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Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN**

VERENICE GAYTAN SANDOVAL and
CHASE SILVA, individually, and on behalf of
all others similarly situated,

Plaintiffs,

v.

THE NEPHROLOGY GROUP, INC., a
California corporation; and DOES 1 through 10,
inclusive,

Defendant.

Case No.: BCV-23-102097
[Related Case No.: BCV-23-102307]

*[Assigned for All Purposes to the Hon.
Bernard C. Barmann, Jr., Div. H]*

**DECLARATION OF JOHN G. YSLAS IN
SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Preliminary Approval Hearing:

Date: December 2, 2025

Time: 8:30 a.m.

Div.: H

Action Filed: June 29, 2023

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1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC (“WLF”), counsel for Plaintiffs Verenice Gaytan Sandoval and Chase Silva (collectively “Plaintiffs”) in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.
2. I submit this declaration in support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement.

Plaintiff Verenice Gaytan Sandoval filed this putative class action lawsuit against Defendant, [REDACTED], Inc. (“Defendant”) alleging: (1) failure to pay minimum wage; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide wage statements; (7) failure to indemnify employees for business expenses; and (8) unfair business practices (“Class Action”).

5. The Parties participated in a private all-day mediation with a respected mediator, Todd Smith, on December 19, 2024. The negotiations were adversarial, conducted at arm's length,

1 and tempered by the efforts of both sides to serve the interests of their clients. With the help of the
2 mediator, the Parties were able to reach an agreement on general settlement terms at mediation and
3 executed a Memorandum of Understanding thereafter.

4 6. The parties negotiated the terms of the Settlement over the next several months,
5 which was finalized in October 2025. A true and correct copy of the fully executed Settlement
6 Agreement is attached hereto as **Exhibit 1**. Attached thereto as **Exhibit A** is a true and correct
7 copy of the Parties' proposed Class Notice.

8 7. On November 4, 2025, Plaintiffs submitted a copy of the Settlement Agreement to
9 the LWDA. A true and correct copy of the confirmation of submission my office received after
10 submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 2**.

11 **Investigation and Exposure Analysis**

12 8. Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims,
13 applicable law, and potential defenses. Plaintiffs' Counsel assessed the value of the class claims
14 using the data and documents Defendant produced in informal discovery. The data and documents
15 produced by Defendant included the number of its current and former employees; Defendant's
16 employee handbook; and Class Members' time and payroll records. Plaintiffs' Counsel engaged
17 an expert to quantify the potential exposure using the time and payroll records, and then assessed
18 the risks associated with each claim meriting reductions in the likely success at class certification
19 and likely recovery at trial.

20 9. Defendant's records show that there are approximately 339 Class Members, making
21 joinder of all Class Members impracticable. Further, given the size and amount of each Class
22 Members' claim, Class Members have little incentive to litigate their claims on an individual basis
23 because the out-of-pocket expenses and personal commitment necessary to litigate each claim
24 likely outweigh any potential recovery.

25 10. Plaintiffs have alleged that Defendant maintained common employment policies
26 and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods,
27 reimbursements for business expenses, accurate wage statements, and timely payment of wages
28 upon separation of employment. These allegations present common factual and legal questions of,

1 *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest
2 period, and reimbursement policies to all Class Members, whether these policies and practices
3 resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class
4 Members are entitled to damages and/or penalties. These common questions could be resolved
5 using Class Members' time records, payroll records, testimony from Defendant's designated
6 representative(s), and Class Members' testimony.

7 11. Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks
8 at succeeding at class certification and through trial affected the valuation of the claims for
9 settlement purposes.

10 12. Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage
11 claims were based on the allegation that Defendant required Class Members to work without
12 compensation. For example, Plaintiffs allege that Defendant required them and other Class
13 Members to work overtime but altered the timekeeping records to show they did not work more
14 than eight (8) hours in a day or 40 hours in a week. Based on Plaintiffs' estimates that they worked
15 a total of one (1) hour off-the-clock each week, Plaintiffs' Counsel assumed each Class Member
16 worked one (1) hour off-the-clock per week in calculating potential exposure for these claims to
17 be approximately \$1,021,605.00 (31,000 workweeks x \$21.97 average hourly rate of pay x 1.00
18 hour/workweek x 1.5 overtime rate of pay). However, Defendant denies altering its timekeeping
19 records, asserts it did pay Class Members some overtime pay, and asserts that any off-the-clock
20 time was undocumented and unknown to Defendant and therefore Defendant was not obligated to
21 pay for this time. Because this claim would have relied heavily on Class Member testimony and
22 would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class
23 certification was substantial. Accordingly, Plaintiffs' Counsel applied a risk discount based on a
24 40% chance of succeeding at class certification and a 60% chance of then succeeding at trial on
25 the merits, yielding a damage estimate of approximately \$245,185.20 (\$1,021,605.00 x 40% x
26 60%).

27 13. Meal Periods: Plaintiffs' meal period claim was based on the allegation that
28 Defendant failed to provide Class Members with legally compliant meal periods or pay meal period

1 premiums in lieu thereof. For example, Plaintiffs allege that Defendant failed to provide Class
2 Members with meal periods altogether, and even if they were provided, they were interrupted and
3 less than 30 minutes. The time and payroll records produced by Defendant in advance of mediation
4 reflected late, short, and missed meal periods as well as “perfect” meal periods that were consistent
5 with Plaintiffs’ allegation that Defendant altered the timekeeping records. Finally, Plaintiffs’
6 Counsel’s expert determined there was an 18.1% meal period violation rate from the sampling of
7 Defendant’s time and payroll records. Thus, Plaintiffs’ Counsel calculated potential exposure on
8 this claim to be approximately \$476,910.04 (119,930 shifts greater than 5 hours x \$21.97 average
9 hourly rate of pay x 18.1% violation rate). Defendant argued that it had compliant written meal
10 period policies, that it monitored Class Members’ meal periods, that it paid some meal period
11 premiums, and that instances of late, short, or missed meal periods were a result of Class Members
12 voluntarily choosing to take late or short meal periods. Accordingly, Plaintiffs’ Counsel applied a
13 risk discount based on a 50% chance of succeeding at class certification and an 80% chance of
14 succeeding at trial on the merits (based on the fact that the violation rate was already established
15 and most violations on paper would likely be upheld by a jury), yielding a damage estimate of
16 approximately \$190,764.02 ($\$476,910.04 \times 50\% \times 80\%$).

17 14. Rest Periods: Plaintiffs’ rest period claim was based on the allegation that Defendant
18 failed to provide Class Members with legally compliant rest periods or pay rest period premiums
19 in lieu thereof. For example, Plaintiffs allege that Defendant failed to provide Class Members with
20 rest periods altogether, and even if they were provided, they were interrupted and less than 10
21 minutes. Based on such allegations, Plaintiffs’ Counsel applied a 100% violation rate to all shifts
22 of 3.5 hours or longer and thus calculated potential exposure on this claim to be approximately
23 \$2,759,937.31 (125,623 shifts of 3.5 hours or longer x \$21.97 hourly rate x 100% violation rate).
24 Plaintiffs’ Counsel discounted this figure to account for the difficulty of certifying and proving
25 rest period claims, particularly because rest periods do not have to be recorded, and to account for
26 the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim
27 would have relied exclusively on Class Member testimony, Plaintiffs’ Counsel discounted this
28 claim based on a 30% chance of succeeding at class certification and a 20% chance of succeeding

at trial, yielding a damage estimate of approximately \$165,596.24 ($\$2,759,937.31 \times 30\% \times 20\%$).

15. In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-the-clock claim, meal period violations, and rest period violations is approximately \$4.26 million, but after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiffs' Counsel estimates that Plaintiffs' estimated recovery for the wage claims is approximately \$601,545.46.

16. Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing their job duties for Defendant. For example, Plaintiffs allege that Defendant failed to reimburse Class Members for the mandatory use of their personal cell phones to communicate for work-related purposes and failed to reimburse Class Members for mileage when they were required to use their personal vehicles for work-related purposes. However, Defendant argued that these expenses were not required by Defendant and/or it would not know if such an expense had been incurred unless a Class Member requested reimbursement from Defendant. Defendant further argued that it paid Class Members some cell phone reimbursement during the Class Period. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the Class, Plaintiffs' Counsel estimated that Defendant was liable to each class member for \$30 per month, or \$7.50 per workweek, in unreimbursed expenses, for a total amount of approximately \$232,500.00 ($\$7.50 \times 31,000$ workweeks). Plaintiffs' Counsel discounted this figure based on an evaluation of a 30% chance of succeeding at class certification and a 30% chance of succeeding at trial to account for the difficulty of certifying and proving expense reimbursement claims, yielding a damage estimate of approximately \$20,925.00 ($\$232,500.00 \times 30\% \times 30\%$).

17. Derivative Penalties: Plaintiffs alleged that as a result of Defendant's failure to pay all wages and meal and rest period premiums owed, Defendant owed waiting time penalties and wage statement penalties. With respect to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel estimated that Defendant's potential liability is approximately \$266,417.29. Plaintiffs' Counsel calculated Defendant's maximum potential liability for waiting time penalties to be approximately \$1,106,365.26 (218 former employees during the 3-year statute of limitations

period x \$21.97 hourly rate x 7.70 hours/day as the average shift length x 30 days; and Defendant's maximum potential liability for waiting time penalties to be approximately \$669,750.00 ([235 employees x 1 initial violation/employee x \$50 for an initial violation] + [(6,815 pay periods - 235 initial violations) x \$100 for each subsequent violation]) for inaccurate wage statements based on approximately 235 class members who worked during the 1-year statute of limitations period and approximately 6,815 pay periods in the statutory timeframe. In light of the foregoing, Plaintiffs' Counsel believes that it would be unrealistic to expect the Court to award the full \$1,776,115.26 in penalties given Defendant's defenses, the contested nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying wage claims are estimated to be approximately \$601,545.46, such a disproportionate award would also raise due process concerns. As such, Plaintiffs' Counsel discounted these figures to account for the risk and uncertainty of prevailing at trial, resulting in an evaluation of approximately \$165,954.79 ($\$1,106,365.26 \times 30\% \times 50\%$) for waiting time penalty claims, and approximately \$100,462.50 ($\$669,750.00 \times 30\% \times 50\%$) for wage statement penalty claims, or approximately \$266,417.29 total for statutory penalties.

18. PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential exposure could potentially reach \$583,900.00, assuming the initial \$100 penalty would apply for each of the 5,839 pay periods in the PAGA Period. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. Therefore, Plaintiffs' Counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in an evaluation of approximately \$145,975.00 for PAGA penalties ($\$583,900.00 \times 25\%$). This evaluation figure for PAGA is approximately 104% of the total amount allocated towards PAGA from the Gross Settlement Amount. And the settlement's allocation of \$140,000.00 of the Gross Settlement Amount to PAGA amounts to 10% of the Gross Settlement Amount.

19. Using these estimated figures, Plaintiffs' Counsel predicted that the expected recovery for all claims, including penalties, would be approximately \$1,034,862.75. In addition

1 to that amount, Plaintiff would seek to recover attorneys' fees and costs. Therefore the
2 \$1,400,000.00 gross settlement amount represents approximately 135% of the expected
3 recovery (\$1,400,000.00 / \$1,034,862.75). Considering the risk and uncertainty of prevailing at
4 class certification and at trial, this is an excellent result for the Class. Indeed, because of the
5 proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the
6 risk of an unfavorable judgment. Based on the figures in the Settlement Agreement, the Net
7 Settlement Amount available for individual class payments is estimated to be \$754,333.33 for a
8 class of approximately 339 persons. As a result, each Settlement Class Member is eligible to
9 receive an average individual class payment of approximately \$2,225.17.

10 **Plaintiffs' Counsel's Qualifications**

11 20. Plaintiffs are represented by WLF. The attorneys at WLF performed significant
12 work and expended litigation costs in prosecuting this matter with no guarantee of payment.

13 21. WLF was selected by Best Lawyers and U.S. News & World Report as one of the
14 nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600
15 employees. WLF is actively and continuously practicing in employment litigation, representing
16 employees in both individual and class actions in both state and federal courts throughout
17 California.

18 22. WLF is qualified to handle this Litigation because its attorneys are experienced in
19 litigating Labor Code violations in both individual, class action, and representative action cases.
20 WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as
21 well as class actions involving consumer rights and data privacy litigation.

22 23. I graduated from the University of California, Santa Barbara with High Honors in
23 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law
24 School in 1996.

25 24. Upon graduating from law school in 1996, I worked for a boutique law firm
26 practicing general litigation which included employment law matters. Since 2000 (that is, the last
27 23 years) my practice has been exclusively focused on labor and employment matters including
28 handling wage and hour class, collective and representative actions (including the California

1 Private Attorneys General Act, or “PAGA”), including in the international law firms of Morgan,
2 Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a
3 partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright
4 LLP (where I was a partner) and Seyfarth Shaw (where I was a partner and member of the Wage
5 and Hour Practice Group). During my time at these law firms, I was the primary attorney or took
6 a major leading role in defending employers on numerous wage and hour class, collective and
7 representative actions.

8 25. In 2022 I left Seyfarth Shaw and joined my current firm, WLF, to represent plaintiff
9 employees. I have been and am handling many wage and hour class and representative actions
10 litigating such matters on behalf of plaintiff employees in numerous Superior Courts and District
11 Courts. From matters representing both plaintiffs and defendants, I have successfully mediated the
12 resolution of many wage and hour class, collective, and representative actions. Just since last year
13 after joining WLF (and thus joining the plaintiff’s bar) I have already successfully mediated
14 matters in which I have been counsel or co-counsel resulting in **over \$184 million** in settlements
15 which are in the process of being finalized, and with numerous upcoming mediations scheduled.
16 In those and numerous other matters, I have managed and assisted with the litigation and settlement
17 of many wage and hour PAGA and class actions. In those actions, I performed similar tasks as
18 those performed in the course of prosecuting this action. Indeed, I recently tried and prevailed in
19 achieving a jury verdict in a wage and hour class action in the matter of *Aguilar-Flores v. Javier’s*
20 – *CC LLC*, Los Angeles County Superior Court, Case No. 19STCV36438.

21 26. I have received numerous awards for my legal work. For example, from 2015 to
22 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters).
23 have also served on numerous prominent boards and in other leadership positions, including
24 currently serving as Southern California Regional President for the Hispanic National Bar
25 Association and on the board of directors of the Mexican American Bar Foundation. I also
26 previously served on the 5-member Los Angeles Civil Service Commission, which generally
27 oversees the personnel decisions for the City of Angeles.

28 27. I have also published numerous blogs on labor and employment issues including on

1 wage and hour issues. For example, I published “Headline News: Wal-Mart v. Dukes-Impact on
2 Class Action Litigation” (while a partner with Foley & Lardner LLP) and “Are You Really
3 Protected From Wage-and-Hour Successor Liability in an Asset Purchase” (while a partner with
4 Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a
5 presenter involving the “Employment Law Update” at a National Employment Law Council
6 conference.

7 28. Jeffrey C. Bils (“Mr. Bils”) is an eleventh-year Senior Attorney at WLF. He
8 graduated from the University of Wisconsin–Madison with a Bachelor of Arts in Journalism and
9 German, and received his Juris Doctor from the University of California, Los Angeles School of
10 Law in 2014. During law school, Mr. Bils was a Senior Editor on the UCLA Law Review and an
11 Articles Editor on the Entertainment Law Review. Mr. Bils served as a Judicial Extern for the Hon.
12 Consuelo Bland Marshall in United States District Court for the Central District of California, and
13 also for the Hon. Sandra R. Klein of United States Bankruptcy Court for the Central District of
14 California. Mr. Bils graduated ranked No. 7 in his graduating class from UCLA School of Law.
15 He was admitted to practice law in the State of California in 2014. Since graduating from law
16 school, he has focused his legal work primarily on employment matters, including wage-and-hour
17 class action and PAGA representative action litigation, and he has helped obtain dozens of
18 settlements on behalf California workers, as well as on behalf of California employers during his
19 years on the defense bar. Mr. Bils is a member of the Beverly Hills Bar Association (BHBA),
20 where he is a past member of the Board of Governors and a past Chair of the Labor & Employment
21 Law Section Executive Committee. He is also a member of the California Employment Lawyers
22 Association (CELA) and the Consumer Attorneys Association of Los Angeles (CAALA).

23 29. Aram Boyadjian (“Mr. Boyadjian”) is an associate attorney at WLF. He graduated
24 from the University of California, Los Angeles with a Bachelor of Arts in Political Science. Mr.
25 Boyadjian received his Juris Doctor from Loyola Law School. During law school, he was a member
26 of the student editorial board for the International and Comparative Law Review. Since being
27 admitted to practice law in California in January 2021, his practice has mainly been focused on
28 wage and hour class action litigation.

1 30. Andrew Sandoval (“Mr. Sandoval”) is an associate attorney at WLF. He graduated
2 from Azusa Pacific University with a Bachelor of Arts in Economics. Mr. Sandoval received his
3 Juris Doctor from Loyola Law School. During law school, he was a Vice-President of La Raza de
4 Loyola. Since being admitted to practice law in California in 2022, his practice has mainly been
5 focused on wage and hour class action litigation.

6 31. Emily Borman (“Ms. Borman”) is a Junior Partner at WLF. She was admitted to
7 practice law in the State of California in May 2015. Ms. Borman graduated from Cornell University
8 with a Bachelor of Science in Development Sociology and a Minor in Applied Economics and
9 Management. While at Cornell she was inducted into the Alpha Kappa Delta International Honor
10 Society. Ms. Borman received her Juris Doctor from University of California Law San Francisco
11 (formerly UC Hastings). Since graduating, her practice has been in employment law, including
12 plaintiff-side wage and hour cases. She has received numerous awards for her legal work. In 2021
13 and from 2023 to 2025, Super Lawyers selected her as a “Southern California Rising Star.”

14 32. Courtney M. Miller (“Ms. Miller”) is a Settlement Attorney at WLF. She was
15 admitted to practice law in the State of California in 2019. Ms. Miller graduated from the
16 University of California, Santa Cruz, with a Bachelor of Arts in Sociology. Prior to becoming an
17 attorney, Ms. Miller worked at a boutique civil litigation firm for nearly a decade, primarily
18 handling employment matters. She earned her Juris Doctor from Southwestern Law School in
19 2019. Ms. Miller has prosecuted wage and hour class and PAGA actions, almost exclusively, since
20 2020. As a handling attorney, Ms. Miller obtained over \$30 million dollars in settlements on behalf
21 of California employees.

22 33. WLF has no actual or potential conflicts of interest with Class Members or the
23 proposed Administrator, Phoenix Settlement Administrators, Inc.

24 34. WLF is not aware of any other pending matter or action asserting claims that will
25 be extinguished or adversely affected this Settlement.

26 35. A true and correct copy of Phoenix Settlement Administrators, Inc.’s bid to
27 administer this Settlement is attached hereto as **Exhibit 3**.

28 I declare under penalty of perjury under the laws of the State of California that the foregoing

1 is true and correct.

2 Executed on November 5, 2025 at Los Angeles, California.

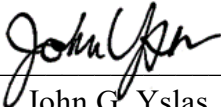
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5 John G. Yslas

EXHIBIT 1

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN**

VERENICE GAYTAN SANDOVAL and
CHASE SILVA, individually, and on behalf
of all others similarly situated,

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THE NEPHROLOGY GROUP, INC., a
California corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No. BCV-23-102097
Related Case No. BCV-23-102307

*Assigned for all purposes to:
Hon. Bernard C. Barmann, Jr., Div. H*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between
2 Plaintiffs Verenice Gaytan Sandoval and Chase Silva (“Plaintiffs”) and Defendant The
3 Nephrology Group, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant
4 collectively as “Parties,” or individually as “Party.”

5 1. **DEFINITIONS.**

6 1.1 “Actions” means Plaintiffs’ lawsuits alleging class action wage and hour violations
7 against Defendant captioned *Verenice Gaytan Sandoval v. The Nephrology Group, Inc.*, Kern
8 County Superior Court, Case No. BCV-23-102097, filed on June 29, 2023 (“Class Action”) and
9 Case No. BCV-23-102307, filed on July 17, 2023 (“PAGA Action”), and *Chase Silva v. The*
10 *Nephrology Group, Inc.*, Case No. BCV-24-102872.

11 1.2 “Administrator” means Phoenix Settlement Administrators, Inc. the neutral entity the
12 Parties have agreed to appoint to administer the Settlement.

13 1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross
14 Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
15 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary
16 Approval of the Settlement.

17 1.4 “Aggrieved Employee” means all non-exempt, hourly individuals that worked for
18 Defendant in California during the PAGA Period.

19 1.5 “Class” means all non-exempt, hourly individuals that worked for Defendant in
20 California during the Class Period.

21 1.6 “Class Counsel” means John G. Yslas, Jeffrey C. Bils, Aram Boyadjian and Andrew
22 Sandoval of Wilshire Law Firm, PLC.

23 1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class
24 Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will
25 request approval from the Court of up to one-third (1/3) of the GSA (currently \$466,666.67).

26 1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class
27 Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action,
28 not to exceed \$30,000.00, and paid from the Gross Settlement Amount.

1.9 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweeks and PAGA Pay Periods.

1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.11 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 “Class Period” or “Class Settlement Period” means the period from June 29, 2019 through February 19, 2025 (“Settlement Class Period”).

1.14 “Class Representative(s)” means the named Plaintiffs Verenice Gaytan Sandoval and Chase Silva in the Actions.

1.15 “Class Representative Service Payment(s)” or “Enhancement Award(s)” means the payment to the Class Representatives for initiating the Actions and providing services in support of the Action.

1.16 “Court” means the Superior Court of California, County of Kern.

1.17 “Defendant” means named Defendant The Nephrology Group, Inc.

1.18 “Defense Counsel” means Kevin Cleveland and Imran Rahman of O’Hagan Meyer.

1.19 “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for

1 filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed,
2 the day after the appellate court affirms the Judgment and issues a remittitur.

3 1.20 “Final Approval” means the Court’s order granting final approval of the Settlement.

4 1.21 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval
5 of the Settlement.

6 1.22 “Final Judgment” means the Judgment entered by the Court upon granting Final
7 Approval of the Settlement.

8 1.23 “Gross Settlement Amount” or “GSA” means \$1,400,000.00, which is the total amount
9 Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

10 1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share of
11 the Net Settlement Amount calculated according to the number of Workweeks worked during the
12 Class Period.

13 1.25 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25%
14 of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during
15 the PAGA Period.

16 1.26 “Judgment” means the judgment entered by the Court based upon the Final Approval.

17 1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency
18 entitled, under Labor Code section 2699, subd. (i).

19 1.28 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA
20 under Labor Code section 2699, subd. (i).

21 1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following
22 payments in the amounts approved by the Court: PAGA Penalties payment, Enhancement, Class
23 Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration
24 Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class
25 Payments.

26 1.30 “Non-Participating Class Member” means any Class Member who opts out of the
27 Settlement by sending the Administrator a valid and timely Request for Exclusion.
28

1.31 “Operative Class Complaint” means the operative class action complaint filed in the Class Action.

1.32 “Operative PAGA Complaint” means the operative PAGA complaint filed in the PAGA Action.

1.33 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.34 “PAGA Period” means the period from June 6, 2022 through February 19, 2025.

1.35 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.36 “PAGA Notices” means Plaintiff’s June 6, 2023 and June 10, 2024 letters (LWDA-CM-960241-23) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.37 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$140,000.00), allocated 25% to the Aggrieved Employees (\$35,000.00) and 75% to LWDA (\$105,000.00) in settlement of PAGA claims.

1.38 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.39 “Plaintiffs” means Verenice Gaytan Sandoval and Chase Silva, the named plaintiffs in the Actions.

1.40 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.41 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.42 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.43 “Released Parties” means Defendant and Defendant’s officers, directors, employees, shareholders, principals, managers, supervisors, insurers, and agents.

1.44 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.45 “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

1.46 “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.

1.47 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS.**

2.1 On June 29, 2023, Plaintiff Sandoval filed the Class Action alleging Defendant (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay final wages at termination; (6) failed to provide accurate itemized wage statements; (7) failed to indemnify employees for expenditures; and (8) violated California’s Unfair Competition Law, California Business and Professions Code section 17200, *et seq.* On June 6, 2023, pursuant to Labor Code §2699.3, subd.(a), Plaintiff Sandoval gave notice to the LWDA and Defendant that Plaintiff Sandoval intended to proceed with a representative action under PAGA (LWDA-CM-960241-23). On July 17, 2023, Plaintiff Sandoval filed the PAGA Action, alleging claims for penalties pursuant to Labor Code § 2699, *et seq.* On April 24, 2024, the Class Action and the PAGA action were deemed related. On June 10, 2024, Plaintiff Sandoval submitted an amended notice to the LWDA and Defendant adding Plaintiff Silva as an additional representative for Plaintiff Sandoval’s PAGA claim. On August 14, 2024, Plaintiff Silva filed a Non-Representative Individual Complaint alleging that Defendant (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay final wages at termination; (6) failed to provide accurate itemized wage statements; (7) failed to indemnify employees for expenditures; (8)

1 violated California's Unfair Competition Law, California Business and Professions Code section
2 17200, *et seq*; and (9) claims for penalties pursuant to Labor Code § 2699, *et seq*. In order to
3 conform the pleadings with the scope of the proposed settlement, Plaintiff shall be granted leave
4 to file a First Amended Complaint ("FAC") adding Chase Silva as a named plaintiff. The Parties
5 will file a Joint Stipulation for Leave to File a First Amended Complaint adding Chase Silva as a
6 named Plaintiff. After Plaintiff Silva's claims are brought into the operative class and PAGA
7 actions, Plaintiff Silva will request dismissal of the Non-Representative Individual Complaint
8 without prejudice.

9 2.2 Defendant denies the allegations in the Actions, denies any failure to comply with the
10 laws identified in the Actions, and denies any and all liability for the causes of action alleged in
11 the Actions.

12 2.3 On December 19, 2024, the Parties participated in an all-day mediation presided over by
13 mediator Todd Smith. With the help of Mr. Smith, the Parties were able to reach an agreement on
14 general settlement terms at mediation and executed a Memorandum of Understanding thereafter.

15 2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts
16 of, and applicable law to, the Actions. Prior to mediation, Plaintiffs obtained and analyzed a
17 representative sampling of time and payroll data for Class Members and the necessary policy
18 documents through informal discovery to properly evaluate the strengths and weakness of the
19 claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient
20 to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48
21 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-
22 130 (2008) ("*Dunk/Kullar*").

23 2.5 The Court has not granted class certification because the Parties engaged in mediation
24 before any class certification.

25 2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
26 other pending matter or action asserting claims that will be extinguished or affected by the
27 Settlement.

28 3. **MONETARY TERMS.**

1 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
2 Defendant will pay \$1,400,000.00 to fully settle, resolve, and extinguish all claims asserted in the
3 Actions, including without limitation all claims asserted in the PAGA Notices. The Gross
4 Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the
5 wage portions of the Individual Class Payments, which Defendant will pay separately.

6 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct
7 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
8 in the Final Approval:

9 3.2.1 To Plaintiffs: A payment for the Enhancement Awards to Plaintiffs of not more than
10 \$10,000.00 each in addition to any Individual Class Payment and any Individual PAGA Payment
11 the Class Representative is entitled to receive as a Participating Class Member. Defendant will
12 not oppose Plaintiffs' request for an Enhancement Award that does not exceed this amount. As
13 part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will
14 seek Court approval for any Enhancement Award no later than 16 (sixteen) court days prior to
15 the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves an
16 Enhancement Award less than the amount requested, the Administrator will retain the remainder
17 in the Net Settlement Amount to be distributed to Participating Class Members. The
18 Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiff assumes full
19 responsibility and liability for employee taxes owed on the Enhancement Award.

20 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3)
21 of the GSA, which is currently estimated to be \$466,666.66 and a Class Counsel Litigation
22 Expenses Payment for actual costs not to exceed \$30,000.00. Defendant will not oppose requests
23 for these payments. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and
24 Litigation Expenses Payment no later than 16 (sixteen) court days prior to the Final Approval
25 Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees
26 Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested,
27 the Administrator will allocate the remainder to the Net Settlement Amount for distribution to
28 Participating Class Members. Released Parties shall have no liability to Class Counsel or any

1 other Plaintiffs' counsel arising from any claim to any portion of Class Counsel Fee Payment
2 and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel
3 Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class
4 Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees
5 Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and
6 indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any
7 of these Payments.

8 3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to
9 exceed \$9,000.00 except for a showing of good cause and as approved by the Court. To the extent
10 the Administration Costs are less or the Court approves payment of less than requested, the
11 Administrator will retain the remainder in the Net Settlement Amount to be distributed to
12 Participating Class Members.

13 3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by
14 (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all
15 Participating Class Members during the Class Period, and (b) multiplying the result by each
16 individual Participating Class Member's Workweeks.

17 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty-five percent (25%)
18 of each Participating Class Member's Individual Class Payment will be allocated to the
19 Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding
20 and will be reported on an IRS W-2 Form. The remaining seventy-five percent (75%) of each
21 Participating Class Member's Individual Class Payment will be allocated to the settlement of
22 claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not
23 subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class
24 Members assume full responsibility and liability for any employee taxes owed on their Individual
25 Class Payment.

26 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual
27 Class Payments. Non-Participating Class Members will not receive any Individual Class
28

1 Payments. The Administrator will retain amounts equal to their Individual Class Payments in the
2 Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

3 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
4 \$140,000.00 to be paid from the Gross Settlement Amount, with 75% (\$105,000.00) allocated to
5 the LWDA PAGA Payment and 25% (\$35,000.00) allocated to the Individual PAGA Payments.

6 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a)
7 dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$35,000.00)
8 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the
9 PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA
10 Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on
11 their Individual PAGA Payment.

12 3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested,
13 the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to
14 Participating Class Members. The Administrator will report the Individual PAGA Payments on
15 IRS 1099 Forms.

16 4. **SETTLEMENT FUNDING AND PAYMENTS.**

17 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its
18 records, Defendant represents there are 339 Class Members who collectively worked a total of
19 31,000 workweeks during the Class Period.

20 4.2 Class Data. Not later than seven (7) days after the Court grants Preliminary Approval of
21 the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a
22 Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must
23 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement
24 and for no other purpose, and restrict access to the Class Data to Administrator employees who
25 need access to the Class Data to effect and perform under this Agreement. Defendant has a
26 continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted
27 class member identifying information and to provide corrected or updated Class Data as soon as
28 reasonably feasible. Without any extension of the deadline by which Defendant must send the

Class 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 Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 30 (thirty) calendar days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant fully funds the GSA, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Enhancement Award(s). Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Enhancement Award shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or 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 Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 **Plaintiffs' Release.** Plaintiffs discharge Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Actions; and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law ("Plaintiff's Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true

but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

5.2 Released Class Claims: All Participating Class Members will waive and release all claims, rights, demands, liabilities, and causes of action alleged, or which could have reasonably been alleged based on the facts alleged in the Operative Class Action Complaint, during the Class Period (collectively the "Released Class Claims").

5.3 Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are all claims for PAGA civil penalties that are alleged, or reasonably could have been alleged, based on the facts alleged in the PAGA Action during the PAGA Period. (collectively the "Released PAGA Claims"). Plaintiffs will release all claims for PAGA penalties in the PAGA Action and the PAGA Notices.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class

Counsel's firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiffs and Class 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 Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than 16 (sixteen) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class 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 Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class 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 Phoenix Settlement Administrators, Inc. to serve as the Administrator and verified that, as a condition of appointment, the Administrator 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 Costs. 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.

1 7.2 Employer Identification Number. The Administrator shall have and use its own
2 Employer Identification Number for purposes of calculating payroll tax withholdings and
3 providing reports to state and federal tax authorities.

4 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
5 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation
6 section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into
7 the QSF prior to distribution by the Administrator will become part of the NSA for distribution
8 to Participating Class Members.

9 7.4 Notice to Class Members.

10 7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator
11 shall notify Class Counsel that the list has been received and state the number of Class Members,
12 Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

13 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days
14 after receiving the Class Data, the Administrator will send to all Class Members identified in the
15 Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice
16 substantially in the form attached to this Agreement as Exhibit A. The first page of the Class
17 Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or
18 Individual PAGA Payment payable to the Class Member, and the number of Workweeks and
19 PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the
20 Administrator shall update Class Member addresses using the National Change of Address
21 database.

22 7.4.3 Not later than five (5) calendar days after the Administrator’s receipt of any Class
23 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
24 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
25 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
26 Notice to the most current address obtained. The Administrator has no obligation to make further
27 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the
28 USPS a second time.

1 7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks
2 and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond
3 the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-
4 mailed. The Administrator will inform the Class Member of the extended deadline with the re-
5 mailed Class Notice.

6 7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise
7 discovers any persons who believe they should have been included in the Class Data and should
8 have received Class Notice, the Parties will expeditiously meet and confer in person or by
9 telephone, and in good faith in an effort to agree on whether to include them as Class Members.
10 If the Parties agree, such persons will be Class Members entitled to the same rights as other Class
11 Members, and the Administrator will send, via email or overnight delivery, a Class Notice
12 requiring them to exercise options under this Agreement not later than 14 days after receipt of
13 Class Notice, or the deadline dates in the Class Notice, whichever are later.

14 7.5 Requests for Exclusion (Opt-Outs).

15 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement
16 must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not
17 later than 45 days after the Administrator mails the Class Notice (plus an additional 14) days for
18 Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class
19 Member or his/her representative that reasonably communicates the Class Member's election to
20 be excluded from the Settlement and includes the Class Member's name, address and email
21 address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed,
22 or postmarked by the Response Deadline.

23 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
24 to contain all the information specified in the Class Notice. The Administrator shall accept any
25 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the
26 person as a Class Member and the Class Member's desire to be excluded. The Administrator's
27 determination shall be final and not appealable or otherwise susceptible to challenge. If the
28 Administrator has reason to question the authenticity of a Request for Exclusion, the

1 Administrator may demand additional proof of the Class Member's identity. The Administrator's
2 determination of authenticity shall be final and not appealable or otherwise susceptible to
3 challenge.

4 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
5 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
6 bound by all terms and conditions of the Settlement, including the Participating Class Members'
7 Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating
8 Class Member actually receives the Class Notice or objects to the Settlement.

9 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
10 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
11 right to object to the class action components of the Settlement. Because future PAGA claims are
12 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
13 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
14 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

15 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 (forty-five)
16 days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days for
17 Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks
18 and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member
19 may challenge the allocation by communicating with the Administrator via fax, email or mail.
20 The Administrator must encourage the challenging Class Member to submit supporting
21 documentation. In the absence of any contrary documentation, the Administrator is entitled to
22 presume that the Workweeks contained in the Class Notice are correct so long as they are
23 consistent with the Class Data. The Administrator's determination of each Class Member's
24 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
25 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the
26 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
27 Administrator's determination of the challenges.

28 7.7 Objections to Settlement.

1 7.7.1 Only Participating Class Members may object to the class action components of the
2 Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
3 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses
4 Payment and/or Enhancement Award.

5 7.7.2 Participating Class Members may send written objections to the Administrator, by
6 fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire
7 an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A
8 Participating Class Member who elects to send a written objection to the Administrator must do
9 so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional
10 14 days for Class Members whose Class Notice was re-mailed).

11 7.7.3 Non-Participating Class Members have no right to object to any of the class action
12 components of the Settlement.

13 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
14 performed or observed by the Administrator contained in this Agreement or otherwise.

15 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish,
16 maintain and use an internet website to post information of interest to Class Members including
17 the date, time and location for the Final Approval Hearing and copies of the Settlement
18 Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice;
19 Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation
20 Expenses Payment and Enhancement Award; the Final Approval Order; and the Judgment. The
21 Administrator will also maintain and monitor an email address and a toll-free telephone number
22 to receive Class Member calls, faxes and emails.

23 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
24 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later
25 than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the
26 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
27 and other identifying information of Class Members who have timely submitted valid Requests
28 for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class

Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline

1 set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense
2 Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all
3 payments required under this Agreement. Class Counsel is responsible for filing the
4 Administrator's declaration in Court.

5 8. **ESCALATOR CLAUSE.** Based on its records, Defendant represents there are 339 Class
6 Members who collectively worked a total of 31,000 Workweeks during the Class Period. Should
7 the Workweeks increase more than 10% (i.e. more than 34,100 workweeks), the GSA will
8 increase on a proportional basis equal to the percentage increase in the number of Workweeks
9 worked by the Class Members above the 10% (for example, if the final number of total
10 workweeks increases by 11%, the GSA will increase 1%).

11 9. **MOTION FOR FINAL APPROVAL.** Not later than 16 (sixteen) court days before the
12 calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file
13 in Court, a Motion for Final Approval of the Settlement that includes a request for approval of
14 the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order;
15 and a proposed Judgment (collectively "Motion for Final Approval"). Class Counsel and Defense
16 Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve
17 any disagreements concerning the Motion for Final Approval.

18 9.1 **Response to Objections.** Each Party retains the right to respond to any objection raised
19 by a Participating Class Member, including the right to file responsive documents in Court no
20 later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or
21 accepted by the Court.

22 9.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
23 Approval on any material change to the Settlement (including, but not limited to, the scope of
24 release to be granted by Class Members), the Parties will expeditiously work together in good
25 faith to address the Court's concerns by revising the Agreement as necessary to obtain Final
26 Approval. The Court's decision to award less than the amounts requested for the Enhancement
27 Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or
28

1 Administrator Costs Payment shall not constitute a material modification to the Agreement within
2 the meaning of this paragraph.

3 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
4 Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes
5 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
6 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

7 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
8 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
9 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
10 counsel, and all Participating Class Members who did not object to the Settlement as provided in
11 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
12 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
13 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
14 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
15 obligations to perform under this Agreement will be suspended until such time as the appeal is
16 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
17 of the Net Settlement Amount.

18 9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
19 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
20 modification of this Agreement (including, but not limited to, the scope of release to be granted
21 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
22 expeditiously work together in good faith to address the appellate court's concerns and to obtain
23 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
24 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
25 Court's award of the Enhancement Award or any payments to Class Counsel shall not constitute
26 a material modification of the Judgment within the meaning of this paragraph, as long as the Gross
27 Settlement Amount remains unchanged.

10. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

11. **ADDITIONAL PROVISIONS.**

11.1 No Admission of Liability, Class Certification 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 Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all available defenses to the claims in the Actions, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's 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).

11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,

1 inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense
2 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
3 communication, before the filing of the Motion for Preliminary Approval, with any third party
4 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
5 “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s
6 communications with Class Members in accordance with Class Counsel’s ethical obligations
7 owed to Class Members.

8 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and
9 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
10 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability
11 to communicate with Class Members in accordance with Defense Counsel’s and Class Counsel’s
12 ethical obligations and Class Counsel’s fiduciary duties owed to Class Members.

13 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
14 together with its attached exhibits shall constitute the entire agreement between the Parties
15 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
16 inducements made to or by any Party.

17 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
18 represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate
19 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
20 its terms, and to execute any other documents reasonably required to effectuate the terms of this
21 Agreement including any amendments to this Agreement.

22 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
23 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
24 Settlement Agreement, submitting supplemental evidence and supplementing points and
25 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
26 or content of any document necessary to implement the Settlement, or on any modification of the
27 Agreement that may become necessary to implement the Settlement, the Parties will seek the
28 assistance of a mediator and/or the Court for resolution.

1 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not
2 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
3 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
4 action, or right released and discharged by the Party in this Settlement.

5 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are
6 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
7 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
8 Part 10, as amended) or otherwise.

9 11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
10 modified, changed, or waived only by an express written instrument signed by all Parties or their
11 representatives, and approved by the Court.

12 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure
13 to the benefit of, the successors of each of the Parties.

14 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
15 governed by and interpreted according to the internal laws of the state of California, without
16 regard to conflict of law principles.

17 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
18 of this Agreement. This Agreement will not be construed against any Party on the basis that the
19 Party was the drafter or participated in the drafting.

20 11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders
21 entered during Action and in this Agreement relating to the confidentiality of information shall
22 survive the execution of this Agreement.

23 11.14 Headings. The descriptive heading of any section or paragraph of this Agreement is
24 inserted for convenience of reference only and does not constitute a part of this Agreement.

25 11.15 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
26 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
27 weekend or federal legal holiday, such date or deadline shall be on the first business day
28 thereafter.

11.16 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:

John G. Yslas
john.yslas@wilshirelawfirm.com
Jeffrey C. Bils
jeffrey.bils@wilshirelawfirm.com
Aram Boyadjian
aram.boyadjian@wilshirelawfirm.com
Andrew Sandoval
andrew.sandoval@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby,
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Kevin Cleveland
kcleveland@ohaganmeyer.com
Imran Rahman
irahman@ohaganmeyer.com
O'HAGAN MEYER
One Embarcadero Center, Suite 2100
San Francisco, CA 94111
Telephone: 415.578.6900

11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by 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.

11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further

agree that upon the signing of this Agreement 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.

11.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Kern County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 10/2/2025

Signed by:

5F4853D67DAD485...

Plaintiff Verence Gaytan Sandoval

DATED: _____

Plaintiff Chase Silva

DATED: 10/03/2025

 (Oct 3, 2025 13:08:29 PDT)

Defendant The Nephrology Group, Inc.

By: Stephanie Garza

Position: Operations Manager

Approved by counsel:

DATED:

WILSHIRE LAW FIRM

BY: 
John G. Yslas

agree that upon the signing of this Agreement 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.

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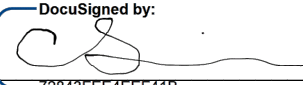
IT IS SO AGREED.

By the Parties:

DATED: _____

Plaintiff Verence Gaytan Sandoval

DATED: 10/1/2025

DocuSigned by:

72843FEE4EEF41B...

Plaintiff Chase Silva

DATED: 01/03/2025

 Oct 3, 2025 13:08:29 PDT

Defendant The Nephrology Group, Inc.

By: Stephanie Garza

Position: Operations Manager

Approved by counsel:

DATED:

WILSHIRE LAW FIRM

BY: 
John G. Yslas

Counsel for Plaintiffs Verenice Gaytan Sandoval and
Chase Silva

DATED: October 3, 2025

O'HAGAN MEYER

BY: 

Kevin Cleveland

Imran Rahman

Counsel for Defendant The Nephrology Group, Inc.

EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

Gaytan Sandoval, et al. v. The Nephrology Group, Inc.
Kern County Superior Court, Case Nos. BCV-23-102097 & BCV-23-102307

***The Kern County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money from employee class and representative action lawsuits (“Actions”) against The Nephrology Group, Inc. (“Defendant”) for alleged wage and hour violations. The Actions were filed by former employees, Verenice Gaytan Sandoval and Chase Silva, and seek (1) payment of unpaid wages and other relief for a class of hourly non-exempt employees who worked for Defendant in California (“Class Members”) during the Class Period (June 29, 2019, through February 19, 2025); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all hourly non-exempt employees who worked for Defendant in California (“Aggrieved Employees”) during the PAGA Period (June 6, 2022 through February 19, 2025).

The proposed Settlement has two main parts: (1) a Class settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA settlement requiring Defendant to fund Individual PAGA Payments and pay PAGA Penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] Workweeks during the Class Period and you worked [REDACTED] Pay Periods during the PAGA Period**. If you believe that you worked more during either period, you can submit a challenge by the deadline date.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or not act. **READ THIS NOTICE CAREFULLY**. You will be deemed to have read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendant for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendant for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant's records indicate that you worked for Defendant The Nephrology Group, Inc. at some point(s) between June 29, 2019 through February 19, 2025, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members' claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys General Act ("PAGA"). If you are a Class Member, you are also an "Aggrieved Employee" if you worked for Defendant during the "PAGA Period," which is June 6, 2022, through February 19, 2025.

If the Court grants Final Approval to the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator's contact information can be found in Section 12 below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Actions is the Kern County Superior Court. The cases are titled *Verenice Gaytan Sandoval, et al. v. The Nephrology Group, Inc.*, Case Nos. BCV-23-102097 and BCV-23-102307.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

The persons who sued, Verenice Gaytan Sandoval and Chase Silva, are the Plaintiffs, and the company sued, The Nephrology Group, Inc., is the Defendant.

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiffs in the lawsuits allege wage and hour violations against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods and pay meal period premiums; (4) failure to provide rest periods and pay miss rest period premiums; (5) failure to pay all wages earned and unpaid at separation; (6) failure to furnish accurate itemized wage statements; (7) failure to indemnify all necessary business expenditures; and (8) unfair competition. In addition, Plaintiffs are seeking to recover civil penalties pursuant to PAGA (“PAGA Penalties”) based on the alleged violations of the California Labor Code listed above. Defendant denies Plaintiffs’ claims and denies any wrongdoing.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called “Class Representatives” (in this case, the Plaintiffs) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of the Plaintiffs or Defendant on the merits of the claims alleged in the lawsuit. Plaintiffs believe they would win at trial. Defendant thinks that Plaintiffs’ lawsuits would not proceed to a trial and/or that Plaintiffs would not win at trial. However, there has been no trial. Instead, in acknowledgement of the risk that both Parties face should the case proceed, the Parties have agreed to a negotiated settlement. This way, all Parties avoid the cost of preparing for and conducting a trial, the risk of losing the right to a trial, and the workers affected by the alleged violations receive compensation. The Settlement represents a compromise and settlement of highly disputed claims. The Plaintiffs, as well as Plaintiffs’ lawyers (called “Class Counsel”), believe the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: all hourly non-exempt individuals who worked for Defendant in California at any time from June 29, 2019, through February 19, 2025.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$1,400,000.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of up to one third (1/3) of the GSA (currently \$466,666.67) and reimbursement for reasonable costs up to \$30,000.00; Class Representative Service Payments of \$10,000.00 to each of the Plaintiffs (\$20,000.00 total) (for Plaintiffs’ work and efforts prosecuting this case); a PAGA Penalties payment of \$140,000.00 to resolve the PAGA claims; and Settlement Administration Costs to Phoenix Settlement Administrators, Inc., not to exceed \$9,000.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payments, and Administration Costs will be determined by the Court at the Final Approval Hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately **\$754,333.33**. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$140,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA to be paid out of the GSA. As required under PAGA, 75% of the PAGA Penalties payment, or \$105,000.00, will be paid to the LWDA and the remaining 25% of the PAGA Penalties payment, or \$35,000.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (June 29, 2019, through February 19, 2025). Seventy-five percent (75%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and twenty-five percent (25%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 25% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendant from June 6, 2022, through February 19, 2025 (“PAGA Period”), you are also an “Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees’ Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement. *See, e.g., Robinson v So. County Oil*, 53 Cal. App. 476 (2020).

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Approval Hearing on [REDACTED], to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 40 days after the Court's approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash his or her settlement check. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. You can search for unclaimed property on the State's website at: https://www.sco.ca.gov/search_upd.html.

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the Released Class Claims described below against Defendant and all of Defendant's officers, directors, parents, and agents ("Released Parties"). The releases become effective once Defendant fully funds the GSA and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments.

Released Class Claims: All Participating Class Members will waive and release all claims, rights, demands, liabilities, and causes of action alleged, or which could have reasonably been alleged based on the facts alleged in the Operative Class Action Complaint, during the Class Period.

Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are all claims for PAGA civil penalties that are alleged, or reasonably could have been alleged based on the facts alleged in the PAGA Action during the PAGA Period. Plaintiffs will release all claims for PAGA penalties in the PAGA Action and the PAGA Notices.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion which must be postmarked no later than [45 days after Class Notice is Mailed]. Be sure to include your name, address, and telephone number, and any other information you think would be helpful to the settlement Administrator to identify you. You can send your request for exclusion to the settlement Administrator at:

[INSERT].
The Nephrology Group, Inc. Settlement
XXXXX
City, State, XXXXX
Email:
Fax:

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (June 6, 2022 through February 19, 2025). If you ask to be excluded, you may be able to sue (or continue to sue) Defendant in the future.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is [45 days after Class Notice is Mailed].

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

Maybe. If you exclude yourself from the Class Settlement, you will not receive an Individual Class Payment from this Settlement. However, if you were an hourly non-exempt individual who worked for Defendant in California during the PAGA Period, you will receive an Individual PAGA Payment from the PAGA settlement and be bound by it.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm, PLC is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

John G. Yslas
john.yslas@wilshirelawfirm.com
Jeffrey C. Bils
jeffrey.bils@wilshirelawfirm.com
Aram Boyadjian
aram.boyadjian@wilshirelawfirm.com
Andrew Sandoval
andrew.sandoval@wilshirelawfirm.com
Courtney M. Miller
courtney.miller@wilshirelawfirm.com
Lisa B. Iturriaga
lisa.iturriaga@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby,
Los Angeles, California 90017
Telephone: (213) 378-2548
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve \$466,666.67 (or 1/3 of the GSA) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court-approval of up to \$30,000.00 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve a payment to Plaintiffs in the amount of \$10,000.00 each (\$20,000.00 total) in addition to Plaintiffs' Individual Class Payments and Individual PAGA Payments for the initiative, risk, and time and energy Plaintiffs have spent in service to the Class as the Class Representatives. The Court may award the Class Representatives less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before [REDACTED], at the following address:

[INSERT]
The Nephrology Group, Inc. Settlement
XXXXX
City, State, XXXXX
Email:
Fax

The written objection should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval Hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection, you may still appear at the Final Approval Hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you do not get any money from this Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

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

The Court will hold a Final Approval Hearing on [REDACTED] at [REDACTED] in Division H of the Kern County Superior Court located at 1215 Truxtun Ave., Bakersfield, California 93301, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payments and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via <https://www.kern.courts.ca.gov/online-services/remote-hearings#metrojustice>. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Actions.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, [INSERT] by calling toll free 1-800-[REDACTED], or you can write to the Administrator at the following address:

[INSERT]
The Nephrology Group, Inc. Settlement
XXXXX
City, State, XXXXX
Email:
Fax

PLEASE DO NOT TELEPHONE THE COURT OR THE NEPHROLOGY GROUP, INC.'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

EXHIBIT 2

Theresa Chan

From: no-reply@formassembly.com
Sent: Tuesday, November 4, 2025 11:41 AM
To: Theresa Chan
Subject: Thank you for your Proposed Settlement Submission

11/04/2025 11:40:23 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 11/04/2025 11:40:23 AM your Proposed Settlement was successfully processed for case number LWDA-CM-960241-23

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website:

https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Ctheresa.chan%40wilshirelawfirm.com%7C3a03ee8c288845e59a3708de1bda0717%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C638978820401416198%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiwlLjAuMDAwMCIslIAiOiJXaW4zMilslkFOljoiTWFpbGlldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=fgkRjyAHoSGXOGTcAjT0hz7AUIHABaVecPApsBFY%2Bmg%3D&reserved=0

EXHIBIT 3



CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	350
Opt Out Rate	1%
Opt Outs Received	4
Total Class Claimants	347
Subtotal Admin Only	\$9,000.00

Not-to-Exceed Total \$9,000.00

For 380 Class Members

Pricing Good for Scope of Estimate Only

July 18, 2025

Case: Gaytan Sandoval v. Nephrology Opt-Out Administration wTranslation

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Fawn Bekam, Esq..

Firm: Wilshire Law Firm, PLC

Direct Tel: (213) 381-9988 Ext. 280

Email: fawn.bekam@wilshirelawfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on 380 Class Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	3	\$375.00
Programming Database & Setup	\$125.00	3	\$375.00
Toll Free Setup*	\$144.00	1	\$144.00
Call Center & Long Distance	\$1.85	16	\$29.60
NCOA (USPS)	\$145.00	2	\$290.00
Total			\$1,213.60

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Spanish Translation / Reporting

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$125.00	3	\$375.00
Data Merge & Duplication Scrub	\$0.50	350	\$175.00
Notice Packet & Opt-Out Form	\$1.25	350	\$437.50
Estimated Postage (up to 2 oz.)*	\$0.74	350	\$259.00
Static Website	\$250.00	1	\$250.00
Language Translation	\$1,000.00	1	\$1,000.00
Total			\$2,496.50

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	2	\$110.00
Skip Tracing Undeliverables	\$1.25	35	\$43.75
Remail Notice Packets	\$1.25	35	\$43.75
Estimated Postage	\$0.74	35	\$25.90
Programming Undeliverables	\$50.00	1	\$50.00
Total			\$273.40

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	2	\$270.00
Non Opt-Out Processing	\$100.00	1	\$100.00
Case Associate	\$55.00	2	\$110.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	9	\$87.50
Case Manager	\$85.00	2	\$170.00
Total			\$737.50

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$95.00	2	\$190.00
QSF Bank Account & EIN	\$100.00	2	\$200.00
Check Run Setup & Printing	\$100.00	3	\$300.00
Mail Class Checks *	\$1.00	350	\$350.00
Estimated Postage	\$0.74	350	\$259.00
Total			\$1,799.00

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	3	\$375.00
Remail Undeliverable Checks (Postage Included)	\$1.50	70	\$105.00
Case Associate	\$50.00	3	\$150.00
Reconcile Uncashed Checks	\$85.00	3	\$255.00
Conclusion Reports	\$75.00	2	\$150.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$125.00	2	\$250.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,025.00	1	\$1,025.00
Total			\$2,480.00

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$9,000.00



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.