repay any training-related cost that a statute, law, or ordinance, or decision by a court or other tribunal of competent jurisdiction identifies, finds, or declares to be a type of cost that that an employer can lawfully require an employee to wholly or partially pay under the laws applicable to the State where the employee is employed.
- (c) This Agreement shall not prohibit the Taheri Entities, any of them, from using a type of training repayment agreement or policy for their California employees that is not prohibited by California Labor Code section 926, California Labor Code section 2802, or California Business and Professions Code Section 16608 due to the type cost at issue, the circumstances of the training repayment obligation, or the particular profession of the employee subject to the repayment obligation.

4.2.3. Notice of Termination of Training Repayment Agreements

Subject to any limitations or exclusions set forth above in Section 4.2.2 of this Agreement, the Taheri Entities shall notify all Settlement Class Members within 60 days of the Effective Date that the training repayment clauses in their employment agreements have been revoked and are henceforth void and unenforceable against them.

4.3. Termination of Noncompete Agreements in California

4.3.1. General Duty to Terminate Noncompete Agreements

The Taheri Entities shall stop using employment policies or contract clauses for their California employees that purport to limit or prohibit a California employee from engaging in a lawful profession, trade, or business of any kind subsequent to the termination of their employment with a Taheri Entity.

4.3.2. Exclusions from Duty to Terminate Noncompete Agreements

Notwithstanding Section 4.3.1 of this Agreement:

- (a) The Taheri Entities may each use agreements or policies that, consistent with an employee's duty of loyalty during employment, prohibit a California employee from engaging in a lawful profession, trade, or business outside of their employment with a Taheri Entity while the employee remains employed by a Taheri Entity.
- (b) The Taheri Entities may each use noncompete agreements or other policies or agreements that restrain an employee from engaging in a lawful profession, trade, or business for their California employees if the agreement falls within a statutory exception to California Business and Professions Code section 16600 or which the California State Legislature or a court or other tribunal of competent jurisdiction finds or declares to not be prohibited by California Business and Professions Code section 16600.
- (c) The Taheri Entities shall not be prohibited from using agreements that validly restrict the use and disclosure of confidential information or trade secrets.

4.3.3. Notice of Termination of Noncompete Agreements in California

Subject to any limitations or exclusions set forth above in Section 4.3.2 of this Agreement, the Taheri Entities shall notify all California Class Members and PAGA Group Members within 60 days of the Effective Date that the noncompete clauses in their employment agreements been revoked and are henceforth void and unenforceable against them.

4.4. Revision of Personal Device Policies

Within 60 calendar days of the Effective Date, the Taheri Entities will revise their employment agreements and policies to: (a) ensure that any employee who is required to use a personal communication device to carry out work-related tasks either (i) is provided with a company-issued device or (ii) is notified that they are eligible for reimbursement of a reasonable percentage of the cost of acquiring or using the device for work-related purposes; and (b) notify any nurse practitioner or physician assistant whom the Taheri Entity does not expect to use a personal communication device for work-related duties that they are not obligated to respond to patient or workplace communications outside of work hours.

5. Releases by Cross-Complainants, the Settlement Class, and the PAGA Group

In consideration for the promises and consideration provided by LALC under this Agreement, Cross-Complainants, the Participating Settlement Class Members, and the PAGA Group Members shall each release claims against the Released LALC Parties as set forth in this Section 5 on the Effective Date.

5.1. Releases of Claims by Cross-Complainants

5.1.1. General Release of Claims by Cross-Complainants

Lakey and Cummings—on behalf of themselves and on their respective current and former heirs, spouses, representatives, agents, attorneys, executors, administrators, successors, and assigns—each fully, finally, forever, and to the maximum extent permitted by law release and forever discharge LALC and the Released LALC Parties, and each of them, from any and all actions, charges, suits, claims, demands, rights, liabilities, obligations, debts, costs, attorney’s fees, expenses, damages, losses, and causes of action of every nature and description whatsoever (regardless of whether they are asserted, unasserted, known, unknown, suspected, or unsuspected) that Lakey and Cummings respectively have, ever have had, or which Cross-Complainants respective heirs, spouses, representatives, agents, attorneys, executors, administrators, successors, and assigns hereafter can, shall, or may have based on any act, matter, omission, event, or other thing occurring or failing to occur prior to the date Lakey’s and Cummings’s respective execution of this Agreement, including, but not limited to, any claims and causes of action asserted by Cross-Complainants in the Litigation or that could have been asserted by Cross-Complainants based on the facts alleged in the Operative Cross-Complainant (collectively, the “Released Cross-Complainant Claims”).

5.1.2. Waiver of Rights under California Civil Code Section 1542

Cross-Complainants each acknowledge and agree that the Released Cross-Complainant Claims are intended to include, and do include, claims they did not know or suspect to exist at the time of their execution of this Agreement and that the consideration given to Cross-Complainants under this Agreement is also for the release and extinguishment of such claims. Accordingly, and in order to ensure and implement a full and complete release with respect to the Released Cross-Complainant Claims, Lakey and Cummings each knowingly, and voluntarily waive any and all rights and benefits conferred by California Civil Code section 1542, which states:

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

As a result, the release of the Released Cross-Complainant Claims shall be effective as a bar to each and every claim that Cross-Complainants may have against LALC or any of the other Released LALC Parties, regardless of whether those claims are now known, unknown, suspected, or unsuspected.

5.1.3. Representations and Warranties by Cross-Complainants

Cross-Complainants each represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, or encumbered (or purported to assign, transfer, or encumber) to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged by Cross-Complainants under this Agreement, including, but not limited to, the Released Cross-Complainant Claims.

In addition, Cross-Complainants each represent, warrant, and agree that they will not in any way hereafter commence, join, aid, or assist others in pursuing any claim, charge or action against any of the Released LALC Parties for any acts or omissions released by Cross-Complainants under this Agreement. This provision shall not preclude Cross-Complainants, or either of them, from responding to subpoenas, court orders, or other legal process that require Cross-Complainants, or either of them, to provide documents, testimony, or the like.

5.2. Releases of Claims by the Settlement Class

Each Participating Settlement Class Member—on behalf of themselves and on their respective current and former heirs, spouses, representatives, agents, attorneys, executors, administrators, successors, and assigns—fully, finally, forever, and to the maximum extent permitted by law releases and forever discharges LALC and the Released LALC Parties, and each of them, from all any and all actions, charges, suits, claims, demands, rights, liabilities, obligations, debts, costs, attorney’s fees, expenses, damages, losses, and causes of action of every nature and description whatsoever that were ever alleged in the Litigation through and including the Effective Date of the Agreement, or that that could have been alleged under any federal, state or local law, statute, ordinance, regulation, common law, or other source of law against any of the Released LALC Parties based upon the facts or theories of liability alleged in the Operative Cross-Complaint, the PAGA Notice, or any other pleading ever filed in the Litigation, arising out of any act, matter, omission, event, or other thing occurring or failing to occur during the Class Period (the “Released Class/Collective Claims”).

The Released Class/Collective Claims shall not include the right of any Participating Settlement Class Member (or their current and former heirs, spouses, representatives, agents, attorneys, executors, administrators, successors, and assigns) to enforce the terms of this Agreement.

5.3. Releases of Claims under PAGA

Cummings, each of the PAGA Group Members, and the State of California and its enforcement agencies (including the LWDA) through Cummings acting as an agent of the State of California under PAGA, and each of the foregoing’s respective current and former heirs, spouses, representatives, agents, attorneys, executors, administrators, successors, and assigns (collectively, the “PAGA Group Affiliates”) fully, finally, forever, and to the maximum extent permitted by law releases and forever discharges the Released LALC Parties, and each of them, from any and all claims for civil penalties under the Labor Code Private Attorneys General Act of 2004 (or, in the case of the LWDA, directly in a civil action) based on any alleged violations of the California Labor Code encompassed by the Released Class/Collective Claims and that are alleged to have occurred during the PAGA Period and that were or could have been asserted in this Litigation

based on the facts alleged in the PAGA Notice or the Operative Cross-Complaint (the “Released PAGA Claims”). The Released PAGA Claims shall not include the right of any PAGA Group Member or any PAGA Group Affiliate to enforce their rights under terms of this Agreement.

6. Motion for Preliminary Approval of this Agreement

Upon executing this Agreement, the Parties shall cooperate to prepare and file a motion for approval of the PAGA settlement in this Agreement and preliminary approval of the class and collective action settlement in this Agreement that complies with Rule 3.769 of the California Rules of Court, California Labor Code section 2699(s)(2), the Superior Court’s online-published “Checklist for Preliminary Approval of Class Action Settlement,” and all other requirements for motions in the Superior Court (the “Motion for Preliminary Approval”).

6.1. Preliminary Approval Order

The Motion for Preliminary Approval shall seek entry of the Preliminary Approval Order as defined in Section 1.34 of this Agreement. Without limiting the foregoing, the Motion for Preliminary Approval shall ask the Court to do all of the following:

- (a) Approve, subject to final approval of the remaining terms of the Agreement, the Agreement’s terms and conditions for the settlement of PAGA claims in the Litigation pursuant to California Labor Code section 2699(s)(2) as fair, reasonable, and adequate as to the PAGA Group in light of the purposes of PAGA;
- (b) conditionally certify the Settlement Class, including the California Class and the Non-California Collective, for settlement purposes only;
- (c) preliminarily approve Lakey as an adequate class representative for the Settlement Class;
- (d) preliminarily approve the Agreement’s terms and conditions for the proposed settlement of the class and collective action claims in the Litigation as fair, reasonable, adequate, and in the best interest of the Settlement Class;
- (e) preliminarily approve Class Counsel as counsel for the Settlement Class for settlement purposes only;
- (f) appoint and approve CAC Services Group LLC to administer the settlement payment procedures required by this Agreement and perform the duties required of the “Settlement Administrator” under this Agreement;
- (g) approve the proposed Notice Packets for distribution to the Settlement Class Members;
- (h) authorize and direct the Settlement Administrator to mail the California Notice Packet to the California Class Members and the Non-California Notice Packet to the Non-California Collective Members;
- (i) approve such other terms and conditions of the Agreement that require approval by the Court; and

- (j) schedule a Final Approval Hearing (as defined in Section 1.13 of this Agreement) in accordance with Rule 3.769 of the California Rules of Court.

6.2. Responsibilities re Motion for Preliminary Approval

Cross-Complainants, through Class Counsel, shall prepare all documents necessary for the Motion for Preliminary Approval, obtain a prompt hearing date for the Motion for Preliminary Approval, and provide LALC's Counsel with at least three (3) court days to review and comment on the Motion for Preliminary Approval before filing the Motion for Preliminary Approval with the Court. Class Counsel and LALC shall be jointly responsible for appearing before the Superior Court to advocate in favor of the Motion for Preliminary Approval.

Class Counsel shall be responsible for delivering the Preliminary Approval Order to the Settlement Administrator after it is entered by the Court.

7. Selection of Settlement Administrator

The Parties have jointly selected CAC Services Group LLC to serve as the "Settlement Administrator" under this Agreement and have verified, as a condition of selection, that CAC Services Group LLC agrees to be bound by this Agreement and perform, as a fiduciary, all duties specified in, or reasonably required in furtherance of, this Agreement in exchange for payment of the Settlement Administration Costs. The Parties and their counsel each represent that they have no interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

The Settlement Administrator shall perform all tasks that this Agreement delegates, explicitly or otherwise, to the Settlement Administrator for the administration of the terms of this Agreement, including, but not limited to, the duties assigned to the Settlement Administrator in Sections 8 and 11 of this Agreement.

8. Settlement Administration after Preliminary Approval Order

8.1. Creation of Settlement Website, Email Address, and Toll-Free Number

The Settlement Administrator shall establish, maintain, and use a website to post information and copies of documents of interest to Settlement Class Members and the PAGA Group Members as it becomes available, including: (a) the Agreement; (b) the date, time, and location for the Final Approval Hearing; (b) Notice Packets that do not include the information specific to any Settlement Class Member; (c) all briefing filed in connection with the Motion for Preliminary Approval; (d) the Preliminary Approval Order entered by the Superior Court; (e) all briefing filed in connection with the Motion for Attorneys' Fees and Costs; (f) the Order on Attorneys' Fees and Costs entered by the Superior Court; (g) all briefing filed in connection with the Motion for Final Approval; (h) the Final Approval Order entered by the Superior Court; (i) the Approval Judgment entered by the Superior Court; and (j) links to any other documents or information the Settlement Administrator deems necessary to perform its duties under this Agreement.

The Settlement Administrator shall also establish, maintain, and monitor an email address and a toll-free telephone number to receive calls, faxes, and emails from the Settlement Class Members.

8.2. Distribution of Notice Packets to the Settlement Class Members

8.2.1. Provision of Class Data to Settlement Administrator

Within thirty (30) calendar days after days LALC receives notice of the Superior Court entering the Preliminary Approval Order as described in Section 6.1, LALC shall provide the Settlement Administrator with the following information for each Settlement Class Member or PAGA Group Member: (1) name; (2) last-known email address; (3) last-known mailing address; (4) last-known telephone number; (5) employment start date; (6) employment end date; (7) dates of leave, if any, during the Class Period; (8) social security number; (9) status as a PAGA Group Member; (10); status as a California Class Member; and (11) status as a Non-California Collective Member.

To protect the privacy rights of the Settlement Class Members and the PAGA Group Members, the Settlement Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Agreement and for no other purpose, and restrict access to the Class Data to Settlement Administrator employees who need access to effect and perform duties under this Agreement.

8.2.2. Calculation of Settlement Data Points from the Class Data

The Settlement Administrator shall use the Class Data to calculate the number of Settlement Class Members (including the number of California Class Members and Non-California Collective Members), the number of PAGA Group Members, the number of CA-TRA Members, the Qualifying Workweeks and Adjusted Workweeks for each Settlement Class Member, the PAGA Pay Periods for each PAGA Group Member, the Per Week Non-TRA Rate if all California Class Members participate in the Agreement, the Per Week Training Repayment Rate if all CA-TRA Members and Non-California Collective Members participate in the Agreement, the Individual Class/Collective Award for each Settlement Class Member if all Settlement Class Members participate in the Agreement, the Per Pay Period Rate for Individual PAGA Awards, and the Individual PAGA Award for each PAGA Group Member.

8.2.3. Communication of Settlement Data Points to Class Counsel

Within seven (7) days after receiving the Class Data from LALC, the Settlement Administrator shall notify Class Counsel that the list has been received and provide the number of Settlement Class Members (including the number of California Class Members, the number of CA-TRA Members within the California Class, and the number of Non-California Collective Members), the number of PAGA Group Members, the total number of Qualifying Workweeks and Adjusted Workweeks for the Settlement Class Members, the total number of PAGA Pay Periods for the PAGA Group Members, the Per Week Non-TRA Rate and Per Week Training Repayment Rate for Individual Class/Collective Awards, and the Per Pay Period Rate for Individual PAGA Awards.

8.2.4. Initial Mailing of Notice Packets

Within fourteen (14) days after receiving the Class Data from LALC, the Settlement Administrator shall conduct a national change of address search, complete a Notice Packet for each Settlement Class Member and each PAGA Group Member, and then send to each Settlement Class Member by First Class U.S. Mail, postage prepaid, to their appropriate mailing address—and their email

address when known—their completed Notice Packet. Each PAGA Group Member and California Class Member shall receive a completed California Notice Packet and each Non-California Collective Member shall receive a Non-California Notice Packet.

The Notice Packet shall inform the Settlement Class Members of their right to decline to participate in this Agreement’s settlement of the Released Class/Collective Claims by either: (a) submitting a timely and valid Request for Exclusion in accordance with Section 8.5.2 of this Agreement if they are a California Class Member, or (b) if they are a Non-California Collective Member, not affirmatively submitting an opt-in in conjunction with an objection to the Agreement or by endorsing, cashing, depositing, or otherwise negotiating any of the checks comprising their Individual Class/Collective Award in accordance with Section 8.5.3 of this Agreement.

8.2.5. Re-Mailing of Returned Notice Packets

If any Notice Packet sent by U.S. Mail is returned to the Settlement Administrator as undelivered, the Settlement Administrator shall re-mail the Notice Packet to any forwarding address provided by the U.S. Postal Service within three (3) business days after receiving the returned Notice Packet. If no forwarding address is provided, the Settlement Administrator shall conduct a skip trace search, including a search of the National Change of Address database, and re-mail the Notice Packet to the most current address obtained for the Settlement Class Member within three (3) business days after receiving the returned Notice Packet.

The Administrator has no obligation to make further attempts to locate or send a Notice Packet to any Settlement Class Member or PAGA Group Member whose Notice Packet is returned by the U.S. Postal Service a second time.

8.3. Objection and Participation Deadline

All Settlement Class Members shall have sixty (60) days from the initial date of mailing their Notice Packet, or such other date as set by the Superior Court in the Preliminary Approval Order, to object or opt out in conformity with the procedures set forth below in Sections 8.5 and 8.6 of this Agreement. This deadline shall be known as the “Objection and Participation Deadline.” The Settlement Administrator shall not have the authority to extend the Objection and Participation Deadline.

8.4. Disputes over Data Reported in Notice Packets

8.4.1. Method of Submitting Disputes of Data in Notice Packets

If a Settlement Class Member or PAGA Group Member disputes or disagrees with the number of Qualifying Workweeks, Adjusted Workweeks, or PAGA Pay Periods reported in their Notice Packet, or if a California Class Member disputes whether they should or should not be classified as a CA-TRA Member, they may complete and send a notice of dispute to the Settlement Administrator, together with any supporting written documentation. Such documentation may consist of official records, pay stubs, weekly schedules, personal logs, or any contract, other written agreement, or other written communications between the Settlement Class Member and LA Laser Center PC, Daniel Taheri M.D. Inc., or LA Business Management Services LLC. To be considered, the notice of dispute and supporting written documentation must be received by the

Settlement Administrator no later than thirty (30) calendar days after the postmark date of the Notice Packet.

8.4.2. Responses to Disputes of Data in Notice Packets

The Settlement Administrator shall immediately notify Class Counsel and LALC's Counsel whenever a Settlement Class Member or PAGA Group Member submits a dispute of information in their Notice Packet. In the event there is a dispute over the number of Qualifying Workweeks or Adjusted Workweek allocated to a Settlement Class Member, a dispute regarding the number of PAGA Pay Periods allocated to a PAGA Group Member, or a dispute regarding a California Class Member's qualifications as a CA-TRA Member, LALC will reasonably and promptly cooperate with any requests by the Settlement Administrator for information to resolve any such disputes.

The Settlement Administrator shall make the final determination regarding the dispute based on the written documentation submitted by the Settlement Class Member or PAGA Group Member and any materials submitted by LALC and inform the Settlement Class Member or PAGA Group Member who submitted the dispute of the final determination in writing at least five (5) days prior to the Objection and Participation Deadline.

8.5. Participation Rights for the Settlement Class and the PAGA Group

8.5.1. No Opt-Out Rights for the PAGA Group

All persons who fall within this Agreement's definition of the PAGA Group shall automatically become a PAGA Group Member upon entry of the Preliminary Approval Order. The PAGA Group Members shall not have any right to opt out of their membership in the PAGA Group.

8.5.2. Opt-Out Rights for the California Class Members

California Class Members who wish to be excluded from the settlement of the Released Class/Collective Claims under this Agreement must submit to the Administrator a written Request for Exclusion by the Objection or Participation Deadline.

8.5.2.1. Form of Request for Exclusion

The Request for Exclusion must contain (i) the name of this Litigation; (ii) the full name, address, telephone number, and last four digits of the Social Security number of the person requesting to be excluded; (iii) the words "Request for Exclusion" at the top of the document; (iv) by personally signed by the California Class Member seeking to be excluded; and (v) the following statement:

I do not wish to become a Participating California Class Member, release the Released Class/Collective Claims, and receive an Individual Class/Collective Award under the proposed settlement in the civil action presently pending in the Superior Court of the State of California for the County of Los Angeles as *LA Laser Center PC, a Professional Corporation v. Drew Lakey* (Case No. 23STCV17949).

All California Class Members who do not submit a timely and valid Request for Exclusion in accordance with the procedures set forth in this Section 8.5.2 and its subparts will automatically become Participating California Class Members and release the Released Class/Collective Claims (including claims under the Fair Labor Standards Act) in exchange for their Individual Class/Collective Award.

8.5.2.2. Exercise of Opt-Out Rights

To exclude themselves from the Participating Settlement California Class, a California Class Member must return a signed Request for Exclusion containing all of the information required under Section 8.5.2.1 of this Agreement by First Class U.S. Mail, with a postmark on or before the Objection and Participation Deadline, to the Settlement Administrator at the address listed on the California Notice Packet.

8.5.2.3. Review of Requests for Exclusion

The Settlement Administrator shall review each Request for Exclusion upon receipt for timeliness, completeness, and validity. If a Request for Exclusion is defective or incomplete, the Settlement Administrator will promptly notify the California Class Member of the defect or deficiency and give the California Class Member fifteen (15) days from the date of the mailing of the deficient notice or the Response Deadline, whichever is later, to cure the defect (the “Opt-Out Cure Deadline”).

Each California Class Member will only be given one opportunity to cure a defective Request for Exclusion. A cured Request for Exclusion will not be effective unless: (a) the original returned Request for Exclusion was postmarked or delivered on or before the Objection and Participation Deadline and (b) the cured Request for Exclusion is postmarked for delivery by First Class U.S. Mail to the Settlement Administrator on or before the Opt-Out Cure Deadline.

The Settlement Administrator shall not interfere with a California Class Member’s right to submit a Request for Exclusion and shall communicate with California Class Members solely for purposes of determining the validity and completeness of any Request for Exclusion submitted by a California Class Member.

8.5.2.4. Untimely Requests for Exclusion

If a Request for Exclusion is not postmarked for delivery by First Class U.S. Mail on or before the Objection and Participation Deadline, the Settlement Administrator shall deem the Request for Exclusion as untimely, null, and void, and the California Class Member shall become a Participating California Class Member.

8.5.2.5. Effect of Valid Request for Exclusion

A California Class Member who submits a timely and valid Request for Exclusion will be excluded from the California Class and will not become a Participating California Class Member, receive an Individual Class/Collective Award, be entitled to object the Agreement or appear at the Final Approval Hearing, release the Released Class Claims, or have any right to contest or appeal the Approval Judgment. However, a California Class Member who is also a PAGA Group Member

may not exclude themselves from the PAGA Group. Accordingly, a California Class Member who is also a PAGA Group Member will remain a PAGA Group Member, release the Released PAGA Claims, and receive an Individual PAGA Award even if they submit a timely and valid Request for Exclusion with respect to membership in the California Class.

8.5.3. Opt-In Rights for the Non-California Collective Members

Only those Non-California Collective Members who affirmatively “opt in” to the Agreement in accordance with the procedures set forth in this Section 8.5.3 and its subparts will join the Non-California Collective, become a Participating Non-California Collective Member, release the Released Class/Collective Claims, and receive an Individual Class/Collective Award.

8.5.3.1. Exercise of Opt-In Rights

A Non-California Collective Member will become a Participating Non-California Collective Member if they either: (a) submit an affirmative opt-in and objection to this Agreement in accordance with Section 8.6 of this Agreement, or (b) cash, deposit, endorse, or otherwise negotiate any of the checks comprising their Individual Class/Collective Award prior to the date indicated in the Non-California Notice Packet.

8.5.3.2. Untimely Opt-In

If a Non-California Collective Member fails to opt-in as described in Section 8.5.3.1 of the foregoing, the Non-California Collective Member shall not become a Participating Non-California Collective Member, receive an Individual Class/Collective Award, release the Released Class/Collective Claims, or have any right to contest or appeal the Approval Judgment.

8.6. Objections to the Agreement

8.6.1. No Objection Rights for the PAGA Group

The PAGA Group Members shall not have any right to object to the terms and conditions for resolution of the Released PAGA Claims.

8.6.2. Objection Rights for the Settlement Class

Settlement Class Members who wish to object to the Agreement may do so only with respect to the proposed settlement of the non-PAGA claims. California Class Members may only object to the Agreement if they become Participating Class Members (i.e., if they do not submit a timely and valid Request for Exclusion). Any Non-California Collective Member may object to the Agreement, but any Non-California Class Member who objects to the Agreement must also affirmatively opt into the settlement and become a Participating Non-California Collective Member (and a Participating Settlement Class Member) regardless of whether they later cash, deposit endorse, or otherwise negotiate any of the checks comprising their Individual Class/Collective Award.

8.6.3. Deadline for Submitting Objections

Any Participating Settlement Class Member who wishes to object to the Agreement must submit their objection via First Class U.S. Mail to the Settlement Administrator at the address listed on their Notice Packet with a postmark on or before the Objection and Participation Deadline.

If a Participating Settlement Class Member's objection is not postmarked for delivery by First Class U.S. Mail on or before the Objection and Participation Deadline, the Settlement Administrator shall deem the objection untimely, null, and void.

No objecting Settlement Class Member shall be entitled to be heard at the Final Approval Hearing (whether individually or through separate counsel) or to have any of their objections or briefs submitted considered by the Superior Court at the Final Approval Hearing, unless their written objections or briefs have been served on the Settlement Administrator on or before the Objection and Participation Deadline. Failure to comply with the objection procedure shall render the objection *void ab initio*.

8.6.4. Method for Objections

Any Participating Settlement Class Member who wishes to object to the settlement or this Agreement must do so by submitting a written objection, along with any supporting documents, to the Settlement Administrator and the Superior Court on or before the Objection and Participation Deadline by: (a) filing the objections and supporting documentation with the Superior Court and (b) sending copies to the Settlement Administrator by First Class U.S. Mail to the address listed on the Notice Packet.

Any written objection to this Agreement by a Participating Settlement Class Member must contain the case name and number of the Litigation; the full name, home address, and telephone number of the objecting Settlement Class Member, the last four digits of their social security number, a clear explanation of why they object to the Agreement (including the legal and factual basis for the objection), the identity and contact information of the objecting Settlement Class Member's attorney (if any), a clear statement indicating whether or not the objecting Settlement Class Member and/or their legal representative intends to appear at the Final Approval Hearing.

8.6.5. Effect of Objection on Participation Rights

A California Class Member who objects to the Agreement without submitting a Request for Exclusion will remain a Participating Settlement Class Member and, if the Court approves the Agreement, will be bound by the terms of the Agreement in the same way as the Participating Settlement Class Members who do not object. Likewise, a Non-California Collective Member who submits an affirmative opt-in and objection to the Agreement will become a Participating Settlement Class Member and, if the Court approves the Agreement, be bound by the terms of the Agreement in the same way as the Participating Settlement Class Members who do not object, regardless of whether the objecting Non-California Collective Member later cashes, endorses, executes, or otherwise negotiates any of the checks comprising their Individual Class/Collective Award.

8.6.6. Reconciling Objection with Exercise of Non-Participation

If a California Class Member submits both a Request for Exclusion and a timely and valid objection, the Request for Exclusion shall govern, and the objection shall be null and void. If a Non-California Collective Member submits a timely objection in accordance with the procedures set forth in this Agreement, but does not later cash, deposit, endorse, or otherwise negotiate any of the checks comprising their Individual Class/Collective Award, their participation in the objection process shall be deemed to control and they shall become a Participating Non-California Collective Member notwithstanding their later decision to not cash, deposit, endorse, or otherwise negotiate any of the checks comprising their Individual Class/Collective Award.

8.7. Agreement Not to Encourage Lack of Participation or Objection

At no time shall any of the Parties or their counsel directly or indirectly solicit or otherwise encourage Settlement Class Members to not participate in the settlement under this Agreement (whether by opting out or not opting in), to submit written objections to the Agreement, or to appeal the Approval Judgment.

8.8. Reports from Settlement Administrator

While carrying out the duties set forth in this Section 8, the Settlement Administrator shall provide Class Counsel and LALC's Counsel with reports at key stages of the process regarding the status of the following: (a) the total number of Notice Packets mailed, re-mailed, or returned as undelivered; (b) the total number of Requests for Exclusion received from Settlement Class Members, with a breakdown for each category of the Settlement Administrator's determination of the number of valid or invalid Requests for Exclusion; (c) the total number of objections received from Participating Settlement Class Members, with a breakdown of the number of valid or invalid objections submitted; (d) copies of any objections received from Settlement Class Members; and (e) the total number of disputes from Settlement Class Members of the Qualifying Workweeks or other data reported in a Notice Packet that were received and/or resolved.

8.9. Final Report of Exclusion

Within five (5) days after the expiration of the Objection and Participation Deadline, the Settlement Administrator shall email lists to Class Counsel and LALC's Counsel of: (a) the California Class Members who timely submitted valid Requests for Exclusion, and (b) the California Class Members who submitted invalid Requests for Exclusion.

The lists sent to LALC's Counsel shall consist of all of the information in the Class Data that LALC originally sent to the Settlement Administrator in pursuant to Section 8.2.1 of this Agreement, along with the listed person's Qualifying Workweeks, Adjusted Workweeks, and PAGA Pay Periods, and date(s) of their Requests for Exclusion (if applicable).

The lists sent to Class Counsel shall use a generalized identification number in lieu of the Settlement Class Member's name and report only their employment start date, employment end date, status as a PAGA Group Member, status as a California Class Member, and status as a Non-California Collective Member, Qualifying Workweeks, Adjusted Workweeks, and PAGA Pay Periods, and date(s) of their Requests for Exclusion (if applicable).

9. LALC's Termination Rights for Lack of Participation

In the event that more than 10% of the California Class Members opt out of the California Class, LALC shall have the right, in its sole discretion, to nullify the settlement as to the California Class within fourteen (14) calendar days after the Settlement Administrator provides the report required by 8.9. If LALC exercises that right, LALC will pay administration costs incurred by the third-party Settlement Administrator through the date of LALC's exercise of its nullification rights.

10. Motion for Final Approval

Not later than sixteen (16) court days before the Final Approval Hearing, Cross-Complainants shall file a motion for final approval of the settlement in this Agreement with the Superior Court that complies with Rule 3.769 of the California Rules of Court, California Labor Code section 2699(s)(2), the "Checklist for Final Approval of Class Action Settlement" that the Superior Court has published online at <https://www.lacourt.ca.gov/pages/lp/civil/tp/civil-case-types-and-specialty-courtrooms/cp/complex-civil-litigation>, and all other requirements for motions in the Superior Court (the "Motion for Final Approval").

10.1. Settlement Administrator Declaration for Final Approval

Prior to the filing of the Motion for Final Approval, the Settlement Administrator shall provide to Class Counsel and LALC's Counsel with a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Notice Packets, the Notice Packets returned as undelivered, the re-mailing of Notice Packets, attempts to locate Settlement Class Members, the total number of Requests for Exclusion it received (both valid or invalid), and the number of written objections. The Settlement Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

10.2. Final Approval Order

The Motion for Final Approval shall seek entry of the Final Approval Order as defined in Section 1.13 of this Agreement. Without limiting the foregoing, the Motion for Final Approval shall ask the Court to do all of the following:

- (a) approve the Agreement's terms for settlement of PAGA claims in the Litigation pursuant to California Labor Code section 2699(s)(2) as fair, reasonable, and adequate as to the PAGA Group in light of the purposes of PAGA;
- (b) certify the Settlement Class, including the California Class and the Non-California Collective, for settlement purposes only;
- (c) approve Lakey as an adequate class representative for the Settlement Class;
- (d) approve the Agreement's terms and conditions for the settlement of the class action claims in the Litigation as fair, reasonable, adequate, and in the best interest of the Settlement Class;

- (e) approve Class Counsel as counsel for the Settlement Class for settlement purposes only;
- (f) approve each of payments comprising the Gross Settlement Amount;
- (g) authorize and direct the Settlement Administrator to make payments out of the Gross Settlement in the manner and method directed by this Agreement;
- (h) Enter the Approval Judgment; and
- (i) set a date for the Parties to submit a declaration from the Settlement Administrator to attest to the distribution of payments required under the Agreement, an accounting of the total amount that was actually paid to the Settlement Class Members, the amount of unpaid residue or unclaimed or abandoned payments to Participating California Settlement Class Members that must be forwarded to the California State Controller's Office Unclaimed Property Fund to be held for the benefit of the Settlement Class Member to whom the payment was designated in accordance with Section 3.2.7 of this Agreement, and the amount of unclaimed or abandoned payments to the Non-California Collective that must be distributed in accordance with Section 3.2.8 herein

10.3. Responsibility for Motion for Final Approval

Class Counsel shall prepare the Motion for Final Approval and provide LALC's Counsel with a copy of the draft of the Motion for Final Approval for its review and comment at least three (3) court days before filing the Motion for Final Approval is due. Class Counsel and LALC's Counsel shall expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval. Class Counsel and LALC shall be jointly responsible for appearing before the Superior Court to advocate in favor of the Motion for Final Approval.

11. Settlement Administration after Final Approval Order

11.1. Calculation of Final Allocation of the Gross Settlement Amount

After entry of the Approval Judgment, the Settlement Administrator shall calculate—based on the amounts approved by the Superior Court in the Final Approval Order and the actual number of Participating Settlement Class Members, PAGA Group Members, Qualifying Workweeks, Adjusted Workweeks, and PAGA Pay Periods covered by the Agreement after completion of the exercise of participation rights under Section 8.5 of this Agreement—the final allocation of the amounts for each component of the Gross Settlement Amount, including all taxes and withholdings for each Settlement Class Member.

11.1. Employer Identification Number for Payments

The Settlement Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to federal and state tax authorities.

11.2. Deposit of the Gross Settlement Amount into a Qualified Settlement Fund

Within seven (7) days after the Effective Date, the Settlement Administrator shall provide Class Counsel and LALC's Counsel with its accounting of the allocation for each component of the payments that make up the Gross Settlement Amount—including the employer's share of payroll taxes—and wire instructions for a bank account for LALC to deposit the Gross Settlement Amount. The Settlement Administrator shall ensure that bank account where the Gross Settlement Amount is deposited is established by the Settlement Administrator to meet the requirements of a "qualified settlement fund" under 26 C.F.R. § 1.468B-1.

Within seven (7) days of LALC's Counsel's receipt of the distribution calculations and funding instructions from the Settlement Administrator, LALC will deposit the Gross Settlement amount into the designated account. All interest with respect to the Gross Settlement Fund shall accrue to the benefit of the Participating Settlement Class Members and the PAGA Group.

11.3. Payments of the Approved Amounts of the Fees Award, Costs Award, PAGA Penalties, and Administration Costs

Within fourteen (14) calendar days after receipt of the Gross Settlement Amount, the Settlement Administrator shall issue checks or wire funds to pay make the following payments from the Gross Settlement Amount for the court-approved Fees Award and Costs Award to Class Counsel; the court-approved Service Awards to Lakey and Cummings; the court-approved Administration Costs to the Settlement Administrator; the court-approved LWDA Payment to the LWDA representing 35% of the court-approved PAGA Penalties; Individual PAGA Awards to each PAGA Group Member, calculated in accordance with Section 3.2.2.1, from the 65% of the court-approved PAGA Penalties that PAGA requires to be paid to the PAGA Group Members; and Individual Class/Collective Awards to each Settlement Class Member in accordance with Section 3.2.6 of this Agreement.

The Settlement Administrator shall make each of the above payments in accordance with taxation and tax obligations set forth in Section 3.3 of this Agreement, issue all necessary tax forms required by Section 3.3 of this Agreement, and make all reports to federal and state authorities required as a result of the taxation and tax obligations set forth in Section 3.3 of this Agreement.

11.3.1. Format of Checks to the Settlement Class and the PAGA Group

The Settlement Administrator shall issue separate checks for the Wage Portion and Non-Wage Portion of each Individual Class/Collective Award to a Participating Class Member or Non-California Collective Member and a separate check for each Individual PAGA Award to a PAGA Group Member. Each of these checks shall remain valid and negotiable for one hundred eighty (180) calendar days from the date of their mailing and shall be canceled by the Settlement Administrator if not cashed by the payee within that time. The face of each check shall prominently state the date when the check will be voided.

11.3.2. Disclosures on Checks to the Non-California Collective Member

Each of the checks comprising an Individual Class/Collective Award to a Non-California Collective Member shall be accompanied by a legend containing the following statement (or a substantially similar statement agreed to by the Parties) in legible text:

By cashing, depositing, endorsing, or otherwise negotiating this check, I consent to join the Non-California Collective in *LA Laser Center PC, a Professional Corporation v. Drew Lakey*, Case No. 23STCV17949, pursuant to 29 U.S.C. § 216(b), and to release the Released LALC Parties from the Released Class/Collective Claims (including claims under the Fair Labor Standards Act) as described in the Notice of Proposed Settlement and Final Settlement Approval Hearing.

11.3.3. Mailing of Checks to the Settlement Class and the PAGA Group

The Settlement Administrator shall send each Individual Class/Collective Award and each Individual PAGA Award to the corresponding Settlement Class Member and/or PAGA Group Member by First Class U.S. Mail, postage prepaid. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

If an Individual PAGA Award or an Individual Class/Collective Award sent by U.S. Mail is returned to the Settlement Administrator as undelivered, the Settlement Administrator shall re-mail the check(s) to any forwarding address provided by the U.S. Postal Service within seven (7) days after receiving the returned checks. If no forwarding address is provided, the Settlement Administrator shall conduct a skip trace search, including a search of the National Change of Address database, and re-mail the checks to the most current address obtained for the Settlement Class Member or PAGA Group Member within seven (7) days after receiving the returned check(s).

11.3.4. Forwarding of Unclaimed Funds for Participating Settlement Class Members and the PAGA Group to the Unclaimed Property Fund

Any checks allocated to an Individual PAGA Award or an Individual Class/Collective Award to a Participating Settlement Class Member that are unpaid, unclaimed or abandoned after 180 days—whether because of an inability to locate the PAGA Group Member or Participating Settlement Class Member or because of a failure of the PAGA Group Member or Participating Settlement Class Member to timely cash, deposit, endorse, or otherwise negotiate their check(s)—shall be forwarded to the California State Controller's Office Unclaimed Property Fund to be held for the benefit of the PAGA Group Member or Participating Settlement Class Member to whom the payment was designated.

11.3.5. Redistribution of Funds Allocated to Non-California Collective Members Who Do Not “Opt In” to the Agreement

If a Non-California Collective Member does not become a Participating Class Member by submitting an affirmative opt-in in conjunction with an objection to the Agreement or by cashing, depositing, endorsing, or otherwise negotiating any of the checks comprising their Individual Class/Collective Award within 180 days, the Settlement Administrator shall cancel the check(s) and, within fourteen (14) days thereafter, redistribute the portion of the Non-PAGA Payout Fund allocated to the Non-California Collective Member’s Individual Class/Collective Award in accordance with Section 3.2.8 of this Agreement.

11.3.6. Reports from Settlement Administrator

While carrying out the duties set forth in this Section 11, the Settlement Administrator shall provide Class Counsel and LALC’s Counsel with reports at key stages of the process regarding the status of payments made out of the Gross Settlement Amount, including: (a) the total number of checks mailed for Individual Class/Collective Awards and Individual PAGA Award; (b) the total number of checks returned and re-mailed for Individual Class/Collective Member Awards and Individual PAGA Awards; and (c) the total number of checks for Individual Class/Collective Awards and Individual PAGA Awards determined to be undeliverable.

11.3.7. Administrator’s Final Report and Declaration

Prior to any deadline set by the Superior Court for a post-approval hearing on the completion of the settlement administration process, the Settlement Administrator shall prepare, and submit to Class Counsel and LALC’s Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement, the actions the Settlement Administrator took to distribute all payments required under this Agreement; and a report of the total number of checks allocated for Individual Class/Collective Awards and Individual PAGA Awards, and the combined sum thereof, that have were unpaid, unclaimed, abandoned, or undeliverable—either because a Settlement Class Member or PAGA Group Member could not be located or because a Settlement Class Member or PAGA Group Member did not timely cash, deposit, endorse, or otherwise negotiate their check(s)—and have therefore been either: (a) forwarded to the California State Controller’s Office Unclaimed Property Fund to be held for the benefit of the Settlement Class Member to whom the payment was designated or (b) distributed in accordance Section 3.2.8 of this Agreement.

12. Conditional Nature of Agreement

12.1. Contingent Nature of Certification of the Class and Collective

The Parties agree that their stipulation to certification of the California Class, the Non-California Collective, and the Settlement Class, and their stipulation to representative treatment under this Agreement is solely and exclusively for the settlement set forth in this Agreement. If, for any reason the Effective Date does not occur (including, but not limited to, because the Superior Court does not grant preliminary or final approval of this Agreement or because an appeal of the Approval Judgment results in this Agreement not being approved), LALC reserves all available defenses to the claims in the Litigation, including the right to contest for any reason the

certification of any class or collective or the maintenance of a representative action under PAGA, and Cross-Complainants each reserve the right to move for certification of the class and collective or maintenance of a PAGA action on any grounds available and to contest LALC's defenses.

Neither this Agreement, the Parties' willingness to settle the Litigation, nor anything contained in this Agreement will have any bearing on, or be admissible in connection with, the Litigation or any other legal action, to establish the appropriateness of inappropriateness of a class action, collective action, or representative action if the Effective Date does not occur.

12.2. Invalidation of Agreement for Failure to Satisfy Conditions

The Parties understand, acknowledge, and agree that this Agreement's proposed settlement of the claims in the Litigation—including representative claims under PAGA, class action claims under the California Labor Code and other California laws, and collective action claims under the FLSA, individual claims by Cross-Complainants, and individual claims by LALC—is contingent upon the Superior Court or another court of competent jurisdiction reviewing and granting final approval of the Agreement in accordance with California Labor Code section 2699(s), Rule 3.769 of the California Rules of Court, and the FLSA, and the occurrence of the Effective Date.

Any decision by the Superior Court to not approve a material condition of this Agreement that effects a fundamental change of the terms of the settlement in this Agreement shall render the entire Agreement voidable and unenforceable at the option of any Party. However, the Parties understand and agree that this voidability provision shall not apply to the Superior Court's final decision following an appeal, if any, that results in a reduction of originally approved amounts for Administration Costs, Service Awards, the Fees Award, the Costs Award, or PAGA Penalties.

If a party exercises its option to void this Agreement under this Section 12.2, the Parties understand that this Agreement, and any preliminary agreement entered into in furtherance thereof, shall be deemed null and void *ab initio*, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever, including, but not limited to, with respect to the certification of any class or collective; the payment of any amounts contemplated under this Agreement, the releases contained in this Agreement. In such event, and the Parties shall each maintain, and do hereby expressly reserve, their respective rights to prosecute and defend the Litigation as if this Agreement never existed.

12.3. Cooperation in Approval or Cure of Agreement

12.3.1. Use of Best Efforts to Approve or Cure Agreement

The Parties shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order, suggestion, or recommendation of the Superior Court, or otherwise, to effectuate this Agreement and the settlement terms set forth herein.

Accordingly, if for any reason the Effective Date does not occur by reason of the failure to obtain preliminary or final approval of the Agreement—including, but not limited to, as a result of any rulings on appeal—the Parties shall meet and confer in good-faith and attempt to agree on a method to cure whichever issues prevented approval of this Agreement. This may include, but

not be limited to, modifying this Agreement and/or submitting supplemental evidence or points and authorities as requested by the Superior Court.

12.3.2. Effect of the Failure of Approval after Best Efforts

If the Parties are unable to agree method to cure any issues that prevented approval of the Agreement despite their best and good-faith efforts, or if the Superior Court does grant final approval of the Parties' proposed settlement after the Parties have exhausted all opportunities and best efforts to reasonably amend or revise this Agreement, then any settlement, including the settlement memorialized in this version of the Agreement, shall become null and void. In that event:

(a) the Parties shall each be returned to the positions each occupied with respect to claims and legal positions in the Litigation, as if this Agreement and the Memorandum of Understanding they each accepted following mediation, had not been entered into at all;

(b) LALC shall retain the absolute right to dispute the propriety of certification of any class or collective in the Litigation and any other proceeding on any and all applicable grounds, LALC's stipulation to certification of any class, collective, or representative action in this Agreement shall be null and void *ab initio*, and neither LALC's stipulation to certification of any class, collective, or representative action in this Agreement or the negotiations leading up this Agreement shall not be deemed to be, or used as, an admission or concession by LALC that class action, collective action, or representative action treatment is, or was at any point time, appropriate in this Litigation or in any other proceeding;

(c) LALC shall retain all available defenses to the Litigation, and neither this Agreement, nor the history of negotiations and agreements leading up this Agreement, shall operate as waiver or limitation of LALC's defenses in the Litigation or any other proceedings;

(d) Cross-Complainants shall retain all claims and shall reserve the right to move for class or collective certification on any grounds available and to contest LALC's defenses; and

(e) Any orders by the Superior Court, or another court of competent jurisdiction, preliminarily or finally approving certification of the Settlement Class or any other class or collective or representative action contemplated by this Agreement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity as evidence of liability, the merits of any claims or defenses, or the appropriateness the certification of a class action, collective action, or representative action in the Litigation or any other proceeding.

13. Stay of Litigation Pending Settlement

The Parties agree that the Litigation shall be stayed upon the execution of this Agreement except for such actions necessary to implement and effectuate the terms of this Agreement.

Pursuant to Code of Civil Procedure section 583.330, the Parties also agree that the deadline under Code of Civil Procedure section 583.310 for bringing a case to trial shall be tolled from the date of the execution of this Agreement until the earlier of: (a) the Effective Date or (b) termination of this Agreement under the terms set forth in this Agreement.

14. Notices

Except for Notice Packets and other communications to Settlement Class Members and PAGA Group Members expressly regulated by this Agreement, all notices, demands, or other communications between Parties pursuant to this Agreement required or permitted to be given pursuant to this Agreement shall be in writing, be provided by appropriate method depending on the urgency (e.g., personal delivery, facsimile, overnight delivery, or first-class U.S. mail), and be delivered to the following:

To Cross-Complainants, the Settlement Class, and the PAGA Group

Rachel Dempsey
David Seligman
TOWARDS JUSTICE
303 17th Ave, Suite 400
Denver, CO 80203
Telephone: (720) 441-2236
Email: rachel@towardsjustice.org
david@towardsjustice.org

Cornelia Dai
Sarah Cayer
HADSELL STORMER RENICK & DAI LLP
128 N. Fair Oaks Avenue
Pasadena, CA 91103
Telephone: (626) 585-9600
Email: cdai@hadsellstormer.com
scayer@hadsellstormer.com

To LA Laser Center

Keith A. Goodwin
SHEPPARD MULLIN, RICHER & HAMPTON LLP
501 West Broadway, 18th Floor
San Diego, CA 92101
Telephone: (619) 338-6500
Email: kgoodwin@sheppard.com

15. Miscellaneous

15.1. Use of Class Data

All information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by LALC in connection with the mediation, other settlement negotiations, or in connection with this Agreement, may be used solely and exclusively with respect to this Agreement and the settlement memorialized therein, and for

no other purpose. Without limiting the foregoing, neither Lakey nor Class Counsel may use information provided to Class Counsel pursuant to Evidence Code section 1152 or copies or summaries of the Class Data provided to Class Counsel by LALC in connection with the mediation, other settlement negotiations, or in connection with this Agreement in any way that violates any existing contractual agreement, any rule of the California Rules of Court, or applicable federal, state, or local law.

15.2. Return of Settlement Class Data

No later than 90 days after the date when the Superior Court discharges the Settlement Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Lakey and Class Counsel shall each destroy all paper and electronic versions of Class Data received from LALC unless, prior to the Superior Court's discharge of the Settlement Administrator's obligation, LALC makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

15.3. Confidentiality Prior to Preliminary Approval

The Parties and their counsel each agree that, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate, publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to the extent necessary to report income to appropriate taxing authorities; (3) in response to a court order or subpoena; or 4) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. The Parties and their counsel also separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Settlement Class Counsel's communications with Settlement Class Members in accordance with Class Counsel's ethical obligations owed to Settlement Class Members.

15.4. Restrictions on Publicity by Class Counsel

Class Counsel agrees not to issue any press releases or hold any press conferences related to this Agreement or the settlement memorialized herein. However, Class Counsel retains the right to publicize the settlement to the extent reasonably necessary to communicate with or advise members of the Settlement Class or the PAGA Group.

15.5. No Tax Advice

Neither Cross-Complainants, Class Counsel, LALC, nor LALC's Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

15.6. Calculation of Deadlines

Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or a “holiday” as defined by California Code of Civil Procedure section 12a(a), the date or deadline shall be extended to the next day that is not a weekend or holiday.

15.7. Signatures and Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. An electronic signature (i.e., an electronic sound, symbol, or process attached to or logically associated with this Agreement and adopted by a Party with the intent to sign this Agreement) shall be treated as a handwritten signature. Furthermore, signatures delivered via facsimile or electronic transmission (including electronic signatures) shall have the same force, validity and effect as the originals thereof.

15.8. Modification of Agreement

This Agreement may be modified, amended, altered, or changed only by written instrument that is signed by all Parties or their duly authorized representatives, expressly states the Parties’ intent to modify this Agreement, and is approved by the Superior Court.

15.9. Application of Agreement to Successors and Assigns

This Agreement will be binding upon, and inure to the benefit of, assigns and successors in interest of each of the Parties.

15.10. Governing Law

This Agreement shall be governed in accordance with the laws of the State of California. The Agreement shall be interpreted in accordance with the plain meaning of its terms, and it shall not be strictly interpreted for or against any of the Parties hereto.

15.11. Entire Agreement

This Agreement sets forth the entire agreement between the Parties and supersedes any prior agreements, contracts, or understandings between the Parties as to the subject matter hereof.

[Intentionally Blank]

IN WITNESS WHEREOF, the undersigned each acknowledge agrees, on its own behalf, that they have read and fully understand the terms of this Agreement; that they understand this Agreement to be a binding legal document; that they knowingly and voluntarily intend to be bound, and shall be bound, by this Agreement by signing below; that they have been given a meaningful opportunity to consult with counsel of their choosing to seek advice and/or clarification about the meaning of this Agreement's terms; and that signing this Agreement shall constitute acceptance of the terms contained therein.

Dated: 02/26/2026

DREW LAKEY

Drew Lakey

Signature

Dated: 02/27/2026

KINGSTON CUMMINGS

Kinston Cummings

Signature

Dated: 2/11/2026

LA LASER CENTER PC

A PROFESSIONAL MEDICAL CORPORATION

By:

DocuSigned by:

Daniel Taheri, M.D.

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Signature

Daniel Taheri, M.D.

Printed Name

Chief Executive Officer

Position Title

Dated: 03/06/2026

HADSELL STORMER RENICK & DAI LLP

By: Cornelia Dai
Cornelia Dai
Sarah Cayer

Attorneys for Cross-Complainants,
DREW LAKEY and KINSTON CUMMINGS

Dated: 03/06/2026

TOWARDS JUSTICE

By: Rachel Dempsey
Rachel Dempsey
David Seligman

Attorneys for Cross-Complainants,
DREW LAKEY and KINSTON CUMMINGS

Dated: _____

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: _____
Keith A. Goodwin

Attorneys for Plaintiff and Cross-Defendant,
LA LASER CENTER PC,
A PROFESSIONAL MEDICAL CORPORATION

Dated: _____

HADSELL STORMER RENICK & DAI LLP

By: _____

Cornelia Dai
Sarah Cayer

Attorneys for Cross-Complainants,
DREW LAKEY and KINSTON CUMMINGS

Dated: _____

TOWARDS JUSTICE

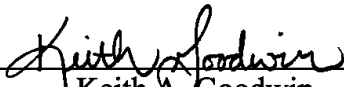
By: _____

Rachel Dempsey
David Seligman

Attorneys for Cross-Complainants,
DREW LAKEY and KINSTON CUMMINGS

Dated: February 6, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By: 
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Attorneys for Plaintiff and Cross-Defendant,
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A PROFESSIONAL MEDICAL CORPORATION