# SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement" or "Agreement") is made and entered into between Plaintiff Kaytlin Mae Lester ("Plaintiff"), on behalf of herself and on behalf of similarly situated aggrieved PAGA members, and Defendant The Super Dentists, Inc. ("Defendant").

## I. DEFINITIONS

The following terms, when used in this Settlement, shall have the following meanings:

1. "Action" means the matter entitled *Kaytlin Mae Lester v. The Super Dentists, Inc.*, San Diego County Superior Court, Case No. 37-2023-00014247-CU-OE-CTL, filed on or about April 6, 2023.

2. "Administration Costs Payment" means the Court-approved payment to the Settlement Administrator for its services, in accordance with the Settlement Administrator's bid submitted to the Court in connection with approval of this Settlement.

3. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including, for each Aggrieved Employee, his or her full name, last-known mailing address or email address, Social Security Number, dates of employment, and number of PAGA Pay Periods.

4. "Aggrieved Employees" consist of all current and former employees of Defendant who worked for Defendant in the State of California in a non-exempt position at any time during the PAGA Period, excluding any persons who have previously signed severance agreements with Defendant.

5. "Approval Order" means the Court Order Granting Approval of PAGA Settlement.

6. "Court" means the Superior Court of California for the County of San Diego.

7. "Defendant" means The Super Dentists, Inc., the named defendant in the Action.

8. "Defense Counsel" means the attorneys of Fisher & Phillips LLP.

9. "Effective Date" means the date upon entry of an Order by the Court approving this Settlement.

10. "Employee Notice" means the Court-approved *Notice of PAGA Settlement*, substantively in the form attached hereto as "Exhibit A," without material variation, with a Spanish translation by the Settlement Administrator, to be mailed to Aggrieved Employees with their Individual PAGA Payments.

11. "FAC" means the First Amended Class and Representative Action Complaint filed on or about August 4, 2023, in this Action.

12. "General Release and Enhancement Payment" means the Court-approved payment to Plaintiff for initiating and providing services in support of the Action, in recognition for the risks

attendant to the role as named Plaintiff and PAGA Representative, and in exchange for Plaintiff's General Release, including a section 1542 waiver.

13. "Gross Settlement Amount" is the non-reversionary sum of Two Hundred Thousand Dollars and Zero Cents ($200,000.00), subject to potential increase under the Escalator Clause and entry of the Court's Approval Order, which represents the total amount payable under this Settlement by Defendant, including, without limitation, all Individual PAGA Payments to Aggrieved Employees, the LWDA PAGA Payment, the PAGA Counsel Fees and Costs Payments, the General Release and Enhancement Payment to Plaintiff, and the Administration Costs Payment to the Settlement Administration.

14. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee, based on the number of Pay Periods worked during the PAGA Period and calculated by the Settlement Administrator pursuant to the formula described in Section III-4b herein, as the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties.

15. "LWDA" means the California Labor and Workforce Development Agency.

16. "LWDA PAGA Payment" means 75% of the PAGA Penalties, to be paid to the LWDA pursuant to Labor Code § 2699.

17. "Net Settlement Amount" or "PAGA Penalties" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts (if approved by the Court) are subtracted from the Gross Settlement Amount: (a) PAGA Counsel Fees Payment of up to one-third of the Gross Settlement Amount, currently estimated at Sixty-Six Thousand Six Hundred and Sixty-Six Dollars and Sixty-Seven Cents ($66,666.67); (b) PAGA Counsel Costs Payment up to Seventeen Thousand Dollars and Zero Cents ($17,000.00); (c) Administration Costs Payment up to Five Thousand Dollars and Zero Cents ($5,000.00); and (d) the General Release and Enhancement Payment to Plaintiff of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00).

18. "Operative Complaint" means Plaintiff's First Amended Class and Representative Action Complaint ("FAC") filed on or about August 4, 2023.

19. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

20. "PAGA Counsel Fees Payment" mean the Court-approved payment to PAGA Counsel for reasonable attorneys' fees incurred to prosecute the Action.

21. "PAGA Counsel Costs Payment" mean the Court-approved payment to PAGA Counsel for reimbursement of actual expenses incurred to prosecute the Action.

22. "PAGA Notice" means Plaintiff's letter dated April 4, 2023, pursuant to Labor Code § 2699.3(a) that was submitted online to the LWDA, served on Defendant via certified mail, and provided notice of alleged Labor Code violations.

23. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

24. "PAGA Period" means the time period from May 31, 2022 through the date of entry of the Court's Approval Order.

25. "Parties" mean Plaintiff and Defendant. The Agreement refers to Plaintiff and Defendant collectively as "Parties," or each individually as a "Party."

26. "Plaintiff" means Kaytlin Mae Lester, the named plaintiff in the Action.

27. "Plaintiff's Counsel" or "PAGA Counsel" means Kane Moon, Allen Feghali, and Charlotte Mikat-Stevens of Moon Law Group, PC.

28. "Released PAGA Claims" mean any and all claims for civil penalties under PAGA against the Released Parties which were alleged in Plaintiff's PAGA Notice and Operative Complaint, or that reasonably could have been alleged based on the facts asserted therein, and which arose during the PAGA Period, including, but not limited to, any and all claims for PAGA penalties for violations of the California Labor Code governing: meal and rest breaks; overtime wages (including, but not limited to, any and all theories related to incorrect calculation of the "regular rate of pay"); expense reimbursement; late payment of wages; failure to properly record and maintain employment records; waiting time penalties; wage statement violations; separation pay violations; and any related claims for attorneys' fees, costs, or interest resulting therefrom.

29. "Released Parties" means Defendant The Super Dentists, Inc., and each of its former and present owners, parents, and subsidiaries, and all of their former and present officers, directors, members, managers, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, affiliates, assigns, accountants, insurers, reinsurers, and/or legal representatives.

30. "Settlement Administrator" means Simpluris, the neutral entity the Parties have jointly appointed to administer this Settlement following a competitive bidding process, subject to the Court's approval.

## II. <u>RECITALS</u>

1. Plaintiff alleges that Defendant: (1) failed to pay for all hours worked, including minimum wages, (2) failed to pay all overtime wages, including for failure to properly calculate the "regular rate of pay", (3) failed to provide meal periods, (4) failed to authorize and permit rest periods, (5) failed to timely pay final wages, (6) failed to provide accurate itemized wage statements, (7) failed to provide reimbursement for necessary expenditures; and (8) violated California's Unfair Business Practices statute; and (9) as a result of the foregoing, are liable for civil penalties under PAGA.

2. On April 4, 2023, through the PAGA Notice, Plaintiff provided written notice to the LWDA asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the California Labor Code described in Section II-1, *supra*.

3. On April 6, 2023, Plaintiff filed a Class Action Complaint against Defendant entitled *Kaytlin Mae Lester v. The Super Dentists, Inc.*, San Diego County Superior Court, Case No. 37-2023-00014247-CU-OE-CTL.

4. On August 4, 2023, Plaintiff filed the FAC adding the ninth cause of action in the Action pursuant to PAGA.

5. After this Action was initiated, Defendant furnished an arbitration agreement signed by Plaintiff as part of her application for employment, contending that Plaintiff's individual claims were subject to binding arbitration and that her class and representative PAGA claims were waived. Because Plaintiff disputed the existence of a valid arbitration agreement or that her class or representative PAGA claims were waived, on November 17, 2023, Defendant filed a motion to compel Plaintiff to arbitration, strike class allegations, and stay or dismiss the complaint.

6. On April 19, 2024, the Court compelled Plaintiff's claims to arbitration pursuant to the arbitration agreement Plaintiff executed during her application for employment with Defendant, stayed her remaining class and representative PAGA claims, and held the arbitrator had sole authority to determine whether Plaintiff's class and representative PAGA claims were waived under the arbitration agreement.

7. In lieu of initiating arbitration, the Parties agreed to participate in a private, early mediation of Plaintiff's individual and representative PAGA claims, subject to an exchange of informal discovery.

8. The Parties engaged in an informal discovery exchange prior to mediation. In response to Plaintiff's Counsel's informal discovery requests, Defendant provided Plaintiff's Counsel with information and documents pertaining to Plaintiff, other Aggrieved Employees, and the claims in the Action in order for Plaintiff's Counsel to meaningfully investigate Plaintiff's allegations and value the PAGA claims.

9. On December 16, 2024, the Parties participated in mediation before mediator Michael D. Young, Esq. With the assistance of Mr. Young, the Parties agreed to fully and finally resolve, subject to Court approval, the Released PAGA Claims as to Plaintiff and the Aggrieved Employees. In relation thereto, Plaintiff agreed to release her individual claims and take all steps necessary to dismiss her class action claims without prejudice.

10. On February 21, 2025, the Court entered an Order that dismissed Plaintiff's class claims without prejudice and kept a case stay in effect, except for the filing and hearing on a motion for PAGA settlement approval.

## III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission**. Nothing in this Settlement shall be construed to be an admission by Plaintiff that her claims do not have merit, or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. The Parties have entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

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

2. **Gross Settlement Amount**. Defendant shall pay Two Hundred Thousand Dollars and Zero Cents ($200,000.00) as the non-reversionary Gross Settlement Amount. Defendant will not pay more than the Gross Settlement Amount except as provided by the Escalator Clause in Section V herein.

3. **Net Settlement Amount**. The Parties agree that the following payments should be subtracted from the Gross Settlement Amount, as approved by the Court in the Approval Order, resulting in a Net Settlement Amount to be distributed to the LWDA and Aggrieved Employees:

a. PAGA Counsel Fees and Costs Payments. Defendant will not oppose Plaintiff's Counsel's request for attorneys' fees in the amount up to one-third (33.3333%) of the Gross Settlement Amount (currently estimated at Sixty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty Seven Cents ($66,666.67) and costs incurred in prosecuting this Action, up to Seventeen Thousand Dollars and Zero Cents ($17,000.00). In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). If the Court believes the attorneys' fees and/or costs should be reduced, the other terms of this Settlement will remain in effect and any such reduction will not affect the remaining terms, other than adjusting the Net Settlement Amount. Defendant, via the Settlement Administrator, will report these payments on one or more IRS Form 1099 issued to Plaintiff's Counsel.

b. Administration Costs Payment. Defendant will not oppose the Settlement Administrator's costs in the amount up to Five Thousand Dollars and Zero Cents ($5,000.00) for administering the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

c. General Release and Enhancement Payment to Plaintiff. Defendant will not oppose the General Release Payment to Plaintiff in the amount up to Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) for service as the PAGA representative and for executing the general release of claims, including a section 1542 waiver, set forth in Section III-7, *infra*. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for the general release payment). Defendant, via the Settlement Administrator, will report this payment on an IRS Form 1099 issued to Plaintiff.

4. **<u>Allocation of Net Settlement Amount</u>**. The Net Settlement Amount shall be distributed pursuant to Labor Code § 2699 as follows:

a. 75% of the Net Settlement Amount shall be distributed to the LWDA.

b. 25% of the Net Settlement Amount shall be paid to Aggrieved Employees. This portion of the Net Settlement Amount shall be paid to all Aggrieved Employees pro rata based on the proportional number of PAGA Pay Periods worked by each Aggrieved Employee during the PAGA Period. The Settlement Administrator will calculate an Aggrieved Employee's Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by the respective Aggrieved Employee's PAGA Pay Periods.

5. **<u>Duty to Cooperate</u>**. The Parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to re-negotiate the allocation of funds, expeditiously and in good faith, in an effort to obtain approval of the Settlement.

6. **<u>Released PAGA Claims</u>**. Upon the date of entry of the Court's Approval Order and Defendant's payment of all funds owed under the Settlement, all Aggrieved Employees will be bound by a release of the Released PAGA Claims described in Section I-28, *supra*.

7. **<u>Plaintiff's General Release</u>**. Upon the date of entry of the Court's Approval Order and Defendant's payment of all funds owed under the Settlement, Plaintiff will release the Released Parties, in addition to the Released PAGA Claims, any and all claims that Plaintiff has or may have against them related to or arising from Plaintiff's employment with Defendant, whether known or unknown, under federal law or state law, and to the fullest extent permitted by law ("Plaintiff's General Release"). Plaintiff acknowledges that Plaintiff may discover facts and/or law different from, and/or in addition to, the facts and/or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's General Release shall be and remain effective in all respects, notwithstanding the existence of such different and/or additional facts and/or law or Plaintiff's discovery of them. For purposes of Plaintiff's General Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, afforded by Section 1542 of the California Civil Code, which provides:

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

Notwithstanding the above nor anything else in this Agreement, this waiver and release does not apply to: (i) those rights as a matter of law or public policy that cannot be waived, including, but not limited to, vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time; (ii) rights or claims arising out of this Agreement; (iii) any claims or actions to enforce the Settlement; or (iv) any claims arising after the date of entry of the Court's Approval Order. The Agreement in no way affects Plaintiff's entitlement and/or benefits to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation.

8. **No Right to Opt-Out**. The Parties agree that there is no statutory right for any Aggrieved Employee to opt out or otherwise exclude oneself from the Settlement.

9. **Party Covenants and Representations**.

a. Plaintiff represents and warrants that she has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement.

b. The Parties acknowledge that each has read this Settlement, that each fully understands each of their rights, privileges, and duties under the Settlement, and that each enters into this Settlement freely and voluntarily, and without duress. The Parties further acknowledge that each had the opportunity to consult with their respective attorneys to explain the terms of this Settlement and the consequences of signing this Settlement.

10. **Confidentiality**. Except as provided herein, to the extent necessary to effectuate the Settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement confidential. In response to any inquiries, Plaintiff and Plaintiff's Counsel will state that "the case was resolved with Court approval," or something similar to that effect. Plaintiff's Counsel shall not report the Settlement or its content in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff or Aggrieved Employees on their website, and shall not contact any reporters or media regarding the Settlement, the Action, or their content. However, Plaintiff's Counsel is authorized to make a limited disclosure to the Court and the LWDA for the purposes of obtaining the approval of the Settlement. This disclosure is limited to court filings and electronic submission of settlement documents to the LWDA. Plaintiff and Plaintiff's Counsel, or their representatives, are not permitted to disseminate or publish, distribute, or discuss the information provided to the Court in those filings outside the filings themselves and any hearing held on those filings, unless ordered otherwise by the Court. Nothing in this provision is intended to prohibit: (i) Plaintiff from discussing this Settlement with her spouse, attorneys, or tax advisors; (ii) Plaintiff's Counsel from citing the Settlement in this case as evidence supporting their competence as counsel in wage/hour and/or class action matters in public court filings; or (iii) Plaintiff's Counsel from communicating with the Plaintiff in this case, the LWDA, or with the court in which this Action is pending.

To permit judicial review and approval of the PAGA Payment, as required by Labor Code Sections 2698, *et seq.*, Plaintiff's Counsel will file the Settlement with the Court and submit the Settlement to the LWDA as part of the Parties seeking Court approval of the Settlement, pursuant to Lab. Code § 2699.

11. **Termination of Settlement**. If the Court does not approve the Settlement, if the Court does not enter judgment as provided for in this Settlement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or, except as otherwise set forth herein, if one or more of the terms of the Settlement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within ten (10) business days of written notice thereof to elect to terminate the Settlement, in which

case the Settlement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement.

12. **Judgment**. As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of the Settlement and retains the Court's jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement. This Settlement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the Released PAGA Claims as to Plaintiff and Aggrieved Employees; however, Plaintiff's General Release shall remain effective and bar her individual claims as set forth therein provided that she has received the General Release and Enhancement Payment.

## IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator**. The Parties agree to utilize Simpluris to handle the administration of this Settlement.

2. **Funding and Settlement Administration Timeline**:

a. Provision of Aggrieved Employee Data. Within twenty-one (21) calendar days after the Effective Date, Defendant shall provide the Settlement Administrator with the Aggrieved Employee Data. Defendant will, in good faith, compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing or email address, total pay periods worked during the PAGA Period, dates of employment, and Social Security number. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement.

b. Preliminary Calculations. Within seven (7) calendar days of receiving the Aggrieved Employee Data from Defendant, the Settlement Administrator will circulate to Plaintiff's Counsel and Defense Counsel an anonymized spreadsheet containing the estimated Individual PAGA Payment to each Aggrieved Employee and the data used to calculate said payments, and will indicate whether the Escalator Clause was triggered and the triggering date. The Settlement Administrator shall obtain approval from all counsel of the calculations before disbursing any payments.

c. Approval of Calculations and Resolution (as needed) of Escalator Clause. After the Settlement Administrator has provided preliminary calculations, and if the Escalator Clause (defined in Section V, *infra*) was triggered, then Defendant will have fourteen (14) calendar days to make its selection under the Escalator Clause. Thereafter, the Parties will have seven (7) calendar days to finalize and approve calculations. However, after the Settlement Administrator has provided preliminary calculations, and if the Escalator Clause was not triggered, the Parties will have seven (7) calendar days to finalize and approve calculations.

d. Funding. Within fourteen (14) calendar days of the Parties having finalized and approved calculations, Defendant will fund the Gross Settlement Amount by transmitting the funds into a Qualified Settlement Fund established and maintained by the Settlement Administrator.

e. Disbursement. Within fourteen (14) calendar days of Defendant's funding of all amounts owed under the Settlement, the Settlement Administrator will disburse all payments in the amounts as approved by the Court's Approval Order.

f. Accounting. Within fifteen (15) business days of disbursement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement.

3. **Explanatory Letter and Individual PAGA Payments**. Upon receipt of the Aggrieved Employee Data, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses.

Within two (2) business days of receiving approval from counsel of the payment calculations as provided in Section IV-2c, *supra*, the Settlement Administrator will circulate to Plaintiff's Counsel and Defense Counsel a formatted Employee Notice of the **Exhibit A** attached hereto, with a Spanish translation, for counsel's approval. The Settlement Administrator will mail the approved Employee Notice, as individualized to each Aggrieved Employee, along with Individual PAGA Payments to all Aggrieved Employees via regular First Class U.S. Mail. The Settlement Administrator will disburse Individual PAGA Payments without asking or requiring Aggrieved Employees to submit any claim as a condition of payment.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III-4b, *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties/interest and reported using IRS Form 1099.

4. **Undeliverable Notices and Uncashed Checks**. The Settlement Administrator shall exercise its best judgment to determine the current address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing or email address shall be presumed to be the best mailing or email address for each Aggrieved Employee.

For checks sent via U.S. Mail, the Settlement Administrator will perform the following within seven (7) business days of receipt of an undeliverable check: For any checks returned as non-deliverable on or before the check cashing deadline, the Settlement Administrator will promptly resend the check via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search using the name, mailing or email address, or Social Security number of the Aggrieved Employee involved and will perform a single re-mailing. The Settlement Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered a second time, except that the Settlement Administrator will promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced and requested by the Aggrieved Employee prior to the check void date.

Defendant fully discharges its obligations to those Aggrieved Employees to whom an Individual PAGA Payment is paid through the mailing of a check, regardless of whether such checks are actually received and/or negotiated by Aggrieved Employees. The dollar value of all uncashed checks—that is, checks that remain uncashed for more than 180 days following issuance by the Settlement Administrator—will be canceled and distributed by the Settlement Administrator in accordance with the requirements of California Code of Civil Procedure section 384(b). Specifically, the uncashed funds will be transmitted to the California State Controller's Office to be held pursuant to Sections 1500, *et seq.*, of the Unclaimed Property Law, California Civil Code in the name of the Aggrieved Employee, until such time that he or she claims his or her property. In this manner, Plaintiff's Counsel and Defense Counsel attest that there will be no "unpaid residue" subject to the requirements of Section 384(b) of California Code of Civil Procedure.

5. **Tax Consequences**. Individual PAGA Payments made under this Settlement will be attributed 100% as penalties and interest, and paid via IRS Form 1099 issued to each Aggrieved Employee. Neither Plaintiff nor Defendant, nor counsel for the Parties, make any representations or warranties with respect to tax consequences of any payment under this Settlement. Any and all tax consequences of any payment made under this Agreement, including any penalties or interest that might arise from any challenge by the Internal Revenue Service or any similar State, regional, or local agency to the tax treatment of any amounts paid pursuant to this Agreement, shall be the responsibility of the recipient of the payment alone and not the responsibility of any of the Released Parties.

## V. ESCALATOR CLAUSE

The Gross Settlement Amount was negotiated based on Defendant's estimation that as of the date of the Parties' mediation (December 16, 2024), there were 16,566 total pay periods worked by approximately 459 Aggrieved Employees. If the actual number of PAGA Pay Periods at the time of entry of the Court's Approval Order is more than 10% more than the estimated count (i.e., if the actual number of PAGA Pay Periods is more than 18,222.6), then Defendant agrees and has the option to either (a) make a pro-rata increase to the Gross Settlement Amount for each additional pay period above the escalator or (b) have the PAGA Period end on the date when the escalator is triggered (i.e., when the number of PAGA Pay Periods reaches 18,222.6).

## VI. MISCELLANEOUS PROVISIONS

1. **Mutual Preparation and Drafting**. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Plaintiff nor Defendant shall be considered the "drafter" of this Settlement for purposes of having terms construed against that Party. This Settlement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

2. **Successors**. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, assigns, administrators, and successors.

3. **Costs and Fees**. The Parties shall each bear their own costs, attorneys' fees, expert fees, mediator fees, and any other fees incurred in connection with this Settlement, the Action, and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law**. This Settlement shall be construed under and governed by the laws of the State of California. This Settlement shall be deemed to have been entered into in the County of San Diego, California, and all questions of validity, interpretation, or performance of any of its terms or of any rights or obligations of the Parties to this Settlement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement, it shall be brought in the State of California, County of San Diego.

5. **Complete Agreement**. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement has been made to them and acknowledge and represent that this Settlement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the Released PAGA Claims in the Action. This Settlement cannot be amended or modified except by a writing signed by the Parties hereto.

6. **Stay of Litigation**. The Parties agree that this Action is stayed as of December 26, 2024, except to effectuate terms of the Settlement. Pursuant to California Code of Civil Procedure section 583.330, the Parties further agree that accordingly, the date to bring a case to trial under California Code of Civil Procedure section 583.310 will be extended for the duration of the settlement approval process.

7. **Binding Agreement, Judgment, and Continued Jurisdiction**. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms under the California Code of Civil Procedure section 664.6, and any other applicable statute or law, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law. After approval of this Settlement, the Court will have continuing jurisdiction over the Parties, Action, and the Settlement solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement. Plaintiff will submit a proposed judgment in conformity with approval of this Agreement to be entered by the Court, which shall constitute a final and binding resolution of the claims in the Action.

8. **Amendment or Modification**. This Settlement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties.

9. **Authorization to Enter into Settlement**. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement,

or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

10. **Execution and Counterparts**. This Settlement is subject only to the execution of all Parties and may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. **Acknowledgement that the Settlement is Fair and Reasonable**. The Parties believe this Settlement is a fair, adequate, and reasonable settlement of the Action, and have arrived at this Settlement after arm's-length negotiations by experienced counsel and with the assistance of an experienced and impartial mediator. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

12. **Severability**. If any term or provision of this Settlement is held to be invalid or unenforceable, the remaining portions of this Settlement will continue to be valid and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed stricken, amended, and/or limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

14. **Waiver**. No waiver of any condition or covenant contained in this Settlement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.

15. **Enforcement Action**. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees, incurred in connection with any enforcement actions. In any proceeding to enforce the terms of this Agreement, the Parties may disclose the terms of this Agreement to the extent necessary to enforce the Agreement, but shall make all efforts to preserve the confidentiality of this Agreement, including, but not limited to, filing the relevant provisions of the Agreement and/or discussion of these terms under seal or conditionally under seal to the fullest extent appropriate and possible.

16. **Representation by Counsel**. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement has been executed with the consent and advice of counsel and reviewed in full.

**IN WITNESS THEREOF**, the Parties each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement, and hereby execute it voluntarily and with full understanding of its consequences.

Dated: Apr 14, 2025

Katie Lester (Apr 14, 2025 15:13 EDT)

Kaytlin Mae Lester, Plaintiff

Dated: 11/04/2025

Nazli Keri (Apr 11, 2025 13:05 PDT)

Defendant The Super Dentists, Inc.

By: Nazli Keri

Its: COO

**APPROVED AS TO FORM ONLY BY:**

**Plaintiff's Counsel:**

Dated: 4/14/2025

MOON LAW GROUP, PC

By: ______________________

Kane Moon
Allen Feghali
Charlotte Mikat-Stevens

*Attorneys for Plaintiff*

**Defendant's Counsel:**

Dated:

FISHER & PHILLIPS LLP

By: ______________________

Phillip Simpler
Christopher Champine

*Attorneys for Defendant The Super Dentists, Inc.*

# EXHIBIT A

[Administrator's Letterhead]

To: «FirstName» «LastName»
«Address1» «Address2»
«City» «State» «Zip»

# NOTICE OF PAGA SETTLEMENT

**Enclosed please find a check in the amount of [INDIVIDUAL SETTLEMENT SHARE].**

You are receiving this check because of a lawsuit brought by Plaintiff Kaytlin Mae Lester ("Plaintiff") against Defendant The Super Dentists, Inc. ("Defendant") for civil penalties pursuant to the Private Attorneys General Act, California Labor Code sections 2698, *et seq.* ("PAGA"). The claim was filed on April 6, 2023, in the San Diego County Superior Court, Case No. 37-2023-00014247-CU-OE-CTL (the "Action").

Plaintiff's Action against Defendant is for civil penalties pursuant to the PAGA, a law that allows Plaintiff to attempt to stand in the shoes of the government and to seek penalties on the government's behalf and on behalf of those employees who Plaintiff claims were "aggrieved" by Defendant's alleged unlawful conduct. Specifically, Plaintiff alleges that Defendant failed to comply with wage-and-hour laws as to non-exempt employees who worked for Defendant.

Defendant strongly denies these claims and maintains that it fully complied with all applicable wage-and-hour laws. Nevertheless, to avoid further costs and uncertainty from further litigation, the Parties agreed to settle the matter. The Settlement covers Defendant and each of its former and present owners, parents, and subsidiaries, and all of their former and present officers, directors, members, managers, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, affiliates, assigns, accountants, insurers, reinsurers, and/or legal representatives (all of whom are referred to here as the "Released Parties"). The Court has approved the Settlement and release of claims described below. By settling this Action, Defendant and the Released Parties are not admitting they have done anything wrong, and they deny that they owe any penalties to the government or to you.

On [insert date], 2025, the Settlement was approved by the Court. Pursuant to PAGA, a portion of the Settlement is being paid to the government and a portion is being paid to all current and former employees of Defendant who worked for Defendant in the State of California in a non-exempt position at any time from May 31, 2022 to [insert date], 2025, excluding any persons who have previously signed severance agreements with Defendant (the "Aggrieved Employees"). You are receiving a portion of the Settlement because Defendant's records indicate that you worked for Defendant during at least one pay period from May 31, 2022 to [insert date], 2025 (the "PAGA Period").

**You will not be retaliated against for cashing the check. It is entirely up to you if you cash your check or not. Checks that are not cashed within 180 days of issuance shall be sent to the California Department of Unclaimed Property. Regardless of what you do with the check issued to you, by law and Court order you have released the Released Parties from the Released PAGA Claims described below.**

One hundred percent (100%) of your payment under this Settlement will be considered penalties and interest, and will be reported to the IRS and state tax authorities.

This Settlement bars you and other Aggrieved Employees, for the period spanning May 31, 2022 to [insert date], 2025, from pursuing any and all claims for civil penalties under PAGA against the Released Parties which were alleged in Plaintiff's PAGA Notice and Operative Complaint, or that could have been alleged based on the facts asserted therein, and which arose during the PAGA Period, including, but not limited to, any and all claims for PAGA penalties for violations of the California Labor Code governing: meal and rest breaks; overtime wages (including, but not limited to, any and all theories related to incorrect calculation of the "regular rate of pay"); expense reimbursement; late payment of wages; failure to properly record and maintain employment records; waiting time penalties; wage statement violations; separation pay violations; and any related claims for attorneys' fees, costs, or interest resulting therefrom.

**Do not call or write the Court or Office of the Clerk to ask questions about the Settlement.**

**If you have any questions, you may call or write [insert], at the following phone number or address: [insert address and telephone number for Administrator's contact person]**