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19 *A California corporation*

20 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

21 **COUNTY OF SAN BERNARDINO**

22 JESSICA HENDRICKSON, individually,
23 and on behalf of all others similarly
24 situated,

25 Plaintiff,

26 v.

27 PHARMACY SERVICE INC, a California
28 corporation; and DOES 1 through 50,
inclusive,

Defendants.

CASE NO.: CIVSB2314278

*[Assigned for all purposes to the
Honorable Hon. Jessica L. Morgan, S-26]*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE**

Action Filed: June 27, 2023
Trial Date: None Set

1 This Class Action and PAGA Settlement and Release (the “Settlement Agreement”) is entered
2 into by and between Plaintiff Jessica Hendrickson (“Plaintiff”), on behalf of herself and the Class, on
3 the one hand, and Defendant Pharmacy Service, Inc. (“Defendant”), and the Released Parties, on the
4 other hand. Plaintiff and Defendant are collectively referred to herein as “Parties” and individually
5 referred to herein as “Party.”

6 In consideration of the mutual covenants, promises, and agreements set forth herein, the Parties
7 agree that, pursuant to the terms and conditions set forth herein, which are subject to the approval of
8 the Court, this Action and the Released Claims shall be settled and compromised as between Plaintiff
9 and the Class on the one hand and Defendant on the other hand.

10 **DEFINITIONS**

11 1. “Action” means *Jessica Hendrickson v. Pharmacy Service Inc.*, Superior Court of the
12 State of California for the County of San Bernardino, Case No.: CIVSB2314278.

13 2. “Class” means: All non-exempt employees who were employed by Defendant, in the
14 State of California, at any time from June 26, 2019, through July 31, 2024.

15 3. “Class Counsel” means the Law Office of Scott Ernest Wheeler.

16 4. “Class Counsel Award” means attorneys’ fees for Class Counsel’s litigation and
17 resolution of this Action and Class Counsel’s expenses and costs incurred in connection with this
18 Action.

19 5. “Class Information” means information regarding Class Members that Defendant will
20 in good faith compile from its records and provide to the Settlement Administrator. It shall be
21 formatted as a Microsoft Excel spreadsheet or Microsoft Word Document and shall include: each
22 Class Member’s full name; social security number; last known address; last known telephone number;
23 and number of Compensable Work Weeks and Compensable PAGA Work Weeks.

24 6. “Class Member” means each person who is a member of the Class defined above and
25 who is eligible to participate in this Settlement.

26 7. “Class Period” means the time period from June 26, 2019, through July 31, 2024.

27 8. “Class Representative Service Award” means the amount that the Court authorizes to
28 be paid individually to Plaintiff in recognition of, *inter alia*, Plaintiff’s efforts and risks in assisting

1 with the prosecution of the Action and in return for executing a general release with Defendant.

2 9. “Compensable Work Week” or “Compensable Work Weeks” means a reasonable
3 estimate of weeks worked by each Class Member as a non-exempt employee in California for
4 Defendant individually and collectively by all Class Members during the Class Period based on
5 Defendant’s records and used as a value to calculate Individual Settlement Payments. The number of
6 Compensable Work Weeks for each Class Member will be determined by adding all the calendar days
7 within the inclusive dates of employment for the employee and dividing that number by seven. Any
8 partial workweek will be expressed as a percentage of a full workweek. If it can be readily determined,
9 workweeks where someone was employed but did not record any hours can be excluded from this
10 calculation.

11 10. “Compensable PAGA Work Week” or “Compensable PAGA Work Weeks” means a
12 reasonable estimate of weeks worked by each PAGA Member, as a nonexempt employee in California
13 for Defendant, individually and collectively by all PAGA Members, during the period from April 10,
14 2022, through July 31, 2024, based on Defendant’s records and used as a value to calculate PAGA
15 Payments. The number of Compensable PAGA Work Weeks for each PAGA Member will be
16 determined by adding all the calendar days within the inclusive dates of employment for the employee
17 and dividing that number by seven. Any partial workweek will be expressed as a percentage of a full
18 workweek. If it can be readily determined, workweeks where someone was employed but did not
19 record any hours can be excluded from this calculation.

20 11. “Court” means the Superior Court for the County of San Bernardino, State of
21 California.

22 12. “Defendant” means Pharmacy Service Inc.

23 13. “Effective Date” means the date on which the Court’s Final Approval Order and
24 Judgment becomes final and after which Defendant fully funds the Settlement, as set forth in
25 paragraph 54. The Court’s Final Approval Order and Judgment “becomes final” upon the latter of: (a)
26 if there is no Objection to the Settlement, or if there is an Objection but it is withdrawn, then, the date
27 that the Final Approval Order and Judgment is filed by the Court; (b) if there is an Objection to the
28 Settlement that is not withdrawn, but no appeal is commenced thereafter, then, sixty-five (65) calendar

1 days following the date that the Final Approval Order and Judgment is filed by the Court; or (c) if
2 there is an Objection to the Settlement, that is not withdrawn, and any appeal, writ, or other appellate
3 proceeding opposing the Settlement has been filed within sixty-five (65) calendar days following the
4 date that the Final Approval Order and Judgment is filed by the Court, then, when any such appeal,
5 writ, or other appellate proceeding opposing the validity of the Settlement has been resolved finally
6 and conclusively with no right to pursue further remedies or relief.

7 14. “Final Approval Order and Judgment” means an order and judgment that the Court
8 will file which finally approves this Settlement and enters a judgment in favor of Plaintiff.

9 15. “Gross Settlement Amount” means the maximum amount that Defendant is obligated
10 to pay under this Settlement Agreement, which is One Hundred and Seventy-One Thousand Five
11 Hundred Dollars and Zero Cents (\$171,500.00). Defendant shall receive a credit against the Gross
12 Settlement Amount for Six Thousand and One Hundred and Fifty Dollars and Zero Cents (\$6,150.00)
13 previously paid to Settlement Class members who signed releases, subject to increase under the
14 circumstances set forth in paragraph 58. This is an “all in” non-reversionary Settlement in which
15 Defendant is required to pay the entire Gross Settlement Amount. No portion of the Gross Settlement
16 Amount will revert to Defendant under any circumstances. Payments of any appropriate and lawfully
17 required employer’s share of the payroll taxes on the taxable portion of the settlement payments shall
18 be paid separately from the Gross Settlement Amount by Defendant at the time the Gross Settlement
19 Amount is funded.

20 16. “Individual Settlement Payment” means the amount payable from the Net Settlement
21 Amount to each Settlement Class Member.

22 17. “LWDA” means the California Labor and Workforce Development Agency.

23 18. “Net Settlement Amount” means the Gross Settlement Amount, less the Class Counsel
24 Award, Class Representative Service Award, payment to the LWDA and PAGA Members for PAGA
25 penalties, and Settlement Administration Costs.

26 19. “Notice of Class and PAGA Settlement” means the notice, substantially in the form
27 attached hereto as **Exhibit 1**, which the Settlement Administrator will mail to each Class Member and
28 PAGA Member, and which explains, *inter alia*, the terms of this Settlement Agreement, the settlement

1 process, and each Class Member's estimated Individual Settlement Payment. Notice of Class
2 Settlement will be provided to the Class in English and Spanish.

3 20. "Operative Complaint" means the Class and Representative Action Complaint on file
4 in this Action.

5 21. "Objection" means a letter or other written communication submitted by a Class
6 Member to the Settlement Administrator that contains a clear statement by the Class Member that he
7 or she is objecting to any of the terms of the Settlement.

8 22. "PAGA Member" or "PAGA Members" means any Class Member who was employed
9 or has been employed by Defendant at any time during the time period of April 10, 2022, through July
10 31, 2024.

11 23. "Parties" means Plaintiff and Defendant, collectively, and "Party" means either
12 Plaintiff or Defendant, individually.

13 24. "Payment Ratio" means the respective Compensable Work Weeks for each Settlement
14 Class Member divided by the total Compensable Work Weeks for all Settlement Class Members.

15 25. "PAGA Payment Ratio" means the respective Compensable PAGA Work Weeks for
16 each PAGA Member divided by the total Compensable PAGA Work Weeks for all PAGA Members.

17 26. "PAGA Period" means the time period from April 10, 2022, through July 31, 2024.

18 27. "Plaintiff" refers to Jessica Hendrickson.

19 28. "Preliminary Approval Date" means the date upon which the Court files an order
20 substantially in the form attached hereto as **Exhibit 2**, and which grants preliminary approval of the
21 Settlement.

22 29. "Request for Exclusion" means a letter or other written communication submitted by
23 a Class Member to the Settlement Administrator that contains a clear statement by the Class Member
24 that he or she is electing to be excluded from the Settlement

25 30. "Released Claims by Plaintiff" is defined and set forth in paragraph 47 below. Plaintiff
26 releases the "Released Claims by Plaintiff" as of the date Defendant fully funds this Settlement.

27 31. "Released Claims by Settlement Class Members" means: As of the date Defendant
28 fully funds this Settlement, Settlement Class Members shall fully and finally release and discharge

Released Parties, from June 26, 2019, through July 31, 2024, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action contingent or accrued for, that are pleaded, or that could have been pleaded, based on the facts and claims alleged in the Operative Complaint, including but not limited to claims under *Labor Code* §§ 201, 202, 203, 204, 218.6, 226, 226.7, 510, 512, 1194, 1194.2, 1197, 2698, *et seq.*, and the Industrial Welfare Commission Wage Orders, and any claim for unpaid wages, including under any theory of rounding, unpaid minimum wage, meal and rest period violations, waiting time penalties, itemized wage statement penalties, wages for untimely pay, other related wages, restitution, disgorgement, civil or statutory penalties, attorneys' fees, and/or costs and all claims under the PAGA, under the Unfair Competition Law, *Business & Professions Code* § 17200, *et seq.*, and/or which are alleged in the Class Action Complaint within the Class Period and the PAGA Complaint within the PAGA Period (*i.e.*, : (1) Failure To Provide Meal Periods (*Labor Code* §§ 226.7, 512); (2) Failure To Provide Rest Periods (*Labor Code* §§ 226.7, 512); (3) Failure To Pay Overtime (*Labor Code* § 510); (4) Failure To Pay Minimum Wages (*Labor Code* § 1194); (5) Failure To Pay Wages Timely (*Labor Code* § 204); (6) Failure To Timely Pay Final Wages (*Labor Code* §§ 201, 203); (7) Failure To Maintain Accurate Records (*Labor Code* § 226); (8) Failure To Provide Accurate Wage Statements; (9) Failure To Indemnify Business Expenses; (10) Unlawful And Unfair Business Practices (*Bus. & Prof. Code* § 17200); and (11) California Private Attorneys General Act Of 2004 ("PAGA")). Upon entry of the Final Approval Order and Judgment and funding of the total Gross Settlement Amount, all Participating Class Members will forever completely release and discharge the Released Parties from the Released Claims for the Release Period. Plaintiff and Defendant intend that the Settlement described in this Settlement Agreement will release and preclude any further claim, whether by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and all of the Participating Class Members to obtain a recovery to any and all of the Released Claims. This release excludes the release of claims not otherwise permitted by law, *i.e.* Worker's Compensation and unemployment insurance benefits.

32. "Released Parties" collectively mean: (i) Defendant; (ii) Defendant's respective past, present, and future heirs, executors, administrators, parents, subsidiaries and affiliates, successors, and

1 assigns; and (iii) the past, present, and future shareholders, managers, officers, partners, members,
2 agents, employees, attorneys, insurers, predecessors, successors and assigns of any of the foregoing.

3 33. "Response Deadline" means forty-five (45) days after the postmark date of the Notice
4 of Class Settlement that the Settlement Administrator shall mail to Class Members, and the last date
5 on which Class Members may: (a) submit a Request for Exclusion; or (b) submit an Objection to the
6 Settlement.

7 34. "Settled PAGA Claims", means as of the date the Court enters judgment for final
8 approval and Defendant fully funds the Gross Settlement Amount, for penalties only under the Private
9 Attorneys General Act ("PAGA"), based upon the Released Claims by PAGA Members that serves
10 the basis for penalties only pursuant to *Labor Code* § 2699, *et seq.*, for: (1) Failure To Provide Meal
11 Periods (*Labor Code* §§ 226.7, 512); (2) Failure To Provide Rest Periods (*Labor Code* §§ 226.7, 512);
12 (3) Failure To Pay Overtime (*Labor Code* § 510); (4) Failure To Pay Minimum Wages (*Labor Code*
13 § 1194); (5) Failure To Pay Wages Timely (*Labor Code* § 204); (6) Failure To Timely Pay Final
14 Wages (*Labor Code* §§ 201, 203); (7) Failure To Maintain Accurate Records (*Labor Code* § 226); (8)
15 Failure To Provide Accurate Wage Statements; and (9) Failure To Indemnify Business Expenses,
16 based upon the primary rights and as alleged in the Operative Complaint and in Plaintiff's LWDA
17 Notice dated April 10, 2023.

18 35. "Settlement" means the disposition of the Action pursuant to this Agreement.

19 36. "Settlement Administration Costs" means the amount to be paid to the Settlement
20 Administrator from the Gross Settlement Amount for administration of this Settlement.

21 37. "Settlement Administrator" means Phoenix Settlement Administrators ("Phoenix"),
22 the Settlement Administrator shall be responsible for, *inter alia*: (a) performing Spanish translations
23 of the Notice of Class Settlement; printing and mailing the Notice of Class Settlement to the Class in
24 English and Spanish; (b) receiving and reporting the Requests for Exclusion and Objections submitted
25 by Class Members; (c) providing declaration(s) as necessary in support of preliminary and/or final
26 approval of this Settlement; (d) processing and mailing payments to Plaintiff's, Class Counsel, the
27 LWDA, and Settlement Class Members; and (e) any other tasks as the Parties mutually agree or the
28 Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the

1 Parties timely apprised of the performance of all Settlement Administrator responsibilities. The Parties
2 agree that they have no financial interest or other relationship with Phoenix that could create a conflict
3 of interest. Should a conflict of interest or other issue lead to the disqualification of the selected
4 Settlement Administrator, the Parties will meet and confer as to a suitable replacement.

5 38. “Settlement Class” or “Settlement Class Members” means all Class Members who
6 have not opted out of the Class by submitting a valid and timely Request for Exclusion.

7 **RECITALS**

8 39. Procedural History. On June 26, 2023, Plaintiff filed a complaint against Defendant in
9 San Bernardino Superior Court, Case No.: CIVSB2314278. Defendant has or will file a Notice of
10 General Appearance.

11 40. Investigation and Discovery. The Parties have conducted significant investigation of
12 the facts and law during the prosecution of this Action and before this Settlement was reached. Such
13 discovery and investigation included, *inter alia*, the exchange of information and extensive documents
14 pertaining to Plaintiff and the Class, and numerous meetings and informal conferences wherein the
15 Parties exchanged information, class data, and theories of the case. Plaintiff has also investigated the
16 law as applied to the facts of Plaintiff’s claims and Defendant’s potential defenses thereto.

17 41. Mediation. The Parties initially participated in a mediation session with the highly
18 experienced mediator, Michael Mandel, Esq., on April 25, 2024. After a full day of mediation, the
19 Parties were able to reach a proposed settlement regarding the material terms for a proposed class
20 action and PAGA settlement that would fully resolve this matter.

21 42. Benefits of Settlement to Class Members. Plaintiff and Class Counsel recognize the
22 expense and length of continued proceedings necessary to litigate Plaintiff’s claims through trial and
23 any possible appeals. Plaintiff has also taken into account the uncertainty and risk of the outcome of
24 further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel
25 are also aware of the burdens of proof necessary to establish liability for the claims asserted in the
26 Action, both generally and in response to Defendant’s defenses thereto, and the difficulties in
27 establishing damages for the Class. Plaintiff and Class Counsel have also taken into account
28 Defendant’s agreement to enter into a settlement that confers substantial relief upon the members of

1 the Class. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement
2 set forth in this Settlement Agreement is a fair, adequate, and a reasonable settlement, and is in the
3 best interests of the Class.

4 43. Defendant's Reasons for Settlement. Defendant has concluded that any further defense
5 of this litigation would be protracted and expensive for all Parties. Substantial amounts of Defendant's
6 time, energy, and resources have been and, unless this Settlement is completed, will continue to be
7 devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken into account the
8 risks of further litigation in reaching its decision to enter into this Settlement. Even though Defendant
9 continues to contend that it is not liable for any of the claims alleged by Plaintiff in this Action,
10 Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this
11 Settlement Agreement to put to rest the claims in this Action.

12 **STIPULATION AND AGREEMENT**

13 44. NOW THEREFORE, in consideration of the mutual covenants, promises, and
14 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

15 45. It is agreed by and among Plaintiff and Defendant that this Settlement shall bind the
16 Plaintiff, Settlement Class Members, and Defendant, subject to the terms and conditions hereof.

17 46. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this §, the
18 "acknowledging party" and each Party to this Agreement other than the acknowledging party, an
19 "other party") acknowledges and agrees that (1) no provision of this Agreement, and no written
20 communication or disclosure between or among the Parties or their attorneys and other advisers, is or
21 was intended to be, nor shall any such communication or disclosure constitute or be construed or be
22 relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31
23 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its
24 own, independent legal and tax counsel for advice (including tax advice) in connection with this
25 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
26 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
27 communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty
28 that may be imposed on the acknowledging party; and (3) no attorney or advisor to any other party

1 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
2 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
3 acknowledging party of the tax treatment or tax structure of any transaction, including any transaction
4 contemplated by this Agreement.

5 47. Released Claims by Plaintiff. As of the date Defendant fully funds the Settlement,
6 including the claims released by the Class Members, Plaintiff expressly releases all claims arising
7 under the California *Labor Code* (including, but not limited to, § 201, 201.3, 202, 203, 204, 210, 216,
8 218.6, 221, 224, 225, 225.5, 226.7, 227.3, 510, 511, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1,
9 1197.2, 1198, and 2698, *et seq.*); the Wage Orders of the California Industrial Welfare Commission;
10 the California Private Attorneys General Act of 2004 ("PAGA"); and California Business and
11 Professions Code § 17200, *et seq.* Plaintiff shall also no longer be considered an aggrieved employee
12 for purposes of PAGA.

13 48. Class Certification. For settlement purposes only, Defendant will stipulate that the
14 Settlement Class Members described herein who do not request exclusion (opt-out) from the
15 Settlement Class may be conditionally certified as a settlement class. This stipulation to certification
16 is in no way an admission that class action certification is proper except for purposes of this
17 Settlement, and shall not be admissible in this or in any other action except for the sole purposes of
18 enforcing this Agreement. Should the Court fail to issue Final Approval for any reason, the Parties'
19 stipulation to class certification as part of the Settlement Agreement shall become null and void *ab*
20 *initio* and shall have no bearing on but remains protected by California *Evidence Code* Section 1152
21 and shall not be admissible in connection with, the issue of whether or not certification would be
22 appropriate in a non-settlement context. Defendant expressly reserves its right and declares that
23 Defendant will continue to oppose class certification and contest the substantive merits of the case
24 should the Court fail to issue Final Approval. Plaintiff expressly reserves her rights and declares that
25 she will continue to pursue class certification and trial should the Court fail to grant Final Approval.

26 49. Approval of Settlement. Plaintiff will move the Court to grant preliminary and final
27 approval of this class action Settlement. The Parties agree to work diligently and cooperatively to
28 have this Settlement presented to the Court for preliminary and final approval.

1 50. Release of Claims by Settlement Class Members. Settlement Class Members release
2 the “Released Claims by Settlement Class Members,” as defined, as of the date Defendant fully funds
3 the Settlement.

4 51. Release of Settled PAGA Claims. PAGA Members release the “Settled PAGA
5 Claims,” as defined, as of the date Defendant fully funds the Settlement.

6 52. Settlement Administration. Within ten (10) calendar days after the Preliminary
7 Approval Date, Defendant shall provide the Settlement Administrator with the Class Information.

8 53. Notice to the Class. Upon receipt of the Class Information, the Settlement
9 Administrator will perform a search based on the National Change of Address Database to update and
10 correct any known or identifiable address changes. Within ten (10) calendar days after receiving the
11 Class Information, the Settlement Administrator shall mail copies of the Notice of Class Settlement
12 to all Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise
13 its best judgment to determine the current mailing address for each Class Member. The address
14 identified by the Settlement Administrator as the current mailing address shall be presumed to be the
15 best mailing address for each Class Member.

16 a. Undeliverable Notices. Any Notice of Class Settlement returned to the
17 Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to
18 the forwarding address affixed thereto within ten (10) calendar days. For any undeliverable Notice of
19 Class Settlement returned for which no forwarding address is affixed, the Settlement Administrator
20 will conduct its investigation for an updated address of the Class Member and re-mail the Notice of
21 Class Action Settlement. If an updated address is found, the Settlement Administrator shall have seven
22 (7) days to re-mail the Notice of Class Action Settlement from receipt of the undelivered envelope.
23 The Settlement Administrator will provide a cover letter notifying the Class Member of the extended
24 Response Deadline. Any Class Member who receives a re-mailed Notice of Class Settlement shall
25 have forty-five (45) days after the postmark date of the re-mailed Notice of Class Settlement to: (a)
26 submit a Request for Exclusion; or (b) submit an Objection to the Settlement.

27 (1) Verification of Class Member Employment Status. If Notice of Class
28 Action Settlement sent to a Class Member is determined to be

1 undeliverable, the Settlement Administrator shall verify the
2 employment status of the Class Member with Defendant within five (5)
3 days of receipt of the undeliverable Notice of Class Action Settlement.
4 If the Class Member is a current employee of Defendant, Defendant
5 shall take all reasonable efforts to obtain the current address from the
6 Class Member and shall provide the same with seven (7) days of notice
7 from the Settlement Administrator.

8 b. Disputes Regarding Individual Settlement Payments. Class Members will have
9 the opportunity, should they disagree with Defendant's records regarding the dates of employment
10 stated in the Notice of Class Settlement, to provide documentation and/or an explanation to show
11 contrary information by the Response Deadline. The dispute form must: (a) contain the full name,
12 address, and telephone number of the Class Member, and the last four digits of the Class Member's
13 social security number or full employee ID number; (b) contain the case name and case number; (c) a
14 clear statement by the Class Member that he or she is disputing the number of Compensable
15 Workweeks and the basis for the dispute; (d) any documentation demonstrating that the number of
16 Compensable Workweeks listed in the Notice of Class Settlement is incorrect; (e) be signed by the
17 Class Member; and (f) be postmarked by the Response Deadline. The date of the postmark on the
18 return mailing envelope on the dispute form shall be the exclusive means used to determine whether
19 it has been timely submitted. If there is a dispute, the Settlement Administrator will consult with the
20 Parties to determine whether an adjustment is warranted. In addition to U.S. Mail, a Class Member
21 may also submit a dispute form by facsimile or email to the Settlement Administrator within the
22 Response Deadline. The Settlement Administrator shall then determine the eligibility for, and the
23 amounts of, any Individual Settlement Payments under the terms of this Agreement. In the absence of
24 circumstances indicating fraud, manipulation or destruction, Defendant's records shall be given a
25 rebuttable presumption of accuracy.

26 c. Request for Exclusion. Class Members who wish to exclude themselves from
27 the Settlement must submit to the Settlement Administrator a Request for Exclusion by the Response
28 Deadline. The Request for Exclusion must: (a) contain the full name, address, and telephone number

1 of the Class Member, and the last four digits of the Class Member's social security number or full
2 employee ID number; (b) contain the case name and case number; (c) a clear statement by the Class
3 Member that he or she is electing to be excluded from the Settlement; (d) be signed by the Class
4 Member; and (e) be postmarked by the Response Deadline if submitted by U.S. Mail. The date of the
5 postmark on the return mailing envelope on the Request for Exclusion submitted by U.S. Mail shall
6 be the exclusive means used to determine whether it has been timely submitted. In addition to U.S.
7 Mail, a Class Member may also submit a Request for Exclusion by facsimile or email to the Settlement
8 Administrator within the Response Deadline. A Request for Exclusion shall not be presumptively
9 invalid if it does not contain the requirements of (a) through (d) if the Settlement Administrator can
10 ascertain the identity of the Class Member who wants to exclude themselves from the Settlement. Any
11 Class Member who requests to be excluded from the Settlement Class shall not be entitled to any
12 recovery under the Settlement and shall not be bound by the terms of the Settlement or have any right
13 to object, appeal, or comment thereon except as to any distribution based upon PAGA penalties.
14 PAGA Members will receive their share of the PAGA Payment and the Settled PAGA Claims will be
15 released even if the Class Member submits a timely Request for Exclusion. Class Members who fail
16 to submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound
17 by all terms of the Settlement and any Final Approval Order and Judgment entered in this Action.

18 d. Objections. Class Members who wish to object to the Settlement can either
19 mail or send by facsimile or email to the Settlement Administrator a written Objection by the Response
20 Deadline. The Objection should: (a) contain the full name, address, and telephone number of the Class
21 Member, and the last four digits of the Class Member's social security number; (b) contain the case
22 name and case number; (c) the dates of employment of the Class Member; (d) be signed by the Class
23 Member; (e) state the basis for the Objection, including any legal briefs, papers or memoranda in
24 support of the Objection; and (f) be postmarked by the Response Deadline. The date of the postmark
25 on the return mailing envelope on the Objection shall be the exclusive means used to determine
26 whether the Objection has been timely submitted. Class Members who submit a timely Objection will
27 have a right to appear at the final approval hearing in order to have their Objection heard by the Court.
28 At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class

1 Members to submit Objections to the Settlement or appeal from the Final Approval Order and
2 Judgment. Class Counsel shall not represent any Class Members with respect to any such Objections.
3 The Settlement Administrator will provide the Parties with any Objection within five (5) calendar
4 days of receipt of the Objection. Plaintiff will file any and all Objections with the Court in advance of
5 the Final Approval Hearing. Oral or written Objections may also be made at the Final Approval
6 hearing without a written objection being submitted, but only with the Court's express permission. If
7 the Court rejects the objection, the individual will be bound by the terms of the Settlement.

8 e. If greater than five (5) percent of the Class Members opt-out or object to this
9 Settlement Agreement, Defendant will have the right to rescind and terminate the Settlement without
10 prejudice to its pre-settlement positions and defenses in the litigation. In such a case, the Parties, and
11 any funds to be awarded shall be returned to their respective statuses as of the date and time
12 immediately prior to the execution of this Agreement.

13 f. Except for those Settlement Class Members who exclude themselves in
14 compliance with the Request for Exclusion procedures set forth above, all Settlement Class Members
15 will: (i) be deemed to be Participating Class Members for all purposes under this Settlement
16 Agreement; (ii) will be bound by the terms and conditions of this Settlement Agreement, the
17 Judgment, and the releases set forth herein; and (iii) except as otherwise provided herein, will be
18 deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy
19 of the Settlement.

20 54. Funding Gross Settlement Amount. After the Effective Date, Defendant agrees to pay
21 a sum equal to \$165,350 ("the "Gross Settlement Amount") to fund the Settlement of this Action
22 within thirty (30) calendar days. The Settlement is "all-in," non-reversionary, and no funds will
23 return to Defendant. Payments of any appropriate and lawfully required employer share of the payroll
24 taxes on the taxable portion of the settlement payments shall be paid by Defendant separately from
25 and in addition to the Gross Settlement Amount.

26 55. Allocation of Settlement. Individual Settlement Payments will be paid from the Net
27 Settlement Amount and shall be paid pursuant to the settlement formula set forth herein. Individual
28

1 Settlement Payments shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
2 last known mailing address.

3 a. The Settlement Administrator shall calculate the total Compensable Work
4 Weeks for all Settlement Class Members based on the Class Information provided by Defendant. Each
5 Class Member shall be allocated a Participating Class Member Allocation Amount. The Participating
6 Class Member Allocation Amount for each Participating Class Member shall be calculated as follows:
7 (a) the number of Compensable Work Weeks the Participating Class Member worked; divided by (b)
8 the aggregate number of Compensable Work Weeks worked by all Participating Class Members;
9 multiplied by (c) the Remainder plus \$6,150; (d) less the net amount of any payment previously
10 received in connection with signing a release covering the claims at issue in this Action. This
11 calculation shall be based on the information provided by Defendant to the Settlement Administrator.
12 If the amount described in subpart (d) equals or exceeds the amount calculated pursuant to subparts
13 (a) through (c), then the Participating Class Member shall not be entitled to any further payment. If
14 the amount of the Participating Class Member Allocation Amounts, in the aggregate, exceeds the
15 amount of Remainder funds available to distribute for those payments as a result of (d) credits, the
16 payments will be ratably reduced.

17 1. Calculation of PAGA Settlement Amounts. Each PAGA Member shall
18 be allocated a PAGA Payment Amount. The PAGA Payment Amount shall be calculated as follows:
19 (a) the number of PAGA Compensable Work that the PAGA Covered Employee worked; divided by
20 (b) the aggregate number of PAGA Compensable Work Weeks worked by all PAGA Member;
21 multiplied by (c) \$10,000.00. This calculation shall be based on the information provided by
22 Defendant to the Settlement Administrator. If any PAGA Member disputes the number of PAGA
23 Compensable Work Weeks attributed to him or her as indicated in the Class Notice, the PAGA
24 Member may state the basis for the PAGA Member Employee's disagreement and submit
25 documentation supporting that position to the Settlement Administrator, by no later than 45 days after
26 the Notice is issued. The Settlement Administrator shall consult with the Parties, as needed, regarding
27 the merits of the dispute (including any additional information needed to assess the claim) and then
28 render a decision. The Court shall make the final decision regarding any disputes.

1 b. Individual Settlement Payments due to each Settlement Class Member shall be
2 designated as follows:

3 1. Twenty percent (20%) of the Individual Settlement Payment shall
4 represent payment for alleged unpaid wages. This payment shall be subject to the withholding of all
5 applicable local, state, and federal taxes. Applicable payroll taxes and/or contributions will be
6 deducted from the amount paid to Settlement Class Members. The Settlement Administrator will issue
7 a W-2 Form to each Settlement Class Member in relation to this payment.

8 2. Seventy percent (70%) of the Individual Settlement Payment shall
9 represent payment of all penalties. These payments will not be subject to withholding of local, state,
10 and federal taxes. The Settlement Administrator will issue an IRS Form 1099 to each Settlement Class
11 Member in relation to these payments.

12 3. Ten percent (10%) of the Individual Settlement Payment shall represent
13 payment of all interest. These payments will not be subject to withholding of local, state, and federal
14 taxes. The Settlement Administrator will issue an IRS Form 1099 to each Settlement Class Member
15 in relation to these payments.

16 (a). Class Members With Missing/Unverifiable Social Security
17 Numbers and Withholdings of Taxes and Applicable Penalties. In the event that an Individual
18 Settlement Payment exceeds the threshold amount that must be reported to the Internal Revenue
19 Service by means of a Form 1099, Class Counsel, and the Settlement Administrator, will take all
20 necessary and reasonable steps to obtain W-9's from Class Members and to comply with applicable
21 IRS regulations on issuing 1099's without a social security number or tax entity identification number,
22 and shall take all reasonable and necessary steps to avoid imposition of IRS penalties against the Gross
23 Settlement Amount, including, but not limited to limiting payments below the reportable threshold
24 and/or withholding of taxes and any applicable penalties. The Settlement Administrator will contact
25 Class Members who are entitled to payments that exceed the taxable income threshold twice, with at
26 least 30 days between the two contacts.

27 c. Uncashed Settlement Checks. Individual Settlement Payment checks shall
28 remain negotiable for one hundred and eighty (180) days from the postmark date of issuance. If the

1 Settlement Check is not cashed, deposited, or otherwise negotiated within the 180-day deadline, the
2 check will be voided, and the funds associated with any such voided checks shall be distributed to the
3 State of California Controller's Office, Unclaimed Property Division, in the name of the affected Class
4 Member. The Release will be binding upon all Participating Class Members, including those who do
5 not cash their checks within the 180-day period. The Parties agree that this disposition results in no
6 "unpaid cash residue," or "unclaimed or abandoned funds" as the entire Net Settlement Amount will
7 be paid out to the Participating Class Members, whether or not they all cash their payment checks.

8 d. Certification By Settlement Administrator. The Parties have the right to
9 monitor and review the administration of the Settlement. Any disputes not resolved by the Settlement
10 Administrator concerning the administration of the Settlement will be resolved by the Court, under
11 the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties
12 will confer in good faith to resolve the disputes without the necessity of involving the Court. Upon
13 completion of administration of the Settlement, the Settlement Administrator shall provide written
14 certification of such completion to counsel for the Parties, which shall be filed with the Court as
15 necessary.

16 e. Settlement Awards Do Not Trigger Additional Benefits. All monies received
17 by Settlement Class Members shall be deemed to be income to such Settlement Class Members solely
18 in the year in which such awards actually are received by the Settlement Class Members. It is expressly
19 understood and agreed that the receipt of such Individual Settlement Payments will not entitle any
20 Settlement Class Member to additional compensation or benefits under any company compensation
21 or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle
22 any Settlement Class Member to any increased pension and/or retirement, or other deferred
23 compensation benefits. It is the intent of this Settlement that any Individual Settlement Payments
24 provided for in this Agreement are the sole payments to be made by Defendant to the Settlement Class
25 Members in connection with this Settlement and that the Settlement Class Members are not entitled
26 to any new or additional compensation or benefits as a result of having received the Individual
27 Settlement Payments (notwithstanding any contrary language or agreement in any benefit or
28

1 compensation plan document that might have been in effect during the period covered by this
2 Settlement).

3 f. Class Representative Service Award. Defendant agrees not to oppose or object
4 to a Class Representative Service Award to Plaintiff of up to Six Thousand Dollars and Zero Cents
5 (\$6,000.00), subject to Court approval. The Settlement Administrator shall issue an IRS Form 1099 –
6 MISC to Plaintiff in connection with the Class Representative Service Award payment. Plaintiff shall
7 be solely and legally responsible to pay any and all applicable taxes on her Class Representative
8 Service Award and shall hold harmless Defendant and Class Counsel from any claim or liability for
9 taxes, penalties, or interest arising as a result of the Class Representative Service Award payment.
10 The Class Representative Service Award shall be in addition to Plaintiff's Individual Settlement
11 Payment. This Settlement is not contingent upon the Court awarding Plaintiff a Class Representative
12 Service Award in any amount, and any amount requested by Plaintiff for the Class Representative
13 Service Award that is not granted by the Court shall return to the Net Settlement Amount and be
14 distributed to Settlement Class Members as provided in this Amended Agreement.

15 g. Class Counsel Award. Defendant agrees not to oppose or object to any
16 application or motion by Class Counsel for attorneys' fees not to exceed one-third from the Gross
17 Settlement Amount, or Fifty-Seven Thousand Dollars and Zero Cents (\$57,000.00). Defendant further
18 agrees not to oppose any application or motion by Class Counsel for the reimbursement of any costs
19 or expenses associated with Class Counsel's prosecution of this matter from the Gross Settlement
20 Amount not to exceed \$15,000. Class Counsel shall be solely and legally responsible to pay all
21 applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall
22 issue an IRS Form 1099 – MISC to Class Counsel for the payments made pursuant to this paragraph.
23 This Settlement is not contingent upon the Court awarding Class Counsel any particular amount in
24 attorneys' fees and costs. Any amount requested by Class Counsel for the Class Counsel Award and
25 costs that are not granted by the Court shall return to the Net Settlement Amount and be distributed
26 to Settlement Class Members as provided in this Agreement.

27 h. Settlement Administration Costs. The Settlement Administrator shall be paid
28 for the costs of administration of the Settlement from the Gross Settlement Amount. The costs of

1 notice and administration for the disbursement of the Gross Settlement Amount shall not exceed
2 Twelve Thousand Dollars and Zero Cents (\$12,000.00). Prior to the filing of a motion for final
3 approval of this Settlement, the Settlement Administrator shall provide the Parties with a statement
4 detailing the costs of administration. Any amount requested by the Settlement Administrator for
5 administration costs that is not granted by the Court shall return to the Net Settlement Amount and be
6 distributed to Settlement Class members as provided in this Settlement Agreement. Defendant will
7 pay any fees incurred by the Settlement Administrator if the settlement is not approved.

8 i. PAGA Payment. Ten Thousand dollars (\$10,000) from the Gross Settlement
9 Amount will be allocated to penalties under the Private Attorneys General Act of 2004. Seventy-five
10 percent (75%) of that amount, or \$7,500, will be paid to the LWDA and twenty-five (25%) of that
11 amount, or \$2,500, will be paid to the PAGA Members based upon Compensable PAGA Work Weeks
12 as determined by the PAGA Payment Ratio as set forth in Paragraph 25. This PAGA Payment is made
13 pursuant to California *Labor Code* § 2699(i).

14 56. Tax Liability: Class Counsel and Defendant make no representation as to the tax
15 treatment or legal effect of payments called for hereunder, and Plaintiff and the Settlement Class
16 Members are not relying on any statement or representation by Class Counsel or Defendant in this
17 regard. Plaintiff and Participating Class Members understand and agree that they will be solely
18 responsible for the payment of any taxes and penalties assessed on their respective payments described
19 herein. The amount of federal income tax withholding will be based upon a flat withholding rate for
20 supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or
21 supplemented. Income tax withholding will also be made pursuant to applicable state and/or local
22 withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed at times and in
23 the manner required by the Internal Revenue Code of 1986 (the “Code”) and consistent with this
24 Settlement Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax
25 law, is changed after the date of this Settlement Agreement, the processes set forth in this Section may
26 be modified in a manner to bring Defendant into compliance with any such changes.

27 57. Distribution of Settlement Payments. Individual Settlement Payments to Settlement
28 Class Members, the Class Representative Service Award, the Class Counsel Award, Settlement

1 Administration Costs, Defendant's share of employer payroll taxes, and PAGA Payment, shall all be
2 distributed by the Settlement Administrator within ten (10) calendar days of receipt of the full Gross
3 Settlement Amount from Defendant. Prior to the distribution of Individual Settlement Payments to
4 the Settlement Class Members and PAGA Members, the Settlement Administrator shall update the
5 Class and PAGA Members' addresses using the National Change of Address Database.

6 58. Additional Workweeks. The Gross Settlement Amount is based on Defendant's
7 representation that the Class Members worked a total of approximately 6,271 workweeks for 65
8 employees (estimated through May 30, 2024). Should the qualifying Workweeks worked by the Class
9 Members during the Class Period ultimately increase by more than 10% (i.e., by more than 628
10 Workweeks), Defendant shall increase the Gross Settlement Amount on a pro-rata basis equal to the
11 percentage increase in the number of Workweeks worked by the Class Members above 10%. For
12 example, if the number of Workweeks increases by 11%, the Gross Settlement Amount will increase
13 by 1% ("Escalator Provision").

14 59. Final Settlement Approval Hearing and Entry of Final Judgment. Upon expiration of
15 the Response Deadline, a final approval hearing shall be conducted to determine, *inter alia*, final
16 approval of the Settlement and amounts properly payable for (a) Individual Settlement Payments; (b)
17 the Class Counsel Awards; (c) the Class Representative Service Award; (d) PAGA Payment; and (e)
18 the Settlement Administration Costs.

19 60. Nullification of Settlement Agreement. In the event: (a) the Court does not enter the
20 Order for preliminary approval of the Settlement; (b) the Court does not finally approve the
21 Settlement; (c) the Court does not enter a Final Approval Order and Judgment as provided herein; (d)
22 the Settlement does not become final for any other reason; or (e) the Court fails or refuses to approve
23 any material condition of this Settlement Agreement which effects a fundamental change of the
24 Settlement Agreement, this entire Settlement Agreement shall be null and void and unenforceable as
25 to all Parties herein at the option of any Party but remains protected by California *Evidence Code*
26 Section 1152, and any order or judgment entered by the Court in furtherance of this Settlement shall
27 be treated as void from the beginning. In such cases, the Parties, and any funds to be awarded under
28 this Settlement, shall be returned to their respective statuses as of the date and time immediately prior

1 to the execution of this Agreement, and the Parties shall proceed in all respects as if this Agreement
2 had not been executed, except that any fees already incurred by the Settlement Administrator shall be
3 paid by Defendant. Further, if the Settlement Agreement is voided or fails for any reason, Plaintiff
4 and Defendant will have no further obligations under the Settlement Agreement, including any
5 obligation by Defendant to pay the Settlement Amount or any amounts that otherwise would have
6 been owed under this Settlement Agreement. In the event an appeal is filed from the Court's Final
7 Approval Order and Judgment, or any other appellate review is sought, administration of the
8 Settlement shall be stayed pending final resolution of the appeal or other appellate review, and any
9 fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from
10 the Court's Final Approval Order and Judgment, or any other appellate review, shall be paid to the
11 Settlement Administrator by the Party or person that filed the appeal, within thirty (30) calendar days
12 of said notification.

13 61. No Admission by Defendant. Defendant denies any and all claims alleged in this
14 Action and denies all wrongdoing whatsoever. This Settlement Agreement is not a concession or
15 admission and shall not be used against Defendant as an admission or indication with respect to any
16 claim of any fault, concession, or omission by Defendant. Nonetheless, Defendant desires to settle
17 and compromise the matters at issue in the Action to avoid further substantial expense and the
18 inconvenience and distraction of protracted and burdensome litigation. Defendant also has taken into
19 account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the
20 defenses that it has asserted or could assert against Plaintiff and/or any Settlement Class Member, has
21 determined that it is desirable and beneficial that the claims of Plaintiff and the Settlement Class be
22 settled in the manner and upon the terms and conditions set forth in this Settlement Agreement.

23 62. Mutual Non-Disparagement. The Parties mutually agree that they shall not publicly
24 assert, declare, avow, lay claim to, or in any other manner represent that any of them engaged in
25 actions or conduct with the purpose of attempting to harass, embarrass, ridicule, demean, demote,
26 defame, or otherwise denigrate each other, and any of them, their good name(s), personal and/or
27 professional reputations, and/or community standing. In the event of an employment inquiry regarding
28 the Plaintiff, Defendant shall only provide dates of employment and last position held. The Parties

1 and their counsel agree not to issue any press releases, initiate contact with the press, or respond to
2 press inquiries regarding the Settlement.

3 63. No Publicity. Plaintiff and Plaintiff's Counsel agree not to disclose or publicize the
4 settlement, including the Memorandum of Understanding, the fact of the Settlement, its terms or
5 contents, and the negotiations underlying the Settlement, in any manner or form, directly or
6 indirectly, to any person or entity, except potential class members and as shall be contractually
7 required to effectuate the terms of the Settlement as set forth herein. For the avoidance of doubt,
8 this § means Plaintiff and Class Counsel will not issue press releases, communicate with, or
9 respond to any media or publication entities, publish information in manner or form, whether
10 printed or electronic, on any medium or otherwise communicate, whether by print, video,
11 recording or any other medium, with any person or entity concerning the Settlement, including
12 the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement,
13 except as shall be contractually required to effectuate the terms of the Settlement as set forth
14 herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class
15 counsel in other actions, Class Counsel may disclose the name of the Parties in this action and the
16 venue/case number of this action (but not any other settlement details) for such purposes.

17 64. Exhibits and Headings. The terms of this Settlement Agreement include the terms set
18 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.
19 Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any
20 paragraphs or § of this Agreement are inserted for convenience of reference only and do not constitute
21 a part of this Agreement.

22 65. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
23 except such proceedings necessary to implement and complete the Settlement, holding the Action in
24 abeyance pending the final approval hearing to be conducted by the Court.

25 66. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning the
26 interpretation, calculation, or payment of Settlement claims, or other disputes regarding compliance
27 with this Agreement shall be resolved as follows:
28

1 a. If Plaintiff or Class Counsel, on behalf of Plaintiff or any Settlement Class
2 Member, or Defendant's Counsel, on behalf of Defendant, at any time believe that the other Party has
3 breached or acted contrary to the Agreement, that Party shall notify the other Party in writing of the
4 alleged violation.

5 b. Upon receiving notice of the alleged violation or dispute, the responding Party
6 shall have ten (10) calendar days to correct the alleged violation and/or respond to the initiating Party
7 with the reasons why the Party disputes all or part of the allegation.

8 c. If the response does not address the alleged violation to the initiating Party's
9 satisfaction, the Parties shall negotiate in good faith for up to ten (10) calendar days to resolve their
10 differences.

11 d. If Class Counsel and Defendant's Counsel are unable to resolve their
12 differences after twenty (20) calendar days, either Party shall first contact the mediator (Michael
13 Mandel, Esq.) to try to resolve the dispute. If that proves unsuccessful, the Party may file an
14 appropriate motion for enforcement with the Court. The briefing of such motion should be in letter
15 brief form and shall not exceed five (5) single-spaced pages (excluding exhibits).

16 e. Reasonable attorneys' fees and costs for work done in resolving a dispute under
17 this Section may be recovered by any Party that prevails under the standards set forth within the
18 meaning of applicable law.

19 67. Notice. Unless otherwise specifically provided herein, all notices, demands, or other
20 communications given hereunder shall be in writing and shall be deemed to have been duly given as
21 of the third business day after (i) emailing and (ii) mailing by United States registered or certified
22 mail, return receipt requested, addressed:

23 To the Settlement Class:
24 LAW OFFICE OF SCOTT ERNEST WHEELER
25 Scott Ernest Wheeler
26 Justin A. Wheeler
27 250 West First Street, Suite 216
28 Claremont, California 91711
 Telephone: (909) 621-4988
 Facsimile: (909) 621-4622
 Email: sew@scottwheelerlawoffice.com
 jaw@scottwheelerlawoffice.com

1 To Defendant:

2 Richard D. Marca
3 Christopher S. Milligan
4 VARNER & BRANDT LLP
5 3750 University Ave., Ste. 610
6 Riverside, California 92501-3323
7 Tel: (951) 274-7777
8 Fax: (951) 274-7770

6 68. Amendment or Modification. This Agreement may be amended or modified only by a
7 written instrument signed by counsel for all Parties and approved by the Court.

8 69. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
9 entire Agreement among the Parties, and no oral or written representations, warranties, or inducements
10 have been made to any Party concerning this Agreement or its Exhibits other than the representations,
11 warranties, and covenants contained and memorialized in the Agreement and its Exhibits.

12 70. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
13 represent they are expressly authorized by the Parties whom they represent to negotiate this
14 Agreement and to take all appropriate actions required or permitted to be taken by such Parties
15 pursuant to this Agreement to effectuate its terms, and to execute any other documents required to
16 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other
17 and use their best efforts to affect the implementation of the Settlement. In the event the Parties are
18 unable to reach agreement on the form or content of any document needed to implement the
19 Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of
20 this Settlement, the Parties may seek the assistance of the Court or the mediator to resolve such
21 disagreement. The persons signing this Agreement on behalf of Defendant represent and warrant that
22 they are authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and warrants
23 that she is authorized to sign this Agreement and that she has not assigned any claim, or part of a
24 claim, covered by this Settlement to a third party.

25 71. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
26 to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

27 72. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they
28 have not, directly, or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or

1 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action
2 or rights released and discharged by this Settlement Agreement.

3 73. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
4 Order and Judgment, nothing contained herein, nor the consummation of this Settlement Agreement,
5 is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the
6 part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this
7 Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant
8 inconvenience and expenses. This Settlement Agreement is a settlement document, and it, along with
9 all related documents such as the notices, and motions for preliminary and final approval, shall,
10 pursuant to California *Evidence Code* § 1152 and/or Federal Rule of Evidence 408, be inadmissible
11 as evidence in any proceeding, except an action or proceeding to approve the Settlement, and/or
12 interpret or enforce this Settlement Agreement. The stipulation for class certification as part of this
13 Settlement Agreement is for settlement purposes only and if for any reason the Settlement is not
14 approved, the stipulation will be of no force or effect.

15 74. California Law Governs. All terms of this Settlement Agreement and the Exhibits
16 hereto shall be governed by and interpreted according to the laws of the State of California.

17 75. Counterparts. This Settlement Agreement may be executed in one or more
18 counterparts. All executed counterparts and each of them shall be deemed to be one and the same
19 instrument.

20 76. This Settlement is Fair, Adequate and Reasonable. The Parties believe this Settlement
21 is a fair, adequate, and reasonable settlement of this Action and have arrived at this Settlement after
22 extensive arms-length negotiations, taking into account all relevant factors, present and potential.

23 77. Jurisdiction of the Court. Pursuant to California Code of Civil Procedure § 664.6, the
24 Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of
25 the terms of this Settlement Agreement and all orders and judgments entered in connection therewith,
26 and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of
27 interpreting, implementing, and enforcing the settlement embodied in this Agreement and all orders
28

1 and judgments entered in connection therewith. All terms of this Settlement Agreement are subject to
2 approval by the Court.

3 78. Construction. The Parties hereto agree that the terms and conditions of this Settlement
4 Agreement are the result of lengthy, intensive arms'-length negotiations among the Parties and that
5 this Settlement Agreement shall not be construed in favor of or against any Party based on the extent
6 to which any Party or their counsel participated in the drafting of this Settlement Agreement. Plaintiff
7 and Defendant expressly waive the common-law and statutory rule of construction that ambiguities
8 should be construed against the drafter of an agreement and further agree, covenant, and represent that
9 the language in all parts of this Settlement Agreement shall be in all cases construed as a whole,
10 according to its fair meaning.

11 79. Captions and Interpretations. Paragraph titles or captions contained herein are inserted
12 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope
13 of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is
14 contractual and not merely a recital.

15 80. Binding On Assigns. This Settlement Agreement shall be binding upon and inure to
16 the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
17 successors, and assigns.

18 81. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because
19 the members of the Settlement Class are numerous, it is impossible or impractical to have each
20 Settlement Class Member execute this Settlement Agreement. The Notice will advise all Settlement
21 Class Members of the binding nature of the Release provided herein and such Release shall have the
22 same force and effect as if this Settlement Agreement were executed by each Settlement Class
23 Member.

24 82. Voluntary Agreement. The Parties acknowledge that they have entered into this
25 Settlement Agreement voluntarily, on the basis of their own judgment and without coercion, duress,
26 or undue influence of any Party, and not in reliance on any promises, representations, or statements
27 made by the other Parties other than those contained in this Settlement Agreement. Each of the Parties
28 hereto expressly waives any right they might ever have to claim that this Settlement Agreement was

1 in any way induced by fraud.

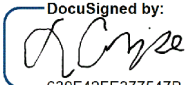
2 83. Opportunity to Consult with Counsel. Prior to execution of this Settlement Agreement,
3 each Party has read this entire Settlement Agreement and has been given the opportunity to consult
4 with independent counsel of their choosing and to have such independent counsel advise as to the
5 meaning of this Settlement Agreement and its legal effect.

6 84. Counterparts. This Settlement Agreement may be executed in counterparts, and when
7 each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed
8 an original, and, when taken together with other signed counterparts, shall constitute one fully signed
9 Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic
10 signatures shall have the same force and effect as an original.

11 85. Invalidity of Any Provision. Before declaring any provision of this Settlement
12 Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent
13 possible consistent with applicable precedents so as to define all provisions of this Agreement valid
14 and enforceable.

15 Dated: 7/8/2024

16 By:

DocuSigned by:

630F42FE377547B...

JESSICA HENDRICKSON

17 Dated: _____

18 By: _____

19 Title: _____

20 For Defendant PHARMACY SERVICE INC.

21 **APPROVED AS TO FORM:**

22 DATED: July ____, 2024

LAW OFFICE OF SCOTT ERNEST WHEELER

24 By: _____

25 SCOTT ERNEST WHEELER
26 JUSTIN A. WHEELER

27 *Attorneys for Plaintiff and the Putative Class*

1 in any way induced by fraud.

2 83. Opportunity to Consult with Counsel. Prior to execution of this Settlement Agreement,
3 each Party has read this entire Settlement Agreement and has been given the opportunity to consult
4 with independent counsel of their choosing and to have such independent counsel advise as to the
5 meaning of this Settlement Agreement and its legal effect.

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7 each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed
8 an original, and, when taken together with other signed counterparts, shall constitute one fully signed
9 Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic
10 signatures shall have the same force and effect as an original.

11 85. Invalidity of Any Provision. Before declaring any provision of this Settlement
12 Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent
13 possible consistent with applicable precedents so as to define all provisions of this Agreement valid
14 and enforceable.

15 Dated: _____

By: _____
JESSICA HENDRICKSON

17 Dated: 7/10/24

By: 
ROBERT L. BEEMAN

19 Title: CEO
20 For Defendant PHARMACY SERVICE INC.

21 **APPROVED AS TO FORM:**

22 DATED: July 9, 2024

LAW OFFICE OF SCOTT ERNEST WHEELER

23
24
25 By: 
SCOTT ERNEST WHEELER
26 JUSTIN A. WHEELER

27 *Attorneys for Plaintiff and the Putative Class*

28

1 DATED: July 10, 2024

VARNER & BRANDT LLP

2
3 By:



RICHARD D. MARCA
CHRISTOPHER S. MILLIGAN

Attorneys for Defendant Pharmacy Service Inc.

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EXHIBIT 1

NOTICE OF CLASS ACTION AND REPRESENTATIVE ACTION (PAGA) SETTLEMENT

Jessica Hendrickson v. Pharmacy Service Inc.

Superior Court of the State of California for the County of San Bernardino, Case No.: CIVSB2314278

PLEASE READ THIS NOTICE

A class action and representative action under the Private Attorneys General Act, California Labor Code sections 2698, *et seq.* (“PAGA”) against Defendant Pharmacy Service Inc. (“Defendant”) has been preliminarily approved for settlement (the “Lawsuit” or the “Action”). In the lawsuit, Plaintiff, Jessica Hendrickson (“Plaintiff”) alleged that Defendant failed to properly compensate Class Members for all hours worked, failed to provide Class Members with compliant meal periods and rest periods or compensation in lieu thereof, failed to pay overtime wages, failed to pay minimum wages, failed to timely pay all wages due and owing, failed to pay all wages due to quitting and discharged employees at the time of separation, failed to maintain accurate payroll records, failed to provide accurate wage statements, failed to reimburse for necessary business expenses, and owed penalties predicated on the alleged Labor Code violations including penalties pursuant to Labor Code sections 2699-2699.5 (“PAGA”). Defendant denies Plaintiff’s allegations and contends that it complied with applicable law.

Class Member(s) are defined as: All non-exempt employees who were employed by Defendant in the State of California, at any time from June 26, 2019, through July 31, 2024 (the “Class Period”) (collectively, the Class Members are referred to as the “Class”).

The PAGA Period is April 10, 2022, through July 31, 2024.

You have been identified by Defendant’s records as a Class Member in the above-entitled Action, and as such, you are subject to the terms of the Class Action and PAGA Settlement Agreement and Release (the “Settlement”), which has been preliminarily approved by the Court. Please read this Notice carefully. It may affect your legal rights. Defendant will not retaliate against you for any actions you take with respect to this Notice or the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS WITH RESPECT TO THE SETTLEMENT	
Participate in the Settlement	If you want to remain in the Class, be bound by the Settlement, and receive your Individual Settlement Payment, and if eligible, PAGA Payment , then you need not do anything.
Exclude Yourself From the Settlement	If you do not want to be bound by the Settlement, you must follow the instructions in Section 6 to exclude yourself. If you exclude yourself, you will not receive your Individual Settlement Payment, and you will not release the Settled Claims against Released Parties, as defined in Section 4 below. If the Settlement is approved by the Court, and you are a PAGA Member, you will receive your PAGA Payment and the Settled PAGA Claims will be released, even if you exclude yourself from the Settlement.
Object to the Settlement	If you want to object to the Settlement, you must follow the instructions in Section 7. If you object, you will still be bound by the terms of the Settlement, if approved by the Court.

1. WHY DID I GET THIS NOTICE?

You have received this Notice because Defendant’s records reflect that you are a Class Member as defined above. This Notice provides you with information about (1) the terms of the Settlement, including the Claims that are being released, (2) the total monetary amount of the Settlement, (3) your estimated Individual Settlement Payment provided you remain a Settlement Class Member, and (4) where to find additional information regarding the Action and the Settlement.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you do nothing, then you will be automatically included in the Settlement and do not need to take any further action to receive a payment.

2. WHAT IS THIS CASE ABOUT?

A Class Action Complaint for Damages was filed by Plaintiff Jessica Hendrickson (“Plaintiff”) on June 26, 2023, in the Superior Court of California, County of San Bernardino, commencing the lawsuit entitled *Jessica Hendrickson v. Pharmacy Service Inc.*, Superior

Court of the State of California for the County of San Bernardino, Case No.: CIVSB2314278 (the “Lawsuit” or the “Action”). Plaintiff alleged on behalf of herself and the Class the following claims against Defendant: (1) failure to provide required meal periods and/or pay premium payments in lieu thereof; (2) failure to provide required rest periods and/or pay premium payments in lieu thereof; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to timely pay wages; (6) failure to timely pay all wages during employment and to discharged and quitting employees; (7) failure to maintain required records; (8) failure to furnish accurate itemized wage statements; (9) failure to indemnify or reimburse reasonable and necessary business expenses; (10) unlawful business practices; and (11) violation of PAGA, predicated on violations of the California Labor Code and applicable IWC Wage Orders.

The resolution of Plaintiff’s PAGA claim (the “PAGA Settlement”) includes any Class Members who are employed or have been employed by Defendant in the State of California during the time period from April 10, 2022, through July 31, 2024 (“PAGA Members”).

As described above, Defendant denies any liability or wrongdoing of any kind. Defendant contends, among other things, that it complied at all times with the California Labor Code, Business and Professions Code, and IWC Wage Orders, and its employees were correctly and timely paid all wages due and owing, and that meal periods and rest periods were provided as required by applicable law.

The Court has not ruled on the merits of Plaintiff’s claims. By preliminarily approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case on the merits. Rather, the Court has determined only that there is sufficient evidence to determine on a preliminary basis that the proposed Settlement is fair, adequate, and reasonable, and that any final determination of those issues will be made at the final approval hearing.

3. THE SETTLEMENT TERMS AND CALCULATION OF INDIVIDUAL SETTLEMENT PAYMENTS AND PAGA PAYMENTS.

Without admitting any wrongdoing, and to avoid the business disruptions caused by litigating these claims, Defendant has agreed to pay One Hundred Seventy-One Thousand Five Hundred Dollars and Zero Cents (\$171,500.00) (the “Gross Settlement Amount”) (which includes credit for previously paid amount of \$6,150.00, paid to certain Class Members in exchange for a release of the claims at issue), to fully resolve the claims in the Action on a global basis as to everyone. Defendant will pay the balance of One Hundred Sixty-Five Thousand Three Hundred Fifty Dollars and Zero Cents (\$165,350.00) to settle the Action, if approved by the Court.

The following amounts will be paid from the Gross Settlement Amount:

- Service Payment to Plaintiff for her service as a Class Representative in the amount of up to Six Thousand Dollars and Zero Cents (\$6,000.00);
- Attorneys’ Fees not to exceed Fifty-Seven Thousand Dollars and Zero Cents (\$57,000.00) (*i.e.*, 1/3 of the Gross Settlement Amount) to Class Counsel and up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00) for reimbursement of litigation costs and expenses (“Attorneys’ Costs”);
- The amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) allocated to the payment of civil penalties under PAGA (the “PAGA Allocation”);
- The costs associated with the administration of the Settlement, estimated not to exceed Twelve Thousand Dollars and Zero Cents (\$12,000.00) (“Settlement Administration Costs”).

Individual Settlement Payment: The amount remaining from the Gross Settlement Amount after the above deductions is called the “Net Settlement Amount.” The Net Settlement Amount will be allocated to all Class Members who do not request to be excluded from the Settlement (“Settlement Class Members”) on a *pro-rata* basis, based on their number of Compensable Work Weeks. Each payment is called an “Individual Settlement Payment” and will be calculated as follows:

1. The Settlement Administrator will determine the number of work weeks worked by Class Members in California as a non-exempt employee during the Class Period (“Compensable Work Weeks”);
2. The Settlement Administrator will determine the value of a single Compensable Work Week by dividing the Net Settlement Amount by the total number of Compensable Work Weeks for each Settlement Class Member resulting in a payment ratio; and
3. Each Settlement Class Member shall receive a gross Individual Settlement Payment equal to his or her Compensable Work Week payment ratio multiplied by the Net Settlement Amount.

Based on your Compensable Work Weeks, your Individual Settlement Payment as a Settlement Class Member is estimated to be \$.

PAGA Payment: A total of Ten Thousand Dollars and Zero Cents (\$10,000.00) of the Gross Settlement Amount has been allocated to PAGA Settlement. Of this amount, 75% or Seven Thousand, Five Hundred Dollars (*i.e.*, \$7,500.00) will be paid to California’s Labor

& Workforce Development Agency, and 25% or Two Thousand, Five Hundred Dollars (i.e., \$2,500.00) (the “Net PAGA Distribution Amount”) will be paid on a *pro-rata* basis to PAGA Members.

The Settlement Administrator will determine the number of weeks worked by PAGA Members as non-exempt employees in California during the period from April 10, 2022, through July 31, 2024 (“Compensable PAGA Work Weeks”);

1. The Settlement Administrator will determine the value of a single Compensable PAGA Work Week by dividing the Net PAGA Distribution Fund by the total number of Compensable PAGA Work Weeks for all PAGA Members.
2. Each PAGA Member shall receive a PAGA Payment equal to his or her Compensable PAGA Work Weeks multiplied by the value of a single Compensable PAGA Work Week.

Based on these PAGA Compensable Work Weeks, your PAGA Payment is estimated to be \$.

If you dispute the above information, you may submit a written dispute to the number of Compensable Work Weeks and/or Compensable PAGA Work Weeks allocated to you (“Dispute”) to the Settlement Administrator. Your Dispute must: (1) contain your name, address, and telephone number and the case name and number of this action, *Jessica Hendrickson v. Pharmacy Service Inc.*, Superior Court of the State of California for the County of San Bernardino, Case No.: CIVSB2314278; (2) be signed by you; (3) be postmarked, emailed, or fax stamped on or before INSERT DATE and returned to the Settlement Administrator at the address, email, or fax number listed below; (4) clearly state the number of Compensable Work Weeks and/or Compensable PAGA Work Weeks you believe are correct; and (5) attach any documentary evidence you have to prove the number of contented Compensable Work Weeks and/or Compensable PAGA Work Weeks.

Phoenix Settlement Administrators
Re: Jessica Hendrickson v. Pharmacy Service Inc.,
INSERT ADDRESS
Phone: (800)
Facsimile: (714)
Email: INSERT EMAIL ADDRESS

Twenty percent (20%) of each Individual Settlement Payment will be allocated to wages and subject to all applicable employee state and federal tax withholdings; Seventy percent (70%) of each Individual Settlement Payment will be considered penalties and any other non-wage related amount; and Ten percent (10%) of each Individual Settlement Payment will be considered interest. The amount allocated as wages will be reported on an IRS form W-2, and the remaining amount allocated as penalties, liquidated damages, interest and other non-wage payments will be reported on an IRS form 1099. One hundred percent (100%) of each PAGA Payment will be allocated as penalties and be reported on an IRS form 1099.

In addition to the Gross Settlement Amount, Defendant will pay employer-payroll taxes and contributions in connection with the portion of the Settlement allocated towards wages at the time the Gross Settlement Amount is funded.

Class Members are responsible for paying taxes on any amounts received. This Notice is not tax advice and you should consult your tax advisor. Checks will be valid and negotiable for one-hundred and eighty (180) days; after that checks will become void and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within one-hundred and eighty (180) days of mailing, or are returned to the Settlement Administrator, will be canceled and the Settlement Administrator shall send the funds associated with uncashed checks to the State of California Controller’s Office, Unclaimed Property Division, in the name of the affected Class Member. **Class Members will be bound by the Settlement even if they do not cash their settlement checks.**

4. WHAT AM I RELEASING AS A CLASS MEMBER UNDER THE SETTLEMENT?

If you do nothing, you will receive your Individual Settlement Payment.

If and when the Court grants final approval of the Settlement, as of the Effective Date, all Class Members who do not opt out of the Settlement (“Settlement Class Members”) hereby do and shall fully and finally release and discharge Released Parties, from June 26, 2019, through July 31, 2024, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action contingent or accrued for, that are pleaded, or that could have been pleaded, based on the facts and claims alleged in the Operative Complaint, including but not limited to claims under Labor Code §§ 201, 202, 203, 204, 218.6, 226, 226.7, 510, 512, 1194, 1194.2, 1197, 2698, et seq., and the Industrial Welfare Commission Wage Orders, and any claim for unpaid wages, including under any theory of rounding, unpaid minimum wage, meal and rest period violations, waiting time penalties, itemized wage statement penalties, wages for untimely pay, other related wages, restitution, disgorgement, civil or statutory penalties, attorneys’ fees, and/or costs and all claims under the PAGA, under the Unfair Competition Law, Business & Professions Code § 17200, et seq., and/or which are alleged in the Class Action Complaint within the Class Period and the PAGA Complaint within the PAGA Period (i.e., claims for: (a) failure to provide required meal periods and pay premium payments, California Labor Code §§ 226.7, 510, 512, and 558;

(b) failure to provide required rest periods and pay premium payments, California Labor Code §§ 226.7 and 512; (c) failure to pay overtime wages, California Labor Code §§ 510, 1194 and 1198; (d) failure to pay minimum wages, California Labor Code §§ 1194 and 1197; (e) failure to timely pay wages §§ 204 and 210; (f) failure to timely pay all wages during employment and to discharged and quitting employees, California Labor Code §§ 201-203; (g) failure to maintain required records, California Labor Code §§ 226 and 226.3; (h) failure to furnish accurate, itemized wage statements, California Labor Code §§ 226 and 226.3; (i) failure to indemnify for reasonable and necessary business expenses; California Labor Code § 2802; and (j) unlawful business practices under California, Business and Professions Code § 17200, et seq.; predicated on any of the violations of the California Labor Code and IWC Wage Orders), claims for restitution and other equitable relief, liquidated damages, or penalties; and any other benefit, wages, penalties, or other amounts claimed on account of the allegations asserted or which could have been asserted in the Operative Complaint and Plaintiff's LWDA Notice dated April 10, 2023. This release shall apply to any and all claims arising at any point during the Class Period. Upon entry of the Final Approval Order and funding of the total Gross Settlement Amount, all Participating Class Members will forever completely release and discharge the Released Parties from the Released Claims for the Release Period. Plaintiff and Defendant intend that the Settlement described in this Settlement Agreement will release and preclude any further claim, whether by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and all of the Participating Class Members to obtain a recovery to any and all of the Released Claims. This release excludes the release of claims not otherwise permitted by law, *i.e.* Worker's Compensation and unemployment insurance benefits.

"Released Parties" collectively mean: (i) Defendant; (ii) Defendant's respective past, present and future heirs, executors, administrators, parents, subsidiaries and affiliates, successors, and assigns; and (iii) the past, present, and future shareholders, managers, officers, partners, members, agents, employees, attorneys, insurers, predecessors, successors and assigns of any of the foregoing.

5. WHAT AM I RELEASING AS A PAGA MEMBER UNDER THE SETTLEMENT?

As of the Effective Date, all PAGA Members, hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties of and from any and all Settled PAGA Claims.

"Settled PAGA Claims" means penalties under PAGA only, and not for the underlying wage and hour claims which the claims for penalties are based upon, as alleged in the Operative Complaint and the PAGA Notice filed by Plaintiff, and as described in section 4, above.

"Released Parties" is defined in section 4 of this Notice above.

PAGA MEMBERS CANNOT OPT-OUT OR EXCLUDE THEMSELVES FROM THE PAGA SETTLEMENT OR RELEASE OF SETTLED PAGA CLAIMS AND WILL RECEIVE A PAGA PAYMENT EVEN IF THEY OPT-OUT OF THE CLASS SETTLEMENT.

6. WHAT IF I DON'T WANT TO PARTICIPATE IN THE CLASS SETTLEMENT?

You have the right to request exclusion from the Settlement as a Class Member and with regards to the settlement of Settled Claims, but you are not able to exclude yourself as a PAGA Member. To exclude yourself as a Settlement Class Member, you must submit a written Request for Exclusion to the Settlement Administrator ("Opt-Out Request") at the address, email, or fax number listed in section 3 of this Notice above.

A valid and complete Opt-Out Request must: (1) contain the name, address, and telephone number of the Class Member requesting exclusion and the case name and number of the *Jessica Hendrickson v. Pharmacy Service Inc.*, Superior Court of the State of California for the County of San Bernardino, Case No.: CIVSB2314278; (2) be signed by the Class Member; (3) be postmarked, emailed or fax stamped on or before **[INSERT DATE]** and returned to the Settlement Administrator at the specified address, email address or fax number listed in section 3 of this Notice above; and (4) contain a statement something substantially similar to:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT OF CLASS CLAIMS IN THE JESSICA HENDRICKSON V. PHARMACY SERVICE INC. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT FROM THE SETTLEMENT OF THE LAWSUIT. I UNDERSTAND THAT THE PAGA CLAIM WILL STILL BE RELEASED AND SETTLED."

It is your responsibility to ensure that the Settlement Administrator timely receives your request to be excluded from the Settlement. Unless you timely request to be excluded from the Settlement, you will be bound by the judgment upon final approval of the Settlement.

Class Members who request to be excluded from the Settlement will NOT receive their Individual Settlement Payment and will not release any of the Settled Claims. However, Class Members who are also PAGA Members will receive their PAGA Payment and release the Settled PAGA Claims regardless of whether they submit an Opt-Out Request.

7. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Settlement Class Member may object to the Settlement or to any settlement term. If the Court denies approval, no payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

If you wish to object, you must submit the written objection to the Settlement Administrator (“Objection”) to the following address or fax number listed in section 3 of this Notice above. A valid and timely Objection must (1) contain the name, address, and telephone number of the Settlement Class Member objecting and the case name and number of the *Jessica Hendrickson v. Pharmacy Service Inc.*, Superior Court of the State of California for the County of San Bernardino, Case No.: CIVSB2314278; (2) be signed by the Settlement Class Member; (3) give the legal and factual basis for their objection; and (4) be postmarked, emailed, or fax stamped on or before **[INSERT DATE]** and returned to the Settlement Administrator at the specified address, email address or fax number in section 3 of the Notice above. Any written objection will not be presumptively invalidated if the objections do not comply with requirements (1), (2), and (3) as long as the written objection is timely received pursuant to requirement (4).

The submission of an objection will **not** exclude you from the Settlement. If the Court grants final approval of the Settlement, you will still receive an Individual Settlement Payment and will be barred from pursuing the Settled Claims. **Do not file both an Objection and Opt-Out Request.** If you file both an Objection and an Opt-Out Request, you will be excluded from the Settlement and the Objection will not be considered.

8. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on **[INSERT DATE AND TIME]** in Department S-26 of the Superior Court of the State of California, San Bernardino Superior Court – Civil Justice Center, located at 247 West 3rd Street, San Bernardino, California 92415. The final approval hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement.

9. WHO ARE THE ATTORNEYS?

Attorneys for Plaintiff and the Class are:

LAW OFFICE OF SCOTT ERNEST
WHEELER
Scott Ernest Wheeler
Justin A. Wheeler
250 West First Street, Suite 216
Claremont, California 91711
Telephone: (909) 621-4988
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Attorneys for Defendant are:

Richard D. Marca
Christopher S. Milligan
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3750 University Ave., Ste. 610
Riverside, California 92501-3323
Tel: (951) 274-7777
Fax: (951) 274-7770

The Court has decided that the Attorneys for Plaintiff and the Class are qualified to represent the Settlement Class Members. Other than the Attorneys’ Fees and Attorneys’ Costs approved by the Court, which will be paid out of the Gross Settlement Amount, you will not be charged for their services.

10. SHOULD I GET MY OWN LAWYER?

You do not need to get your own lawyer. If you want your own lawyer to speak for you or appear in Court, you have the right to hire one, but you will have to pay for that lawyer yourself.

11. FURTHER INFORMATION.

This Notice summarizes the Action and the basic terms of the Settlement. For more complete information, the pleadings and other records in this litigation may be examined during regular court hours at the Superior Court of the State of California, San Bernardino Superior Court – Civil Justice Center, located at 247 West 3rd Street, San Bernardino, California 92415, or at the Court’s website at: <https://www.SB-court.org>. Documents regarding this Settlement may also be found on the Internet at: <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales>.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK’S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.

EXHIBIT 2