

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs MICHAEL MAYS and MORIS ORELLANA (“Plaintiffs”) and Defendants MAGNIFIED HEALTH SYSTEMS WEST, LLC, MARIPOSA DETOX CENTER LLC, PHASE TWO ATC LLC, and MARIPOSA DETOX CENTER II (“Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. Action: Michael Mays’ lawsuit alleging wage and hour violations against Mariposa Detox Center LLC captioned “Michael Mays, on behalf of himself, and all others similarly situated, and as an ‘aggrieved employee’ on behalf of other ‘aggrieved employees’ under the Labor Code Private Attorneys General Act of 2004, *Plaintiff(s)*, vs. Mariposa Detox Center LLC, a California limited liability company; and DOES 1 through 50, inclusive, *Defendant(s)*,” Case No. 22STCV30341 initiated on September 16, 2022 and pending in Superior Court of the State of California, County of Los Angeles; Moris Orellana’s lawsuit alleging wage and hour violations against Magnified Health Systems West, LLC, Mariposa Detox Center LLC, Phase Two ATC LLC, and Mariposa Detox Center II LLC captioned “Moris Orellana, an individual, individually and on behalf of all others similarly situated, *Plaintiff(s)*, vs. Magnified Health Systems West LLC, et al., Detox Center LLC, a Delaware limited liability company, et al.; and DOES 1 through 100, inclusive, *Defendant(s)*,” Case No. 22STCV38056 initiated on December 6, 2022 and pending in Superior Court of the State of California, County of Los Angeles; and Moris Orellana’s lawsuit seeking civil penalties for alleged wage and hour violations against Magnified Health Systems West, LLC, Mariposa Detox Center LLC, Phase Two ATC LLC, and Mariposa Detox Center II LLC captioned “Moris Orellana, on behalf of himself, all other aggrieved employees, and the general public, Plaintiff, vs. Magnified Health Systems West LLC, a Delaware limited liability company, et al.; and DOES 1 through 100, inclusive, Defendant(s),” Case No. 23STCV18036 initiated on July 31, 2023, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. Administrator: Simpluris, or another neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. Administration Expenses Payment: The amount the Administrator will be paid from the Gross Settlement Amount not to exceed \$12,500.00 to reimburse its reasonable fees and expenses.
- 1.4. Aggrieved Employee: A person employed by Defendant in California and classified hourly and non-exempt by any Defendant during the PAGA Period.
- 1.5. Aggrieved Employees Data: Aggrieved Employees identifying information in Defendants’ possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

- 1.6 Aggrieved Employee Counsel Fee Payment: The amount allocated to Aggrieved Employees Counsel to an amount of no more than 35% of the Gross Settlement Amount for reimbursement of reasonable attorneys' fees incurred to prosecute the Actions
- 1.7 Aggrieved Employees Counsel Litigation Expenses Payment: The amounts allocated to Aggrieved Employees Counsel of not more than \$27,500.00 for reimbursement of expenses incurred to prosecute the Actions.
- 1.8 Aggrieved Employees Counsel: Michael H. Boyamian of Boyamian Law, Inc. David Glenn Spivak of The Spivak Law Firm, and Walter L. Haines of United Employees Law Group.
- 1.9 [omitted]
- 1.10 Court: The Superior Court of California, County of Los Angeles.
- 1.11 Defendants: Defendants Magnified Health Systems West, LLC, Mariposa Detox Center LLC, Phase Two ATC LLC, and Mariposa Detox Center II LLC.
- 1.12 Defense Counsel: Rosely George and Steve R. Belilove of Kaufman Dolowich, LLP.
- 1.13 Denial of other Pending Claims: Defendants are unaware of any pending claims or notices of the LWDA that will be affected by the "Released Claims" Provision above.
- 1.14 Disputes: Any dispute between the Parties as to the remaining terms of the settlement agreement shall be presented to the Mediator, the Honorable Zaven V. Sinanian (ret).
- 1.15 Effective Date: The date by when both of the following have occurred: (a) the court enters a judgment on its order granting approval of the Settlement; and (b) the judgment is final. The Judgment is final as of the latest of the following occurrences: (b) if one or more Aggrieved Employees objects to the Settlement, the day after the deadline for filing a notice of appeal from the judgment; or if a timely appeal from the judgment is filed, the day after the appellate court affirms the judgment and issues a remittitur.
- 1.16 Notice of Settlement To LWDA: Plaintiffs shall timely file a notice of claim and notice of settlement with the LWDA.
- 1.17 Approval Hearing: The Court's hearing on the Motion for Approval of the Settlement.
- 1.18 Approval: The Court's Order Granting approval of the Settlement.
- 1.19 Funding of Gross Settlement Amount: Defendants shall fund the Gross Settlement Amount by transmitting (5) monthly equal installment payments commencing no earlier than 30 days after the Effective Date or March 1, 2025, whichever is later.
- 1.20 Gross Settlement Amount: means \$235,000.00 which is the total amount Defendants agree to pay under the Settlement except as provided in the Escalator Clause and Individual Release Payment(s). The Gross Settlement Amount will be used to pay Individual PAGA Payments,

the LWDA Payment, Aggrieved Employees Counsel Fees, Aggrieved Employees Counsel Expenses, and the Administrator's Expenses.

- 1.21 Individual PAGA Payment: The Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.22 Judgment: The judgment entered by the Court based upon the Approval.
- 1.23 LWDA: The California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.24 LWDA PAGA Payment: The 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.25 Net Settlement Amount: The Gross Settlement Amount, less the following payments in the amounts approved by the Court: Aggrieved Employees Counsel Fees Payment, Aggrieved Employees Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
- 1.26 PAGA Notice: Plaintiff Mays's September 16, 2022 letter to Defendant and the LWDA and Plaintiff Orellana's May 23, 2023 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a)
- 1.27 PAGA Pay Period: Any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.28 PAGA Penalties: The total amount of PAGA civil penalties to be paid from the Gross Settlement Amount after reductions for Aggrieved Employees Counsel Fees Payment, Aggrieved Employees Litigation Expenses Payment, and Administration Expenses Payment (i.e., Net Settlement Amount), allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of the PAGA claims.
- 1.29 : PAGA Period: The period from September 16, 2021 to the date of Court Approval.
- 1.30 Plaintiffs: Michael Mays and Moris Orellana, the named plaintiffs in the Action.
- 1.31 Plaintiffs' Release: Each Plaintiff will execute a general release with a waiver of rights under California Civil Code Section 1542.
- 1.32 Released PAGA Claims: All claims for civil penalties under PAGA stated in Plaintiff Mays' pre-filing letter to the LWDA and those based solely upon the facts alleged in his pre-filing letter to the LWDA. Plaintiffs release all claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff Mays' pre-filing letter to the LWDA; Plaintiffs do not release the claims for wages or damages of any Aggrieved Employee.
- 1.33 Released Parties: Defendants and each of their officers, directors, employees and agents.

1.34 Settlement: The disposition of the Actions effected by this agreement and the judgment.

2 RECITALS.

2.1 On September 16, 2022, Plaintiff Michael Mays commenced this Action by filing a PAGA Notice letter. Following exhaustion of the 65-day notice period, Plaintiff Mays filed his PAGA Complaint on September 16, 2022 (Los Angeles County Superior Court Case No. 22STCV30341, "Guzman Action"). On May 23, 2023, Plaintiff Moris Orellana filed a PAGA letter. Following the exhaustion of the 65-day notice period, on December 6, 2023, the Orellana Plaintiff filed a PAGA Complaint (Los Angeles Superior Court Case No. 22STCV38056, "Orellana Action"). The Complaint will be the operative complaint in this Action ("Operative Complaint") containing the following allegations which are currently pled in the Johnson and Castro Actions: liability under the PAGA Statute (Cal. Labor Code Section 2698 *et seq.*) for (1) failing to comply with California law concerning payment of lawful wage for all hours worked including overtime hours worked, commission and piece rate violations; (2) failing to pay minimum wage; (3) failing to provide timely meal breaks; (4) failing to provide rest breaks; (5) failure to timely pay all wages owed; (6) failing to provide accurate itemized wage statements; (7) violations of sick pay; (8) unlawful deductions; and (9) unreimbursed expenses. Plaintiffs allege violations of the following Labor Code sections: 200-204, 207, 210, 216, 218, 218.5, 221, 223, 225.5, 226, 226.3, 226.7, 246, 510, 512, 551, 552, 558, 1174, 1174.5, 1194-1197.2, 1198, 1199, 2802, 2698, and 2699. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Mays and Orellana Actions, as well as the Operative Complaint, and deny any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notices.

2.3 On January 30, 2024, the Parties participated in an all-day mediation presided over by Honorable Zaven V. Sinanian (ret.) which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiff obtained key company documents and data, including a sampling of time and payroll records for the alleged Aggrieved Employees through informal discovery.

2.5 The Parties, Aggrieved Employees' Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3 MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$235,000.00 and no more as the Gross Settlement Amount. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.3 To Aggrieved Employees Counsel: Attorney's fees of not more than 35% of the Gross Settlement Amount, currently estimated to be \$82,250.00 and costs of not more than \$27,500. Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs and/or Aggrieved Employees' Counsel will file an application or motion for Aggrieved Employees' Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves an Aggrieved Employees' Fees Payment and/or an Aggrieved Employees' Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Aggrieved Employees' Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Aggrieved Employees' Counsel Fee Payment and/or Aggrieved Employees' Counsel Litigation Expenses Payment. The Administrator will pay the Aggrieved Employees' Counsel Fees Payment and Aggrieved Employees' Counsel Expenses Payment using one or more IRS 1099 Forms. Aggrieved Employees' Counsel assumes full responsibility and liability for taxes owed on the Aggrieved Employees' Counsel Fees Payment and the Aggrieved Employees' Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.4 To the Administrator: An Administrator Expenses Payment not to exceed \$12,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than the amount stated above, the Administrator will retain the remainder in the Net Settlement Amount.

3.5 To the LWDA and Aggrieved Employees: PAGA Penalties to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.6 The Administrator will calculate each Individual PAGA Payment by (a)

dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.7 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4 SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records as of the date of March 11, 2024 mediation, Defendant estimates there are 96 Aggrieved Employees who worked a total 1,200 PAGA Pay Periods from September 16, 2021 through the date of Court Approval.

4.2 Aggrieved Employee Data. Within 14 days of settlement approval, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Aggrieved Employees' Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendants shall fund the Gross Settlement Amount by transmitting to the Administrator (5) consecutive monthly equal installment payments of \$47,000 each commencing no later than 30 days after the Effective Date or March 1, 2025, whichever is later.

4.4 Payments from the Gross Settlement Amount. The Administrator shall make payments from the Gross Settlement Amount within 14 days after Defendants have transmitted the Gross Settlement in full under Paragraph 4.7, above. The Administrator will issue checks for all Individual PAGA Payments and Plaintiffs' representative service awards, the Administration Expenses Payment, Aggrieved Employees' Counsel's Attorneys Fees' and Expenses payment.

4.5 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.6 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator

must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, as requested by the Aggrieved Employee prior to the void date.

4.7 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and canceled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.5.1 4.8 The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5.1 Release by Aggrieved Employees:

Plaintiffs do not release the claims for wages or damages of any Aggrieved Employee. All claims for civil penalties under PAGA stated in Plaintiff Mays' pre-filing letter and Plaintiff Orellana's pre-filing letter to the LWDA and those based solely upon the facts alleged in Plaintiffs' pre-filing letters to the LWDA. Plaintiffs release all claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff Mays' and/or Plaintiff Orellana's pre-filing letters to the LWDA; Plaintiffs do not release the claims for wages or damages of any Aggrieved Employee.

5.2 Release by Aggrieved Employees Counsel:

Aggrieved Employees Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6 MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file a stipulation and/or motion for approval of this Settlement.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial

relationship with Plaintiff, Aggrieved Employees' Counsel or Defense Counsel; (iii) a signed declaration from Aggrieved Employees' Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiffs and Aggrieved Employees' Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Aggrieved Employees Counsel. Aggrieved Employees' Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the stipulation and/or motion for approval of this Settlement no later than 15 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. Aggrieved Employees' Counsel are responsible for delivering the Court's order approving the settlement to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, Aggrieved Employees' Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, Aggrieved Employees' Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7 SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Simpluris to serve as the Administrator and verified that, as a condition of appointment, Simpluris, agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8 AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR CLAUSE

Based on its records, as of the date of the March 11, 2024 mediation, Defendants estimate there are 96 Aggrieved Employees who worked a total 1,200 PAGA Pay Periods from September 16, 2022 through, the date of Court approval. If, as of the date the Court approves the settlement, the Aggrieved Employee PAGA Pay Periods increase by more than 10%, the Gross Settlement Amount, including the Aggrieved Employees Counsel Fees Payment, will increase proportionally based on according to the number of additional PAGA Pay Periods or Aggrieved Employees, whichever results in a higher increase in the Gross Settlement Amount. This will include a *pro rata* increase in the Aggrieved Employees' Counsel Fees Payment.

9 CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10 ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3 Attorney Authorization. Aggrieved Employees Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other

documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Admission: The Parties agree the Settlement is not an admission of any liability or wrongdoing. Defendants deny any liability or wrongdoing of any kind and further deny that, for any purpose other than settling the Actions, the Actions are or would be appropriate for representative treatment. Defendants maintain, among other things, that they have complied with California law in all aspects, and continue to do so. Nothing in the PAGA Settlement Term Sheet or Settlement negotiations, approval of Settlement, orders related to Settlement or any other aspect of the Settlement will be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants.
- 10.6 No Publicity Regarding The Settlement: Aggrieved Employees Counsel and Plaintiffs shall not publicize or communicate the fact or terms of the settlement on any social media, internet site, print media, or marketing/advertising materials. The Court shall have the power to enjoin violations of this provision and the prevailing party(ies) shall be entitled to his/its/their attorneys' fees and costs.
- 10.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.8 No Tax Advice. Neither Plaintiffs, Aggrieved Employees' Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.10 Agreement Binding on Successors. This Agreement will be binding upon, and

inure to the benefit of, the successors of each of the Parties.

- 10.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.14 Use and Return of Aggrieved Employee Data. Information provided to Aggrieved Employees' Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to Aggrieved Employees' Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants makes a written request to Aggrieved Employees' Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 10.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

BOYAMIAN LAW, INC.
Michael H. Boyamian, SBN 256107
michael@boyamianlaw.com

550 North Brand Boulevard, Suite 1500
Glendale, California 91203-1922
Telephone: 818.547.5300
Facsimile: 818.547.5678

The Spivak Law Firm
David G. Spivak
8605 Santa Monica Blvd. PMBB 42554
West Hollywood, California 90069
Telephone: (213) 725-9094
Facsimile: (213) 634-2485
E-mail: david@spivaklaw.com

United Employees Law Group
Walter L. Haines
8605 Santa Monica Bl.
PMB 63354
West Hollywood CA 90069
Telephone: (562) 256-1047
Facsimile: (562) 256-1006
E-mail: walter@uelglaw.com

To Defendants:

KAUFMAN DOLOWICH LLP
Steve R. Belilove, SBN 119506
sbelilove@kaufmandolowich.com
Rosely George, SBN 256186
rgeorge@kaufmandolowich.com
11111 Santa Monica Blvd., Suite 850
Los Angeles, California 90025
Telephone: (310) 775-6511
Facsimile: (310) 575-9720

- 10.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.19 Stay of Litigation. The Parties agree that upon the signing of this PAGA Settlement Term Sheet by the Parties, this Actions shall remain stayed and all applicable deadlines shall be extended pending the outcome of the settlement process. The Parties further agree that upon the signing of this PAGA Settlement Term Sheet that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Plaintiffs:

Dated: June ^{30.00}__, 2025

DocuSigned by:

CC629D322643409

Plaintiff, Moris Orellana

Dated: June __, 2025

Plaintiff, Michael Mays

Defendants:

Dated: June __, 2025

By:
Defendants Magnified Health Systems West, LLC,
Mariposa Detox Center LLC, Phase Two ATC LLC,
and Mariposa Detox Center II LLC.

Approved as to form:

Dated: June __, 2025

Steve R. Belilove, Esq.
Rosely George, Esq.
Kaufman Dolowich
Counsel for Defendants

Dated: July 8, 2025



Michael Boyamian, Esq.
Boyamian Law, Inc.
Counsel for Plaintiffs

Dated: June __, 2025

David Spivak, Esq.
The Spivak Law Firm
Counsel for Plaintiffs

Dated: June __, 2025

Walter L. Haines, Esq.
United Employees Law Group
Counsel for Plaintiffs

Plaintiffs:

Dated: June __, 2025

06 / 26 / 2025

Dated: June __, 2025

Plaintiff, Moris Orellana



Plaintiff, Michael Mays

Defendants:

Dated: June __, 2025

By:

Defendants Magnified Health Systems West, LLC,
Mariposa Detox Center LLC, Phase Two ATC LLC,
and Mariposa Detox Center II LLC.

Approved as to form:

Dated: June __, 2025

Steve R. Belilove, Esq.
Rosely George, Esq.
Kaufman Dolowich
Counsel for Defendants

Dated: June __, 2025

Michael Boyamian, Esq.
Boyamian Law, Inc.
Counsel for Plaintiffs

06 / 25 / 2025

Dated: June __, 2025



David Spivak, Esq.
The Spivak Law Firm
Counsel for Plaintiffs

Dated: June __, 2025

Walter L. Haines, Esq.
United Employees Law Group
Counsel for Plaintiffs

Plaintiffs:

Dated: June __, 2025

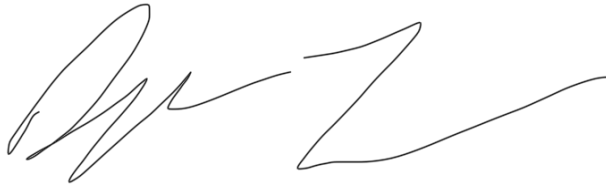
Plaintiff, Moris Orellana

Dated: June __, 2025

Plaintiff, Michael Mays

Defendants:

Dated: July 3, 2025



By: Brandon Freeman
Defendants Magnified Health Systems West, LLC,
Mariposa Detox Center LLC, Phase Two ATC LLC,
and Mariposa Detox Center II LLC.

Approved as to form:

Dated: July 3, 2025



Steve R. Fenilove, Esq.
Rosely George, Esq.
Kaufman Dolowich
Counsel for Defendants

Dated: June __, 2025

Michael Boyamian, Esq.
Boyamian Law, Inc.
Counsel for Plaintiffs

Dated: June __, 2025

David Spivak, Esq.
The Spivak Law Firm
Counsel for Plaintiffs

Dated: June __, 2025

Walter L. Haines, Esq.
United Employees Law Group
Counsel for Plaintiffs

Plaintiffs:

Dated: June __, 2025

Plaintiff, Moris Orellana

Dated: June __, 2025

Plaintiff, Michael Mays

Defendants:

Dated: June __, 2025

By:
Defendants Magnified Health Systems West, LLC,
Mariposa Detox Center LLC, Phase Two ATC LLC,
and Mariposa Detox Center II LLC.

Approved as to form:

Dated: June __, 2025

Steve R. Belilove, Esq.
Rosely George, Esq.
Kaufman Dolowich
Counsel for Defendants

Dated: June __, 2025

Michael Boyamian, Esq.
Boyamian Law, Inc.
Counsel for Plaintiffs

Dated: June __, 2025

David Spivak, Esq.
The Spivak Law Firm
Counsel for Plaintiffs

Dated: June 24, 2025


Walter L. Haines, Esq.
United Employees Law Group
Counsel for Plaintiffs

EXHIBIT A – NOTICE OF PAGA SETTLEMENT

[Date], 202__

[Settlement Administrator Name]

[Settlement Administrator Address]

[Employee Name]

[Employee Street Address]

[City, State Zip]

Re: PAGA Settlement Payment

Dear Current or Former Magnified Health Systems West, LLC, Employee:

You have received this notice because Magnified Health Systems West, LLC, Mariposa Detox Center LLC, Phase Two ATC LLC, and Mariposa Detox Center II LLC. (“Defendants”) records indicate that you work or have worked for Defendants in California at some time between September 16, 2021 through [redacted] [we don’t have this date yet] (the “PAGA Period”). This notice relates to the settlement of two lawsuits titled: *Michael Mays v. Mariposa Detox Center LLC, et al.*, Los Angeles County Superior Court, Case No.: 22STCV30341; and *Moris Orellana v. Magnified Health Systems West, LLC, et. al.*, Los Angeles Superior Court, Case No.: 22STCV38056. (“Lawsuits”).

In the Lawsuits, Plaintiffs Michael Mays and Moris Orellana (“Plaintiffs”) seek civil penalties pursuant to the California Private Attorneys General Act (“PAGA”), a law which allows Plaintiffs to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiffs claim were “aggrieved” by alleged wage and hour violations. In the Lawsuits, Plaintiffs allege that Defendants are liable for failure to pay overtime; failure to pay for all hours worked; failure to pay minimum wage, commission and piece-rate payments; failure to authorize and permit meal periods; failure to authorize and permit rest periods; failure to timely pay wages at termination; failure to provide accurate itemized wage statements; failure to reimburse for necessary business expenditures; and violation of record keeping requirements.

Defendants strongly dispute Plaintiffs’ allegations and maintain that Defendants have fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Lawsuits. Nonetheless, to avoid the cost and distraction of litigation, Defendants have made a business decision to settle the Lawsuits, which settlement has been approved by the Court.

The enclosed settlement check represents your portion of the Court-approved PAGA settlement. You will not be retaliated against for cashing your check. Checks that are not cashed within 180 days of issuance will be voided and the funds will be transmitted to the state controller unclaimed payment fund in your name.

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuits.

If you have any questions about this notice, please contact the Settlement Administrator, [NAME] at <<number/email>>.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUITS. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASES.