

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

NICHOLE VELAZQUEZ-MORROW, as an
aggrieved employee pursuant to the Private
Attorneys General Act ("PAGA"), on behalf of
the State of California and other non-party
PAGA Members,

Plaintiff,

vs.

ORANGEWOOD FOUNDATION, a
California corporation,

Defendant.

Case No. 30-2023-01327022-CU-OE-CXC

Assigned to the Hon. Melissa R. McCormick

**ORDER GRANTING APPROVAL OF PAGA
SETTLEMENT AND ENTERING
JUDGMENT**

Complaint Filed: May 19, 2023

1 Having considered the Motion for Court Approval of the PAGA Settlement (the "Motion"), and
2 the supplemental points and authorities and declarations submitted in support of the Motion, including
3 the Amended PAGA Settlement Agreement ("Settlement Agreement" or "Settlement") attached hereto
4 as **Exhibit A**, and the Notice Letter to the PAGA Members Regarding PAGA Settlement ("PAGA
5 Settlement Notice") attached hereto as **Exhibit B**, and **GOOD CAUSE** appearing, **IT IS HEREBY**
6 **ORDERED** that the Motion is **GRANTED**, subject to the following findings and orders:

7 1. This Order hereby adopts and incorporates by reference the terms and conditions of the
8 Settlement Agreement. The Court finds that it has jurisdiction over the subject matter of the action and
9 over all Parties to the action, including all PAGA Members, which the Settlement defines as: All persons
10 who were employed by Defendant Orangewood Foundation ("Defendant") in the State of California as
11 non-exempt, hourly-paid employees at any time within the period beginning March 14, 2022 and ending
12 on March 12, 2024.

13 2. The Court hereby finds that the Settlement is, in all respects, fair, reasonable, and
14 adequate, and hereby directs implementation of all remaining terms, conditions, and provisions of the
15 Settlement.

16 3. The gross settlement amount is \$165,000. After deducting the approved amounts for
17 attorneys' fees and costs, and settlement administration costs, the net settlement amount of
18 approximately \$89,496.28 will be allocated as follows: Seventy-Five Percent (75%), or approximately
19 \$67,122.21, shall be paid to the California Labor and Workforce Development Agency, and the
20 remaining Twenty-Five Percent (25%), or approximately \$22,374.07, shall be paid to PAGA Members.

21 4. The Court hereby awards \$55,000 attorneys' fees and \$15,003.72 in costs to Plaintiff's
22 Counsel, Capstone Law APC.

23 5. The Court appoints CPT Group, Inc. to serve as the Settlement Administrator and
24 approves costs of administration of \$5,500.

25 6. Without affecting the finality of the Order and Judgment, the Court retains exclusive and
26 continuing jurisdiction under California Code of Civil Procedure § 664.6, over the above-captioned
27 action and the parties for purposes of enforcing the terms of the Judgment and the Settlement.
28

1 7. The Parties shall give notice of entry of this Order and Judgment to PAGA Members by
2 mailing each PAGA Member the approved PAGA Settlement Notice, which will inform PAGA
3 Members that this Order and Judgment was entered by the Court as of the date of signing.

4 8. The final accounting hearing is scheduled for July 9, 2026, at 9:00 a.m. in Department
5 CX105. Plaintiff shall submit a final administrator's report at least 9 court days before the hearing
6 addressing the status of the settlement administration, including the actual amounts paid to the PAGA
7 Members and the other amounts distributed under the settlement, including any uncashed checks.

8 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

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11 Dated: September 10, 2025



Melissa R. McCormick
Judge of the Superior Court

Exhibit A

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

NICHOLE VELAZQUEZ-MORROW, as an
aggrieved employee pursuant to the Private
Attorneys General Act ("PAGA"), on behalf of
the State of California and other non-party
Aggrieved Employees,

Plaintiff,

vs.

ORANGEWOOD FOUNDATION, a
California corporation and DOES 1 through 10,
inclusive,

Defendants.

Case No. 30-2023-01327022-CU-OE-CXC

**AMENDED PAGA SETTLEMENT
AGREEMENT**

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1 11. “PAGA Period” means the period beginning March 14, 2022 and ending on March 12,
2 2024.

3 12. “Plaintiff” means Nichole Velazquez-Morrow, the named plaintiff in the Action.

4 13. “Plaintiff’s Counsel” means Capstone Law APC.

5 14. “Released Parties” means Defendant, its subsidiaries and affiliates, and each of its
6 former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors,
7 successors, assigns, and agents (including, without limitation, any investment bankers, accountants,
8 insurers, reinsurers, attorneys and any past, present or future officers, directors and employees).

9 15. “Released PAGA Claims” means any and all claims for PAGA civil penalties under the
10 California Labor Code, Wage Orders, regulations, and/or other provisions of law that were alleged, or
11 reasonably could have been alleged, based on the PAGA Period facts alleged in the Action and the
12 PAGA Notice to the LWDA, including but not limited to claims for PAGA civil penalties for violation of:
13 (1) Labor Code sections 510 and 1198, and the applicable IWC Wage Order for Defendant’s alleged
14 failure to compensate PAGA Members with all required overtime pay; (2) Labor Code sections 226.7,
15 510, and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to include all forms
16 of remuneration in the “regular rate” of pay as required by law for purposes of paying overtime wages
17 and/or meal and rest period premiums to PAGA Members; (3) Labor Code sections 1182.12, 1194,
18 1197, and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to compensate
19 PAGA Members with at least minimum wages for all hours worked; (4) Labor Code sections 226.7,
20 512(a), 516, and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to provide
21 PAGA Members with meal periods; (5) Labor Code sections 226.7, 516, and 1198, and the applicable
22 IWC Wage Order for Defendant’s alleged failure to authorize and permit PAGA Members to take rest
23 periods; (6) Labor Code sections 226(a) and 1198, and the applicable IWC Wage Order for Defendant’s
24 alleged failure to provide accurate and complete wage statements to PAGA Members; (7) Labor Code
25 sections 1174(d) and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to
26 maintain payroll records; (8) Labor Code section 204 for Defendant’s alleged failure to pay all earned
27 wages during employment; (9) Labor Code sections 201 and 202 for Defendant’s alleged failure to pay
28 all earned wages upon termination; (10) Labor Code section 246 for Defendant’s alleged failure to

properly calculate the sick leave paid to PAGA Members; (11) Labor Code section 2802 for Defendant's alleged failure to reimburse PAGA Members for all business expenses necessarily incurred.

16. "Settlement Administrator" means CPT Group, Inc., a neutral, third-party administrator mutually chosen by the Parties and approved by the Court to administer the Settlement.

TERMS

17. Gross Settlement Amount. In consideration for Plaintiff's promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendant will pay One Hundred Sixty-Five Thousand Dollars (\$165,000) ("Gross Settlement Amount") to settle the Action. The Gross Settlement Amount includes Plaintiff's attorneys' fees, litigation costs and expenses, Settlement Administration Costs, and payments to PAGA Members and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendant.

18. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to PAGA Members and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to PAGA Members. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all PAGA Members according to the following formula:

18(a) Defendant will calculate: (i) the total number of pay periods worked by each PAGA Member during the PAGA Period, and (ii) the total number of pay periods worked by all PAGA Members during the PAGA Period.

18(b) To determine each PAGA Member's payment from the PAGA Penalties Fund, Defendant will use the following formula: Settlement Payment = 25% of PAGA Penalties Fund $\times$ [Pay Periods Worked by Individual PAGA Member During the PAGA Period $\div$ Total Pay Periods Worked by All PAGA Members during the PAGA Period].

18(c) Based on data provided by Defendant, it is estimated that PAGA Members worked during a combined total of approximately Two Thousand Two

1 Hundred Eighty-Three (2,283) Pay Periods during the PAGA Period.
2 Should the number of Pay Periods worked during the PAGA Period
3 increase by more than Seven Percent (7%) of this estimate, then Defendant
4 will increase the Gross Settlement Amount by a proportionate additional
5 amount for each additional Pay Period above Seven Percent (7%) (i.e., if
6 there is a 8% increase in the number of Pay Periods, the Gross Settlement
7 Amount shall increase by 1%). In the alternative, Defendant, in its sole
8 discretion, may elect to end the release period on the date on which the
9 number of Pay Periods reaches Seven Percent (7%) of the total estimate
10 stated.

11 19. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or
12 motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than Fifty Five Thousand
13 Dollars (\$55,000), plus the reimbursement of all out-of-pocket costs and expenses associated with
14 Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees,
15 investigations costs, etc.), not to exceed Twenty Five Thousand Dollars (\$25,000), both of which will be
16 paid from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to
17 Plaintiff's Counsel will be added to the PAGA Penalties Fund.

18 20. General Release Payment. For a general release of all claims Plaintiff may have against
19 Defendant arising out of her employment, Defendant agrees to pay Plaintiff Fifteen Thousand Dollars
20 (\$15,000) ("General Release Payment"). The General Release Payment will be paid separately from the
21 Gross Settlement Amount.

22 21. Settlement Administration Costs. The Parties will retain CPT Group, Inc. as the third-
23 party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be
24 responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate
25 tax forms to PAGA Members, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement
26 Administration Costs will be paid from the Gross Settlement Amount. Settlement Administration Costs
27 are estimated at Five Thousand Five Hundred Dollars (\$5,500).

28 22. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties

1 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the
2 Court issue an order and judgment approving and incorporating by reference the terms and conditions of
3 the Settlement Agreement (the "Order and Judgment").

4 23. List of PAGA Members. Within sixty (60) calendar days after entry of the Order and
5 Judgment, Defendant will provide the Settlement Administrator a complete list of all PAGA Members
6 ("PAGA Member List"). The PAGA Member List will be formatted in Microsoft Office Excel and will
7 include each PAGA Member's full name; most recent mailing address and telephone number; Social
8 Security Number; the respective number of pay periods during which each PAGA Member worked
9 during the PAGA Period; and any other relevant information needed to calculate settlement payments.

10 24. Funding of the Settlement. Within sixty (60) calendar days after entry of the Order and
11 Judgment, Defendant will deposit the Gross Settlement Amount and General Release Payment into the
12 QSF to be established by the Settlement Administrator. Within fourteen (14) calendar days of the
13 funding of the Settlement, the Settlement Administrator will issue payments to: (a) PAGA Members; (b)
14 the Labor and Workforce Development Agency; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. The
15 Settlement Administrator, and not Defendant, will issue the appropriate tax forms for all payments issued
16 under this Settlement.

17 25. Settlement Payments to PAGA Members. The Settlement Administrator will issue each
18 PAGA Member one check for his or her share of the PAGA Penalties Fund along with an explanatory
19 letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a search based
20 on the National Change of Address Database for information to update and correct for any known or
21 identifiable address changes. Any checks returned as non-deliverable on or before the check cashing
22 deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed
23 thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to
24 determine the correct address using a skip-trace, or other search using the name, address or Social
25 Security number of the PAGA Member involved, and will then perform a single re-mailing. Checks will
26 remain negotiable for 180 days. Those funds represented by un-cashed checks which remain outstanding
27 180 days after the mailing of the Settlement checks by the Settlement Administrator will be tendered to
28 the Justice Gap Fund maintained by The State Bar of California. All settlement payments to PAGA

1 Members will be treated as miscellaneous income for which a 1099 will be issued.

2 26. Plaintiff's Release. Upon entry of the Order and Judgment, Plaintiff and her respective
3 former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and
4 assigns will generally release and discharge the Released Parties from all claims, transactions, or
5 occurrences that occurred during the PAGA Period, including, but not limited to, all PAGA claims that
6 were, or reasonably could have been, alleged based on facts alleged in the Action, Plaintiffs' PAGA
7 Notice, or ascertained during the Action and released under Paragraph 27, below. Plaintiff's Release
8 does not extend to any claims or actions to enforce this Settlement Agreement, or to any claims for
9 vested benefits, unemployment benefits, disability benefits, social security benefits, workers'
10 compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff
11 acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law
12 that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be
13 and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's
14 discovery of them.

15 27. Released PAGA Claims. Upon the date on which Defendant funds the entire Gross
16 Settlement Amount, Plaintiff and all PAGA Members will be forever barred from pursuing against
17 Defendant any and all Released PAGA Claims during the PAGA Period. PAGA Members, other than
18 Plaintiff, will not be deemed to have released any individual wage and hour claims by virtue of this
19 Settlement.

20 28. No Right to Exclusion or Objections by Representative Action Members. Because this
21 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
22 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no
23 PAGA Member has the right to exclude himself or herself from the Settlement. PAGA Members will be
24 bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether
25 he or she cashes any payment received as a result of this Settlement. The Parties also agree that no
26 PAGA Member has the right to object to the terms of the Settlement Agreement.

27 29. No Credit Toward Benefit Plans. Payments to PAGA Members as referenced herein
28 will not be utilized to calculate any additional benefits under any benefit plans to which any PAGA

1 Member may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans,
2 stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is
3 the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts
4 to which any PAGA Member may be entitled under any benefit plans.

5 30. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
6 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
7 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
8 action or right herein released and discharged.

9 31. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve
10 the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then
11 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void,
12 and the Parties will be returned to their original respective positions.

13 32. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
14 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
15 of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters
16 as may be appropriate under court rules or as set forth in this Settlement.

17 33. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
18 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
19 on the Parties.

20 34. Amendment or Modification. This Settlement Agreement may be amended or modified
21 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
22 Parties, and approved by the Court.

23 35. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
24 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
25 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
26 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
27 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
28 other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to

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

4 36. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
5 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

6 37. California Law Governs. All terms of this Settlement Agreement will be governed by
7 and interpreted according to the laws of the State of California.

8 38. Execution and Counterparts. This Settlement Agreement is subject only to the execution
9 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
10 executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and
11 scanned copies of the signature pages, will be deemed to be one and the same instrument.

12 39. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
13 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action. The Parties agree that
14 the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms-length
15 negotiations between the Parties supervised by an experienced employment law mediator. The Parties
16 further acknowledge that they are each represented by competent counsel and that they have had an
17 opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.
18 The Parties agree that the Settlement Agreement is entered into in good faith as to each PAGA
19 Member/PAGA Member and that the Settlement Agreement is fair, reasonable, and adequate as to each
20 PAGA Member/PAGA Member.

21 40. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
22 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from
23 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

24 41. Invalidity of Any Provision. Before declaring any provision of this Settlement
25 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
26 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
27 valid and enforceable.

28 42. Captions. The captions and section numbers in this Settlement Agreement are inserted

1 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
2 provisions of this Settlement Agreement.

3 43. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
4 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
5 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

6 44. Enforcement Action. In the event that one or more of the Parties institutes any legal
7 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
8 Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party
9 or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and
10 costs, including expert witness fees incurred in connection with any enforcement actions. PAGA
11 Members will not be responsible for paying the prevailing Party's attorneys' fees.

12 45. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
13 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
14 more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for
15 one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties,
16 all Parties have contributed to the preparation of this Settlement Agreement.

17 46. Representation By Counsel. The Parties acknowledge that they have been represented
18 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
19 that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed
20 in full.

21 47. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
22 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
23 Settlement Agreement.

24 48. Binding Agreement. The Parties warrant that they understand and have full authority to
25 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and
26 binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to
27 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
28 under federal or state law.

1 49. Denial of Liability. The Parties expressly recognize that the making of this agreement
2 does not in any way constitute an admission or concession of wrongdoing on the part of Defendant.
3 Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements,
4 discussions or communications, nor any materials prepared, exchanged, issued or used during the
5 pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be
6 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
7 investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law,
8 statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
9 Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
10 purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
11 of the Court entered into in connection therewith.

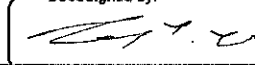
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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

DocuSigned by:

Dated: 8/18/2025


Nichole Velazquez-Morrow

DEFENDANT

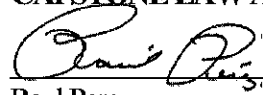
Dated: _____

Christian E. Simonsen, CEO
Orangewood Foundation

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: 8/18/2025


Raul Perez
Attorneys for Plaintiff Nichole Velazquez-Morrow

MESSNER REEVES LLP

Dated: _____

Kathleen Carter
Jeffrey R. Gillette
Attorneys for Defendant Orangewood Foundation

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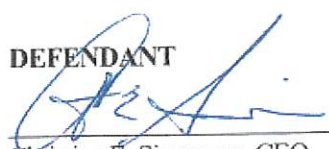
PLAINTIFF

Dated: _____

Nichole Velazquez-Morrow

DEFENDANT

Dated: 8/19/25


Christian E. Simonsen, CEO
Orangewood Foundation

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____

Raul Perez
Attorneys for Plaintiff Nichole Velazquez-Morrow

MESSNER REEVES LLP

Dated: 08/19/2025

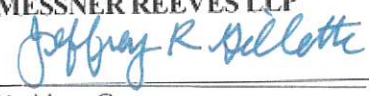

Kathleen Carter
Jeffrey R. Gillette
Attorneys for Defendant Orangewood Foundation

Exhibit B

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

**Re: Payment From *Nichole Velazquez-Morrow v. Orangewood Foundation*,
No. 30-2023-01327022-CU-OE-CXC (Orange County Superior Court – “Court”)**

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

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Nichole Velazquez-Morrow v. Orangewood Foundation*, No. 30-2023-01327022-CU-OE-CXC (Orange County Superior Court) (the “Action”).

The Action was filed by Plaintiff Nicole Velazquez-Morrow (“Plaintiff”) against Defendant Orangewood Foundation (“Defendant”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). PAGA is a California law that allows private citizens to sue on behalf of the State of California to enforce labor code violations. The Action was brought by Plaintiff, a former employee of Defendant, on behalf of the State of California (“State”) and all allegedly “Aggrieved Employees” (also referred to in this letter as “PAGA Members”) of Defendant, defined as all persons who were employed by Defendant in the State of California as non-exempt, hourly-paid employees at any time within the period beginning on March 14, 2022 and ending on March 12, 2024. You have been identified as one of the employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendant owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders, including the alleged failure to pay minimum and overtime wages to employees for all hours worked, provide employees with meal and rest breaks, timely pay all wages owed to employees during each pay period and upon termination of their employment, provide employees with accurate, itemized wage statements, and reimburse employees for necessary business expenses.

Defendant denies that it violated the Labor Code or California Wage Orders. Moreover, in agreeing to this settlement, Defendant does not admit that it is liable in any way for any penalties.

The Court has not ruled on the merits of the Action, but on [DATE], it entered an order and judgment approving the \$165,000 gross settlement, inclusive of PAGA civil penalties totaling \$89,496.28, of which 75% (\$67,122.21) will be paid to the California Labor and Workforce Development Agency (“LWDA”), and the remaining 25% (\$22,374.07) will be paid to Aggrieved Employees in proportion to the number of pay periods they worked during the period from March 14, 2022 through March 12, 2024. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

You are responsible for reporting and paying all taxes on your payment from the settlement. You should consult a tax advisor if you have any questions about the tax consequences of your settlement payment.

You are not a party to this lawsuit, but you and the State will be bound by the settlement in this matter as to PAGA civil penalties. The PAGA claims settled and released by the settlement are—Any and all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law that were alleged, or reasonably could have been alleged, based on the facts alleged in the Action and Plaintiff’s “PAGA Notice” (March 14, 2023 letter) to the LWDA, including but not limited to claims for PAGA civil penalties for violation of: (1) Labor Code sections 510 and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to compensate PAGA Members with all required overtime pay; (2) Labor Code sections 226.7, 510, and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to include all forms of remuneration in the “regular rate” of pay as required by law for purposes of paying overtime wages and/or meal and rest period premiums to PAGA Members; (3) Labor Code sections 1182.12, 1194, 1197, and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to compensate PAGA Members with at least minimum wages for all hours worked; (4) Labor Code sections 226.7, 512(a), 516, and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to provide PAGA Members with meal periods; (5) Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to authorize and permit PAGA Members to take rest periods; (6) Labor Code sections 226(a) and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to provide accurate and complete wage statements to PAGA Members; (7) Labor Code sections 1174(d) and 1198, and the applicable IWC Wage Order for Defendant’s alleged failure to maintain payroll records for the PAGA Members; (8) Labor Code section 204 for Defendant’s alleged failure to pay all earned wages during employment to the PAGA Members; (9) Labor Code sections 201 and 202 for Defendant’s alleged failure to pay all earned wages upon termination to the PAGA Members; (10) Labor Code section 246 for Defendant’s alleged failure to properly calculate the sick leave paid to PAGA Members; (11) Labor Code section 2802 for Defendant’s alleged failure to reimburse PAGA Members for all business expenses necessarily incurred (“Released Claims”). Aggrieved Employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order, for which they have a private right of action, by virtue of the settlement.

Aggrieved Employees cannot opt out of the settlement and, even if Aggrieved Employees do not cash their checks, they will still be bound by the release of the Released Claims.

If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]