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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT
SPRING STREET COURTHOUSE**

GUADALUPE D. LARIOS, on behalf of
herself and all others similarly situated,

Plaintiff,

v.

IHEALTH LABS INC., a California
corporation; SILICON VALLEY
TECHNICAL STAFFING, a California
corporation; and DOES 1 to 10, inclusive,

Defendants.

Case No. 23STCV14481

[Assigned for all purposes to Hon. Laura A.
Seigle, Department 17]

**AMENDED CLASS AND
REPRESENTATIVE PAGA ACTION
SETTLEMENT AGREEMENT**

Complaint Filed:	June 21, 2023
FAC Filed:	November 8, 2023
Trial Date:	None

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1 This Amended Class Action and Representative PAGA Action Settlement Agreement
2 (“Agreement”) is made by and between Plaintiff Guadalupe D Larios (“Plaintiff”) and Defendant
3 iHealth Labs Inc. (“iHealth”) and Silicon Valley Technical Staffing (“SVS”) (collectively,
4 “Defendants”) (Plaintiff and Defendants collectively, “the Parties”) with regard to the lawsuit filed
5 against Defendants in the case entitled, *Guadalupe D. Larios, on behalf of herself and all others*
6 *similarly situated v. IHealth Labs, Inc. and Silicon Valley Technical Staffing*, in the Superior Court
7 of the State of California in the County of Los Angeles, Case No. 23STCV14881 (the “Civil
8 Action”).

9 **I. THE SETTLEMENT AGREEMENT**

10 1. Subject to the Court’s approval pursuant to Section 382 of the California Code of
11 Civil Procedure and Rule 3.769 of the California Rules of Court, Plaintiff and Defendants have
12 agreed to settle the Civil Action upon the terms and conditions and for the consideration set forth in
13 this Settlement Agreement (the “Agreement”). A summary of the terms of the settlement is as
14 follows:

15 **A. Settlement Amount.** Defendants shall pay a settlement amount of Two Hundred and
16 Fifteen Thousand Dollars and No Cents (\$215,000.00), referred to herein as the Gross
17 Settlement Amount, which shall be inclusive of all Individual Settlement Payments
18 and PAGA Payment Shares, all attorneys’ fees and expenses (including court costs)
19 to be paid to Class/PAGA Counsel, any Class Representative Enhancement Award,
20 Settlement Administration Costs and expenses, and any and all penalty amounts to be
21 paid regardless of the recipient. In no event shall Defendants be required to pay more
22 than the Gross Settlement Amount under this Agreement, except as to Defendants’
23 share of Withholdings and Taxes arising from Individual Settlement Payments. In no
24 event shall any portion of the Gross Settlement Amount revert to Defendants.
25 Defendants will be separately responsible for any employer payroll taxes required by
26 law, including the employer FICA, FUTA, and SDI contributions, which shall not be
27 paid from the Gross Settlement Amount.

28 1. Each Participating Class Member’s Individual Settlement Payment shall be

1 allocated as follows: (a) Twenty-Five Percent (25%) of the amount of each
2 Participating Class Member's Individual Settlement Payment will be allocated
3 to his/her respective unpaid wage claims and shall be paid net of all applicable
4 employment taxes, including any federal, state, and/or local tax withholding
5 requirements, and the employee share of FICA taxes;, and (b) 75% of the
6 amount of each Participating Class Member's Individual Settlement Payment
7 will be allocated to alleged penalties and shall not be subject to withholding.
8 100% of the payments to the PAGA Employees shall be allocated entirely as
9 penalties and will be included on an IRS Form 1099.

10 **B. Class Definition.** The Class includes all current and former non-exempt employees
11 of SVS who were placed on assignment to perform work at iHealth in California
12 during the Class Period.

13 **C. Settlement Administration.** The Settlement Administrator shall be Phoenix. From
14 the Gross Settlement Amount, settlement administration fees in a reasonable amount
15 shall be paid to the Settlement Administrator. Settlement Administration Costs are
16 estimated to be approximately Seven Thousand Nine Hundred and Fifty Dollars and
17 No Cents (\$7,950.00). If the actual cost of settlement administration is less or more
18 than the amount approved by the Court, those funds shall be added to or subtracted
19 from the Net Class Settlement Amount.

20 **D. Enhancement Award.** Class/PAGA Counsel, on behalf of Plaintiff, shall apply to
21 the Court for a Class Representative Enhancement Award for Plaintiff in an amount
22 not to exceed Ten Thousand Dollars and No Cents (\$10,000.00), which shall be taken
23 from the Gross Settlement Amount to compensate Plaintiff for the risks, time, and
24 expense of her involvement in the Civil Action and securing the benefits of this
25 Agreement for Class Members. Plaintiff shall execute a full general release with a
26 Civil Code Section 1542 waiver in exchange for the Class Representative
27 Enhancement Award.

28 **E. PAGA Penalties.** From the Gross Settlement Amount, Twenty Thousand Dollars

and No Cents (\$20,000.00) shall be allocated to penalties under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq.* (“PAGA”), 75% of which (*i.e.*, Fifteen Thousand Seven Hundred and Fifty Dollars and No Cents (\$15,000.00)) shall be paid by the Settlement Administrator directly to the California Labor and Workforce Development Agency (“LWDA”). The remaining Five Thousand Dollars and No Cents (\$5,000.00) shall be the Net PAGA Settlement Amount and shall be distributed to the PAGA Employees as their PAGA Payment Shares.

F. Attorneys’ Fees and Costs. Class/PAGA Counsel may seek attorneys’ fees of up to Seventy Five Thousand Two-Hundred and Fifty Dollars and No Cents (\$75,250.00), which is thirty-five percent of the Gross Settlement Amount and costs of up to Twenty Thousand Dollars and No Cents (\$20,000.00), to be paid out of the Gross Settlement Amount, which Defendants shall not oppose.

II. DEFINITIONS

Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings set forth below:

2. **“Civil Action”** means the lawsuit filed against Defendants in the case styled *Guadalupe D. Larios, on behalf of herself and all others similarly situated v. IHealth Labs, Inc. and Silicon Valley Technical Staffing*, Case No. 23STCV14881, pending in the Superior Court of the State of California in the County of Los Angeles.

3. **“Class”, “Class Member”, or “Class Members”** means all current and former non-exempt employees of SVS who were placed on assignment to perform work at iHealth in California during the Class Period (*i.e.*, August 17, 2022 through August 17, 2023).

4. **“Class/PAGA Counsel”** means Marcus Bradley of Bradley/Grombacher, LLP, and Garen Majarian and Sahag Majarian, II of Majarian Law Group APC.

5. **“Class Period”** means August 17, 2022 through August 17, 2023.

6. **“Class Released Claims”** are defined in paragraphs 93-94 below.

7. **“Class Representative Enhancement Award”** means any payment to the named

1 Plaintiff for her service to the Class and the individual release as set forth in paragraph 86, which is
2 in addition to whatever payments she may otherwise be entitled to as a Class Member and/or PAGA
3 Employee.

4 8. **“Complaint”** means, collectively, the complaint filed on June 21, 2023 by Plaintiff
5 Guadalupe D Larios against Defendants entitled *Guadalupe D. Larios, on behalf of herself and all*
6 *others similarly situated v. IHealth Labs, Inc. and Silicon Valley Technical Staffing*, Case No.
7 23STCV14881, the First Amended Complaint filed by Plaintiff against Defendants on November 8,
8 2023, and the Second Amended Complaint filed by Plaintiff in the Civil Action on September 4,
9 2024, currently pending in the Superior Court of the State of California in the County of Los
10 Angeles.

11 9. **“Counsel for iHealth”** means Todd B. Scherwin and Shaun J. Voigt of Fisher &
12 Phillips LLP.

13 10. **“Counsel for SVS”** means Michele Haydel Gehrke and Brittany M. Hernandez of
14 Reed Smith LLP.

15 11. **“Court”** means the Superior Court of the State of California in the County of Los
16 Angeles.

17 12. **“Defendants”** means SVS and iHealth.

18 13. **“Defendants’ Counsel”** means Counsel for iHealth and Counsel for SVS.

19 14. **“Effective Date”** means the first date upon which all of the following events have
20 occurred:

- 21 (i) this Agreement has been executed by all Parties and by Class/PAGA Counsel
22 and Defendants’ Counsel;
- 23 (ii) the Court has preliminarily approved the Settlement;
- 24 (iii) notice has been properly given to Class Members and PAGA Employees,
25 providing them notice of the Settlement and providing Class Members an
26 opportunity to Opt Out of the Settlement;
- 27 (iv) the Court has held a Final Fairness and Approval Hearing and entered a Final
28 Order and Judgment approving the Settlement; and

(v) in the event no appeal is filed, then sixty (60) days have passed after the notice of entry of the Final Order and Judgment, or, if an appeal, review or writ is sought, the date on which the highest reviewing court renders its decision denying any appeal or petition (where the immediately lower court affirmed the final judgment) or affirming the final judgment or the date of final dismissal with prejudice of the last pending appeal from the Final Approval Order and Judgment. In this regard, it is the intention of the Parties that the Settlement shall not become effective until the Court's order approving the Settlement has become final, and there is no timely recourse by an appellant or objector who seeks to contest the Settlement.

15. **"Final Fairness and Approval Hearing"** means the hearing to be requested by Plaintiff and conducted by the Court after the filing by Plaintiff of an appropriate motion and following appropriate notice to Class Members and PAGA Employees giving Class Members an opportunity to Opt Out from the Class and Settlement or to object to the Settlement, at which time Plaintiff shall request that the Court finally approve the fairness, reasonableness and adequacy of the terms and conditions of the Settlement, enter the Final Order and Judgment, and take other appropriate action.

16. **"Final Order and Judgment"** means the order and judgment to be entered by the Court upon granting final approval of this Settlement and this Agreement as binding upon the Parties, the Participating Class Members, and the PAGA Employees.

17. **"Gross Settlement Amount"** means the maximum amount of Two Hundred and Fifteen Thousand Dollars and No Cents (\$215,000.00) that Defendants shall be required to pay under this Agreement, exclusive of Withholdings and Taxes.

18. **"iHealth"** means Defendant iHealth Labs, Inc.

19. **"Individual Settlement Payments"** means the individual proceeds paid to each Participating Class Member, as described below in paragraph 76.

20. **"LWDA"** means the California Labor and Workforce Development Agency.

21. **"Net Class Settlement Amount"** means the amount of money remaining after

1 Class/PAGA Counsel's attorneys' fees, costs and expenses, any Class Representative Enhancement
2 Awards to Plaintiff, Settlement Administration Costs and expenses, and the PAGA Fund are
3 deducted from the Gross Settlement Amount.

4 22. **"Net PAGA Settlement Amount"** means the Five Thousand Dollars and No Cents
5 (\$5,000.00) that will be disbursed to the PAGA Employees from the PAGA Fund.

6 23. **"Notice of Class and PAGA Settlement"** means the form attached hereto as **Exhibit**
7 **1** or whichever form is approved by the Court that shall be mailed to the Class Members and PAGA
8 Employees to inform them of the terms of this Agreement and their rights and options related
9 thereto. Upon approval by the Court, the Notice of Class and PAGA Settlement shall be translated
10 into Spanish, and both the English and Spanish versions shall be mailed to the Class Members and
11 PAGA Employees.

12 24. **"Objection"** means a Class Member's written objection to the Settlement. Any
13 Objection shall be in the form described in paragraphs 71-74 below.

14 25. **"Opt Out"** means a written request that a Class Member may submit to be excluded
15 from the Class and the Settlement. Any Opt Out shall be in the form described in paragraphs 66-68
16 below.

17 26. **"PAGA Employees"** or **"PAGA Employee"** means all current and former non-
18 exempt employees of SVS who were placed on assignment to perform work at iHealth in California
19 during the PAGA Period (*i.e.*, August 17, 2022 through August 17, 2023).

20 27. **"PAGA Fund"** means the amount that the Parties have agreed to pay to the LWDA
21 and the PAGA Employees in connection with PAGA. The Parties agree that Twenty Thousand
22 Dollars (\$20,000.00) of the Gross Settlement Amount shall be allocated to the resolution of all
23 claims under PAGA. Pursuant to Labor Code Section 2699(i), the PAGA Fund will be distributed as
24 follows: 25%, or Five Thousand Dollars (\$5,000.00), to the PAGA Employees, and 75%, or Fifteen
25 Thousand Dollars (\$15,000.00), to the LWDA.

26 28. **"PAGA Letters"** means, collectively, the notice of alleged Labor Code violations
27 that Plaintiff caused to be sent to the LWDA pursuant to Labor Code Section 2699.3(l) on or about
28 June 21, 2023, and the amended notice of alleged Labor Code violations that Plaintiff caused to be

1 sent to the LWDA pursuant to Labor Code Section 2699.3(1) on or about June 18, 2024.

2 29. **"PAGA Payment Rate"** means the gross amount that a PAGA Employee shall
3 receive for each Qualifying PAGA Pay Period. The PAGA Payment Rate shall be determined as
4 described in paragraph 77 below.

5 30. **"PAGA Payment Share"** means the gross amount that shall be paid to each PAGA
6 Employee, as described below in paragraph 77.

7 31. **"PAGA Period"** means August 17, 2022 through August 17, 2023.

8 32. **"PAGA Released Claims"** are defined in paragraphs 95-96 below.

9 33. **"Participating Class Members"** means all Class Members who do not submit a
10 timely and valid Opt Out under the process described in paragraph 66.

11 34. **"Parties"** means Plaintiff and Defendants.

12 35. **"Plaintiff"** means Guadalupe D Larios.

13 36. **"Proof of Work"** means document(s) that a Class Member or PAGA Employee may
14 submit to the Settlement Administrator in order to show that he or she is entitled to payment based
15 upon a different number of Qualifying Pay Periods or Qualifying PAGA Pay Periods than the
16 number calculated by the Settlement Administrator based upon Defendants' data. Adequacy of the
17 Proof of Work submitted will be evaluated by Defendants' Counsel and the Settlement
18 Administrator. In the event of a disagreement, the Settlement Administrator will make the final
19 decision.

20 37. **"Qualifying PAGA Pay Periods"** means the total number of weekly pay periods that
21 were actually worked by each PAGA Employee for Defendants in California during the PAGA
22 Period.

23 38. **"Qualifying Pay Periods"** means the total number of weekly pay periods that were
24 actually worked by each Class Member for Defendants in California during the Class Period.

25 39. **"Released Parties"** means iHealth Labs, Inc., iHealth Manufacturing, Inc., Silicon
26 Valley Technical Staffing, Silicon Valley Staffing Group, Inc., SVS Group, and each of their
27 respective present and former parents, affiliates, divisions and subsidiaries, acquired companies, and
28 each of their respective present and former directors, officers, shareholders, agents, representatives,

employees, partners, attorneys, insurers, predecessors, successors, assigns, affiliated companies and entities, and any individual or entity that could be jointly liable with any of the foregoing.

40. **“Response Deadline”** means the forty-five (45) day period following the date the Settlement Administrator mails the Notice of Class and PAGA Settlement to Class Members and PAGA Employees within which: (a) any Class Member may submit a written Opt Out to be excluded from the Class and the release of Class Released Claims; (b) any Class Member may submit an Objection; and/or (c) any Class Member and/or PAGA Employee may submit an optional Proof of Work using the processes described herein.

41. **“Settlement”** means the final and complete disposition of the Civil Action and all related claims effectuated by this Agreement.

42. **“Settlement Administrator”** means Phoenix.

43. **“Settlement Administration Costs”** means the reasonable costs and fees of administration of this Settlement to be paid to the Settlement Administrator from the Gross Settlement Amount, including, but not limited to: (i) translating into Spanish, printing and mailing and re-mailing (if necessary) of Notices of Class Action and PAGA Settlement to Class Members; (ii) preparing and submitting to Settlement Class Members, PAGA Employees, and government entities all appropriate tax filings and forms; (iii) computing the amount of and distributing Individual Settlement Payments, PAGA Payment Shares, Class Representative Service Award, and Class Counsel Attorneys’ Fees, Costs and Expenses; (iv) processing and validating Opt Outs; (v) establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; and (vi) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement.

44. **“Settlement Payment Rate”** means the gross amount that a Participating Class Member shall receive for each Qualifying Pay Period. The Settlement Payment Rate for each Participating Class Member shall be determined as described in paragraph 76 below.

45. **“SVS”** means Defendant Silicon Valley Technical Staffing.

46. **“Withholdings and Taxes”** means all withholdings from the Individual Settlement

1 Payments required by law plus all federal, state, and local employment payroll taxes due in regards
2 to the Individual Settlement Payments, whether owed by a Participating Class Member or by
3 Defendants. Defendants shall provide the Settlement Administrator with an amount sufficient to
4 cover its share of Withholdings and Taxes arising from the Individual Settlement Payments, as
5 computed by the Settlement Administrator

6 **III. BACKGROUND**

7 47. On June 21, 2023, counsel for Plaintiff sent a notice of alleged Labor Code violations
8 purportedly caused by Defendants to the LWDA pursuant to Labor Code Section 2699.3(l).

9 48. On June 21, 2023, Plaintiff filed a Complaint in the Superior Court of the State of
10 California for the County of Los Angeles against Defendants, entitled *Guadalupe D. Larios, on*
11 *behalf of herself and all others similarly situated v. IHealth Labs, Inc. and Silicon Valley Technical*
12 *Staffing*, Case No. 23STCV14881. In the Complaint, Plaintiff alleged six (6) causes of action for:
13 (1) failure to pay overtime wages; (2) failure to pay all wages and minimum wages; (3) failure to
14 timely furnish accurate itemized wage statements and failure to maintain accurate records; (4)
15 waiting time penalties; (5) failure to reimburse necessary business expenses; and (6) unfair
16 competition.

17 49. On November 8, 2023, Plaintiff filed a First Amended Complaint, which added a
18 separate cause of action for penalties under California's Private Attorneys General Act (PAGA).

19 50. On May 28, 2024, Plaintiff and Defendants engaged in mediation before Mr. Brandon
20 McKelvey, Esq., an experienced mediator in this area of law. The mediation was successful
21 following a mediator's proposal and a global settlement in principle was reached.

22 51. On June 18, 2024, Plaintiff sent an amended notice of alleged Labor Code violations
23 purportedly caused by Defendants to the LWDA pursuant to Labor Code Section 2699.3(l),
24 amending the PAGA Letter previously filed.

25 52. On August 28, 2024, Plaintiff and Defendants filed a Joint Stipulation for Leave to
26 File a Second Amended Class and PAGA Action Complaint, which purports to add claims discussed
27 at mediation for failure to provide meal periods or to pay premiums in lieu thereof and failure to
28 provide rest periods or to pay rest period premiums in lieu thereof. On August 28, 2024, this Court

1 granted the Parties' Joint Stipulation for Plaintiff to be granted Leave to Amend to file her Second
2 Amended Complaint. On September 4, 2024, Plaintiff filed the Second Amended Complaint. In the
3 operative Second Amended Complaint, Plaintiff alleges causes of action for: (1) failure to pay
4 overtime wages; (2) failure to pay all wages and minimum wages; (3) failure to timely furnish
5 accurate itemized wage statements and failure to maintain accurate records; (4) waiting time
6 penalties; (5) failure to reimburse necessary business expenses; (6) violation of Business &
7 Professions Code Section 17200, *et seq.*; (7) PAGA penalties; (8) failure to provide meal periods;
8 and (9) failure to provide rest periods.

9 53. Defendants deny each of the allegations of the Complaints, and the PAGA Letters,
10 deny that Defendants have any liability for the claims of Plaintiff, the putative class they purport to
11 represent or any allegedly aggrieved employee, and deny that Plaintiff, the putative class she
12 purports to represent or any allegedly aggrieved employee is entitled to any relief.

13 54. Class/PAGA Counsel and Defendants' Counsel have extensive experience in
14 litigating wage and hour class actions in California.

15 55. This Agreement is made in compromise of and embraces all claims against any of the
16 Released Parties as enumerated in paragraphs 93-96 below, including, but not limited to, all claims
17 that were alleged or could have been alleged in the Complaints and the PAGA Letters.

18 56. Because the settled matter is a putative class and PAGA representative action, this
19 Agreement must receive preliminary and final approval by the Court. Accordingly, Plaintiff and
20 Defendants enter into this Agreement on a conditional basis. Should the Court, or any other court
21 taking jurisdiction of this matter, decline to approve all material aspects of the Agreement or make
22 any ruling substantially altering the material terms of the Settlement, the Agreement shall be
23 voidable and unenforceable as to Plaintiff and Defendants, at the option of any party. Subject to the
24 requirements of the immediately preceding sentence, any party may exercise her or its option to void
25 this Agreement by giving notice, in writing, to the other party and to the Court at any time before
26 final approval by the Court of this Agreement. In the event that the Effective Date, as defined
27 herein, does not occur, this Agreement shall be deemed null and void *ab initio* and shall be of no
28 force or effect whatsoever, and shall not be referred to or utilized for any purpose. Defendants deny

1 all of Plaintiff's and all class and representative claims as to liability and damages. Defendants
2 expressly reserve all rights to challenge any and all such claims and allegations upon all procedural
3 and factual grounds, including the assertion of all defenses, if the Effective Date of the Agreement
4 does not occur. Likewise, Plaintiff expressly reserves all rights to pursue, amend, dismiss or
5 otherwise dispose of the claims covered under this Settlement, including but not limited to seeking
6 damages, restitution, fees, expenses, interest and/or any other monetary amount for the claims
7 included in the Civil Action or for any other claims Plaintiff may have against Defendants, in the
8 event the Effective Date of the Agreement does not occur.

9 57. Plaintiff and Class/PAGA Counsel have concluded, after taking into account the
10 sharply disputed factual and legal issues involved in the Civil Action, the risks attending further
11 prosecution, and the substantial benefits to be received pursuant to settlement as set forth in this
12 Agreement, that settlement on the terms set forth herein is in the best interest of Plaintiff and the
13 Class Members and PAGA Employees, and is fair and reasonable.

14 58. Similarly, Defendants have concluded, after taking into account the sharply disputed
15 factual and legal issues involved in the Civil Action, the risks and expense attending further
16 litigation, and its desire to put the controversy to rest, that settlement on the terms set forth herein is
17 in their best interest and is fair and reasonable.

18 59. This Settlement contemplates: (i) entry of an order preliminarily approving the
19 Settlement; (ii) distribution of the Notice of Class and PAGA Settlement to Class Members and
20 PAGA Employees; and (iii) entry of a Final Order and Judgment of the Settlement. The Court shall
21 retain jurisdiction over the Civil Action and Parties for purposes of enforcing the Settlement and
22 resolving any disputes relating to the Settlement.

23 **IV. SETTLEMENT APPROVAL AND IMPLEMENTATION PROCEDURE**

24 **A. Preliminary Approval of Settlement**

25 60. As soon as practicable, Class/PAGA Counsel shall submit this Agreement to the
26 Court for its preliminary approval. Plaintiff shall also move the Court to enter a preliminary
27 approval order and to conditionally certify the Class for purposes of this Settlement only. The
28 submission shall also include admissible evidence as may be required for the Court to determine that

1 this Settlement is fair, adequate, and reasonable. The submission shall also include the Notice of
2 Class and PAGA Settlement in the form attached hereto as **Exhibit 1** and a proposed order granting
3 preliminary approval of Settlement in the form attached hereto as **Exhibit 2**, which shall, among
4 other things, set a Final Fairness and Approval Hearing date. Class/PAGA Counsel shall provide
5 their motion for preliminary approval and all supporting papers to Defendants' Counsel for review at
6 least ten (10) days prior to filing. Plaintiff and Defendants agree that the conditional certification of
7 the Class for settlement purposes only is in no way an admission by any of the Released Parties that
8 class certification would otherwise be proper. Class/PAGA Counsel shall submit a copy of this
9 Agreement to the LWDA at the same time that it is submitted to the Court, in accordance with
10 California Labor Code section 2699(1)(2).

11 61. The Parties agree to cooperate with each other to accomplish the terms of this
12 Settlement, including, but not limited to, the timely execution of such documents and such other acts
13 as may be reasonably necessary to implement the terms of this Settlement. Neither the Parties nor
14 any of their attorneys or agents shall solicit or encourage any Class Members to exclude themselves
15 from the Settlement or to object to the Settlement. The Parties to the Settlement shall use their best
16 efforts, including all efforts contemplated by this Agreement and any other efforts that may become
17 necessary by Court order, or otherwise, to effectuate this Settlement and the terms set forth herein.

18 **B. Notice of Class and PAGA Settlement by Mail**

19 62. The Settlement Administrator shall, within forty-five (45) days of the date of
20 preliminary approval of this Settlement, mail by First-Class United States mail the Notice of Class
21 and PAGA Settlement to each Class Member and PAGA Employee, all in English and Spanish,
22 using the most recent address available to the Settlement Administrator for mail delivery. The
23 Settlement Administrator shall perform a reasonable search for a new address for any returned mail
24 without a forwarding address.

25 63. Any Notice of Class and PAGA Settlement returned to the Settlement Administrator
26 as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address
27 affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly
28 attempt to determine a correct address by the use of skip-tracing, or other type of automated search,

1 using the name, address and/or Social Security Number of the Class Member and/or PAGA
2 Employee involved, and shall then perform a re-mailing to the Class Member and/or PAGA
3 Employee whose Notice of Class and PAGA Settlement was returned as non-delivered, assuming
4 another mailing address is identified by the Settlement Administrator. If these procedures are
5 followed, notice to Class Members and PAGA Employees shall be deemed to have been fully
6 satisfied, and if the intended recipient of the Notice of Class and PAGA Settlement does not receive
7 the Notice of Class and PAGA Settlement, the intended recipient shall nevertheless remain a
8 Participating Class Member and/or PAGA Employee, as applicable, and shall be bound by all terms
9 of the Settlement and the Final Order and Judgment. For any Notice of Class and PAGA Settlement
10 that is mailed or re-mailed after the original mailing date, the Settlement Administrator shall include
11 a brief letter stating that the recipient of the Notice of Class and PAGA Settlement has until the
12 original deadline set forth in the Notice of Class and PAGA Settlement, or ten (10) calendar days
13 after the date of the re-mailing of the Notice of Class and PAGA Settlement (whichever is later) to
14 object, submit an Opt Out, or contest the number of Qualifying Pay Periods or Qualifying PAGA
15 Pay Periods. In no event shall this be later than ten (10) days prior to the Final Fairness and
16 Approval Hearing.

17 64. The Notice of Class and PAGA Settlement to be provided to each Class Member and
18 PAGA Employee shall set forth the number of Qualifying Pay Periods and Qualifying PAGA Pay
19 Periods applicable to the Class Member and/or PAGA Employee, the estimated Settlement Payment
20 Rate, and PAGA Payment Rate, as applicable, to the Class Member and/or PAGA Employee, and
21 the estimated gross settlement payment that the Class Member and/or PAGA Employee shall receive
22 under this Settlement if the Court grants final approval of the Settlement.

23 65. If the Class Member or PAGA Employee wishes to contest the number of Qualifying
24 Pay Periods or Qualifying PAGA Pay Periods assigned to him or her by the Settlement
25 Administrator, that individual must submit Proof of Work signed by the Class Member or PAGA
26 Employee to inform the Settlement Administrator of the basis for contesting any of the assigned pay
27 periods. In the case of a Class Member and/or PAGA Employee's death or incapacity, this may be
28 submitted by the Class Member or PAGA Employee's authorized representative. To be accepted,

1 the Proof of Work must: (1) state the Class Member or PAGA Employee's full name, address, and
2 the last four digits of his or her Social Security Number (for identification purposes only); (2) state,
3 in writing, the reasons why he or she believes an additional amount is owed and include any
4 documentation supporting that claim; (3) be signed by the Class Member or PAGA Employee or
5 his/her legal representative; and (4) be mailed to the Settlement Administrator and postmarked no
6 later than the Response Deadline. As this is not a claims-made Settlement, Class Members shall still
7 be bound by this Agreement unless they submit a completed, signed and timely Opt Out. However,
8 as described further below, PAGA Employees shall be bound by this Agreement and do not have a
9 right to opt out, regardless of whether they submit a valid Opt Out.

10 **C. Opt Outs**

11 66. Any Class Member seeking to be excluded from the Class and this Settlement shall
12 submit a written Opt Out to the Settlement Administrator. The written Opt Out must: (1) contain the
13 name, address, and the last four digits of the Social Security Number of the person requesting
14 exclusion; (2) state the Class Member's request to exclude himself or herself from the Settlement
15 and to opt out of the Settlement; (3) be signed by the Class Member or his or her lawful
16 representative; and (4) be postmarked by the Response Deadline and returned to the Settlement
17 Administrator at the specified address. Any Class Member, who submits a completed, signed and
18 timely written Opt Out by the Response Deadline shall no longer be a member of the class, shall be
19 barred from participating in this Settlement, shall be barred from objecting to this Settlement, and
20 shall receive no benefit from this Settlement. Any untimely or incomplete Opt Out shall be
21 considered null and void. If a Class Member submits both a completed, signed and timely Proof of
22 Work and a completed, signed and timely Opt Out, the Opt Out shall be deemed invalid, and the
23 Class Member shall be a Participating Class Member and participate in this Settlement. The
24 Settlement Administrator shall notify Class/PAGA Counsel and Defendants' Counsel of the number
25 of timely Opt Outs within seven (7) days after the Response Deadline.

26 67. If more than five percent (5%) of the Class Members opt out of the Settlement by
27 submitting completed, signed and timely written Opt Outs, Defendants shall have the right in its sole
28 discretion to rescind and void this Settlement by giving written notice to Class/PAGA Counsel

1 within ten (10) business days after the Settlement Administrator informs the Parties that the Opt Out
2 rate exceeded five percent (5%).

3 68. Because this settlement resolves claims and actions brought pursuant to PAGA by
4 Plaintiff acting as a proxy and as Private Attorneys General of, and for, the State of California and
5 the LWDA, the Parties agree that no PAGA Employee has the right to exclude himself or herself or
6 Opt Out from the release of the PAGA Released Claims. PAGA Employees will be bound by the
7 release of the PAGA Released Claims upon its approval of the Agreement by the Court at the Final
8 Fairness and Approval Hearing, regardless of whether he or she requested exclusion by submitting
9 an Opt Out as a Class Member, and regardless of whether he or she cashes a payment from the
10 PAGA Fund. The Parties also agree that no PAGA Employee has the right to object to the terms of
11 the Settlement in his or her capacity as a PAGA Employee.

12 **D. Declaration of Compliance**

13 69. As soon as practicable, but no later than ten (10) days following the close of the
14 Response Deadline, the Settlement Administrator shall provide Class/PAGA Counsel and
15 Defendants' Counsel with a declaration attesting to completion of the notice process set forth in this
16 Agreement, the number and names of Opt Outs and Objections, and a summary of any disputes
17 raised by any Class Members or PAGA Employees. This declaration shall be filed with the Court by
18 Class/PAGA Counsel along with a motion requesting final approval of the Settlement.

19 **E. Sufficient Notice**

20 70. The Parties agree that compliance with the procedures described in this Agreement
21 constitutes due and sufficient notice to Class Members and PAGA Employees of this Settlement and
22 the Final Fairness and Approval Hearing, and satisfies the requirements of due process, and that
23 nothing else shall be required of Plaintiff, Class/PAGA Counsel, Defendants, Defendants' Counsel,
24 or the Settlement Administrator to provide notice to Class Members and PAGA Employees of the
25 Settlement and the Final Fairness and Approval Hearing.

26 **F. Objections to Settlement**

27 71. Any Class Member may object to the Settlement. To object, the Class Member may
28 appear at the Final Fairness and Approval Hearing in person or telephonically, have an attorney

1 object for the Class Member, or submit a written brief or statement of Objection informing the
2 Court, Class/PAGA Counsel, and Defendants' Counsel in writing of his or her intent to object by
3 following the procedure for written Objections set forth in the Notice of Class and PAGA Settlement
4 no later than the Response Deadline. Any Objection must: (1) state the Class Member's full name,
5 address, and the last four digits of his or her Social Security Number (for identification purposes
6 only); (2) state the grounds for the Objection; (3) be signed by the Class Member or his or her or its
7 lawful representative; and (4) be postmarked on or before the Response Deadline and returned to the
8 Settlement Administrator. The Court may, in its sole discretion, permit any Class Member to lodge
9 Objections to the Settlement at the Final Fairness and Approval Hearing, regardless of whether the
10 Class Member has submitted a written Objection.

11 72. Any Class Member who does not object prior to or at the Final Fairness and Approval
12 Hearing by the means set forth in paragraph 71 shall be foreclosed from objecting to this Settlement
13 (including but not limited to by appeal), unless otherwise ordered by the Court.

14 73. Class/PAGA Counsel and Defendants' Counsel shall file any responses to any written
15 Objections submitted to the Court in accordance with this Agreement at least seven (7) days before
16 the Final Fairness and Approval Hearing or five (5) Court days after filing, whichever is later.

17 74. Moreover, because this Settlement resolves claims and actions brought pursuant to
18 PAGA by Plaintiff acting as a proxy and as Private Attorneys General of, and for, the State of
19 California and the LWDA, the Parties agree that no PAGA Employee has the right to object to the
20 terms of the Settlement in his or her capacity as a PAGA Employee.

21 **G. Final Fairness and Approval Hearing**

22 75. On the date set forth by the Court for the Final Fairness and Approval Hearing in the
23 order granting preliminary approval of the Settlement, a Final Fairness and Approval Hearing shall
24 be held before the Court in order to consider and determine: (i) whether the Court should give this
25 Settlement final approval; (ii) whether the Court should approve Class/PAGA Counsel's application
26 for attorneys' fees, costs and expenses and any Class Representative Enhancement Award to
27 Plaintiff; and (iii) to hear any timely Objections to the Settlement. At the Final Fairness and
28 Approval Hearing, Plaintiff, Class/PAGA Counsel, Defendants, and Defendants' Counsel shall ask

1 the Court to give final approval to this Settlement. Class/PAGA Counsel shall provide the motion
2 for final approval and all supporting papers to Defendants' Counsel at least ten (10) days prior to
3 filing. If the Court grants final approval of the Settlement, the Settlement Administrator shall post
4 notice of final judgment on its website within seven (7) business days of entry of the Final Order and
5 Judgment. Class/PAGA Counsel shall submit a copy of the Final Order and Judgment to the LWDA
6 within ten (10) days after entry of the Final Order and Judgment in accordance with California Labor
7 Code section 2699(1)(3).

8 **H. Individual Settlement Payment Procedures**

9 Payments under this Agreement shall be made by the Settlement Administrator as follows:

10 76. Class Payment. Participating Class Members shall be paid exclusively from the Net
11 Class Settlement Amount. Plaintiff and Defendants agree that the formula for allocating Individual
12 Settlement Payments to Participating Class Members provided herein is reasonable and that the
13 Individual Settlement Payments are designed to provide a fair settlement, despite the uncertainties of
14 the amounts alleged to be owed to Participating Class Members and the calculation of them.
15 Distribution amongst Participating Class Members based on their Qualifying Pay Periods is fair and
16 reasonable here. Plaintiff and Defendants have agreed that the distribution to each Participating
17 Class Member shall be determined as set forth below. The Individual Settlement Payment to each
18 Participating Class Member shall be determined based on the number of Qualifying Pay Periods
19 applicable to that Participating Class Member. The Net Class Settlement Amount shall be divided
20 by the total number of Qualifying Pay Periods for all Participating Class Members. The result of this
21 division shall yield a Settlement Payment Rate. The gross amount of each Participating Class
22 Member's Individual Settlement Payment shall be calculated by multiplying the number of
23 Qualifying Pay Periods applicable to that Participating Class Member by the Settlement Payment
24 Rate.

25 77. PAGA Payment. PAGA Employees shall be paid exclusively from the Net PAGA
26 Settlement Amount. Plaintiff and Defendants agree that the formula for allocating PAGA Payment
27 Shares to PAGA Employees provided herein is reasonable and that the PAGA Payment Shares are
28 designed to provide a fair settlement, despite the uncertainties of the amounts alleged to be owed to

1 PAGA Employees and the calculation of them. Distribution amongst PAGA Employees based on
2 Qualifying PAGA Pay Periods applicable to that PAGA Employee is fair and reasonable here.
3 Plaintiff and Defendants have agreed that the distribution to each PAGA Employee shall be
4 determined as set forth below. The PAGA Payment Share to each PAGA Employee shall be
5 determined based on the number of Qualifying PAGA Pay Periods applicable to each PAGA
6 Employee. The Net PAGA Settlement Amount shall be divided by the total number of Qualifying
7 PAGA Pay Periods for all PAGA Employees. The result of this division shall yield a PAGA
8 Payment Rate. The gross amount of each PAGA Employee's PAGA Payment Share shall be
9 calculated by multiplying the number of Qualifying PAGA Pay Periods applicable to that PAGA
10 Employee by the PAGA Payment Rate. Since this payment is exclusively for statutory and civil
11 penalties, there will be no government required employee tax withholdings and employer payroll
12 taxes deducted from each PAGA Payment Share.

13 78. Within thirty (30) days after the Effective Date, Defendants shall transmit the Gross
14 Settlement Amount to the Settlement Administrator and concurrently shall deliver their share of
15 Withholdings and Taxes separately, as calculated by the Settlement Administrator based on the wage
16 portion of the Net Class Settlement Amount ("Funding Date"). Within fourteen (14) days after the
17 Funding Date, the Settlement Administrator shall transmit to Class/PAGA Counsel the attorneys'
18 fees, costs and expenses approved by the Court, shall transmit to Plaintiff her respective Class
19 Representative Enhancement Award approved by the Court, shall transmit to the LWDA the
20 payment pursuant to PAGA, shall mail an Individual Settlement Payment to each Participating Class
21 Member and shall mail a PAGA Payment Share to each PAGA Employee. Under no circumstances
22 shall the Settlement Administrator distribute checks to Participating Class Members or PAGA
23 Employees until all timely disputes and Proof of Work have been considered, calculated, and
24 accounted for, and the Class/PAGA Counsel's fees and expenses, costs of the Settlement
25 Administrator, and Class Representative Enhancement Awards, if any, have been calculated and
26 accounted for.

27 79. The Individual Settlement Payments are payments for all Class Released Claims for
28 the Participating Class Members. The Settlement Administrator shall be authorized to establish a

1 Qualified Settlement Fund (“QSF”) pursuant to Internal Revenue Service (“IRS”) rules and
2 regulations in which the Gross Settlement Amount shall be placed and from which payments
3 required by the Settlement shall be made.

4 80. It is expressly understood and agreed that the receipt of an Individual Settlement
5 Payment or PAGA Payment Share shall not entitle any Class Member or PAGA Employee to
6 compensation or benefits under any company bonus, contest, or other compensation or benefit plan
7 or agreement in place during the applicable Class Period or PAGA Period, nor shall it entitle any
8 Class Member or PAGA Employee to any increased retirement, 401(k) or matching benefits, or
9 deferred compensation benefits. The Parties agree that any Individual Settlement Payments or
10 PAGA Payment Shares made to Participating Class Members and PAGA Employees under the terms
11 of this Agreement shall not represent any modification of previously credited length of service or
12 other eligibility criteria under any bonus plan, employee pension benefit plan, or employee welfare
13 plan sponsored by any of the Released Parties, or to which any of the Released Parties are required
14 to make contributions. Further, any Individual Settlement Payments or PAGA Payment Shares
15 made under this Agreement shall not be considered compensation in any year for purposes of
16 determining eligibility for, or benefit accrual within, any employee pension benefit plan or employee
17 welfare benefit plan sponsored by any of the Released Parties or to which any of the Released
18 Parties are required to make contributions. It is the Parties’ intent that the Individual Settlement
19 Payments and PAGA Payment Shares provided for in the Settlement are the sole payments to be
20 made by Defendants to the Class Members and PAGA Employees, and that the Class Members and
21 PAGA Employees are not entitled to any new or additional compensation or benefits as a result of
22 having received the Individual Settlement Payments or PAGA Payment Shares, notwithstanding any
23 contrary terms in any agreement, contract, benefit or compensation plan document that might have
24 been in effect during the applicable Class Period or PAGA Period.

25 81. Any Individual Settlement Payment or PAGA Payment Share that remains uncashed
26 after one hundred and eighty (180) days of disbursement shall be void. The Parties agree that this
27 disposition results in no “unpaid cash residue,” or “unclaimed or abandoned funds” under California
28 Code of Civil Procedure section 384, as amended effective June 27, 2018, as the entire Net Class

Settlement Amount and PAGA Fund will be paid out to the Participating Class Members and PAGA Employees, whether or not they cash their payment checks. The entire amount of each Participating Class Members' or PAGA Employees' uncashed settlement check(s) shall be turned over to the California State Controller's Office in the name of the individual Participating Class Member/PAGA Employee. The Parties acknowledge that California Civil Procedure Code section 384 and the Doctrine of Cy Pres are not applicable to this Settlement because the terms of the Settlement expressly provide for the disposition of the entire Net Class Settlement Amount and PAGA Fund, whether claimed or unclaimed. None of the settlement funds will revert back to Defendants. Defendants shall not be liable for any additional amount due to this subsequent distribution. In any event, the Class Member and PAGA Employee nonetheless shall be bound by the release of Class Released Claims and PAGA Released Claims and the terms of this Agreement.

I. The Settlement Administrator

82. The Settlement Administrator shall administer the Settlement, including, but not limited to: (i) translating the Notice of Class and PAGA Settlement into Spanish; (ii) printing, mailing, and re-mailing (if necessary), in both English and Spanish, the Notice of Class and PAGA Settlement, and receiving Opt Outs and Objections from Class Members; (iii) preparing and submitting to Participating Class Members and PAGA Employees and government entities all appropriate tax filings and forms; (iv) computing the amount of and distributing Individual Settlement Payments, PAGA Payment Shares, Class Representative Enhancement Award, and Class/PAGA Counsel attorneys' fees and costs; (v) processing and validating Proof of Work forms, Opt Outs and Objections; and (vi) establishing a QSF, as defined by the Internal Revenue Code.

83. Settlement Administration Costs in a reasonable amount shall be paid to the Settlement Administrator from the Gross Settlement Amount. Settlement Administration Costs are estimated to be approximately Seven Thousand Nine Hundred and Fifty Dollars and No Cents (\$7,950.00). If the actual cost of settlement administration is less or more than the amount approved by the Court, those funds shall be added to or subtracted from the Net Class Settlement Amount for allocation to Class Members. All costs associated with settlement administration shall come out of the Gross Settlement Amount.

84. Defendants shall provide the names, last known addresses, and social security numbers, all to the extent available, for Class Members and PAGA Employees and Qualifying Pay Periods for Class Members and Qualifying PAGA Pay Periods for PAGA Employees (“Class Data”) to the Settlement Administrator no later than twenty (20) calendar days after the Court grants preliminary approval of the Settlement. Class Data shall only be used by the Settlement Administrator for the purpose of calculating Individual Settlement Payments and PAGA Payment Shares and notifying Class Members and PAGA Employees of the Settlement. Class Data shall not be disclosed to Class/PAGA Counsel, Plaintiff, or any other Class Members or PAGA Employees without the written consent of Defendants or by order of the Court. The Settlement Administrator shall be responsible for following all privacy laws and taking appropriate steps to ensure that Class Members’ and PAGA Employees’ personal information is safeguarded and protected from improper disclosure or use. The Settlement Administrator shall run the Class Data list through the National Change of Address database, and shall use the most recent address for each Class Member and PAGA Employee – either from Defendants’ records or the National Change of Address database – before mailing the Notice of Class and PAGA Settlement. The Settlement Administrator shall also take reasonable steps to locate any Class Member or PAGA Employee whose Notice of Class and PAGA Settlement is thereafter returned as undeliverable. Class Data shall be provided in a secure format to be determined by the Settlement Administrator and Defendants.

J. Resolution of Disputes Over Qualifying Pay Periods, Qualifying PAGA Pay Periods, Individual Settlement Payment, and PAGA Payment Share Calculations

85. In calculating Individual Settlement Payments and PAGA Payment Shares for each Class Member and/or PAGA Employee, Defendants’ records regarding Qualifying Pay Periods and Qualifying PAGA Pay Periods of Class Members and PAGA Employees shall be presumed to be correct. Any Class Member or PAGA Employee who disagrees with Defendants’ determination of his or her Qualifying Pay Periods or Qualifying PAGA Pay Periods as indicated may dispute that calculation to the Settlement Administrator as explained on the Notice of Class and PAGA Settlement. Defendants’ determination shall be presumed accurate unless clear and compelling documentary evidence is provided by the Class Member or PAGA Employee to the Settlement

1 Administrator that establishes that a mistake was made by Defendants. The Settlement
2 Administrator shall investigate the dispute, requesting information from Defendants as necessary and
3 make the final determination of whether any additional amount is owed. All such challenges must
4 be received within the Response Deadline. In no case shall a dispute result in a payment by
5 Defendants in excess of the Gross Settlement Amount.

6 **K. Class Representative Enhancement Award**

7 86. Subject to Court approval, Class/PAGA Counsel, on behalf of the Plaintiff, shall
8 apply to the Court for a Class Representative Enhancement Award not to exceed Ten Thousand
9 Dollars and No Cents (\$10,000.00), which Defendants shall not oppose. The Class Representative
10 Enhancement Award is to compensate Plaintiff for the risk, time, and expense of her involvement in
11 the Civil Action and securing the benefits of this Agreement for Class Members. The Class
12 Representative Enhancement Award is in addition to the Individual Settlement Payment and/or
13 PAGA Payment Share that Plaintiff would otherwise be due under the Settlement as a Class Member
14 and/or PAGA Employee.

15 **L. Payment of Class/PAGA Counsel Attorneys' Fees, Costs and Expenses**

16 87. Class/PAGA Counsel shall apply to the Court at the Final Fairness and Approval
17 Hearing for an award of attorneys' fees not to exceed the amount of Seventy Five Thousand Two-
18 Hundred Fifty Dollars and No Cents (\$75, 250.00), which is Thirty Five Percent (35%) of the Gross
19 Settlement Amount and an award of costs not to exceed the amount of Twenty Thousand Dollars and
20 No Cents (\$20,000.00), both of which shall be paid out of the Gross Settlement Amount.
21 Class/PAGA Counsel and Defendants agree that such awards of attorneys' fees and costs are
22 reasonable under the circumstances. Nothing in this Agreement shall restrict Plaintiff's or
23 Class/PAGA Counsel's ability to appeal any decision by the Court to award less than the requested
24 attorneys' fees and costs or Class Representative Enhancement Awards. Any order relating to the
25 award of attorney's fees, costs, or the Class Representative Enhancement Award, or any appeal from
26 any order relating thereto or reversal or modification thereof, will not operate to terminate or cancel
27 this Agreement. If the amount of the Class Representative Enhancement Award, attorneys' fees,
28 and/or costs awarded by the Court is less than the requested amounts, the difference shall serve to

1 increase the Net Class Settlement Amount to be distributed to Participating Class Members as part of
2 their Individual Settlement Payments. Nothing in this Agreement will require Defendants to pay
3 more than the Gross Settlement Amount under any circumstances.

4 **M. Taxes and Withholding and Indemnification**

5 88. The Settlement Administrator shall be responsible for ensuring that all tax obligations
6 associated with the Settlement are timely paid to the appropriate governmental taxing authorities.
7 The Individual Settlement Payments are payments for all Class Released Claims of Plaintiff and all
8 other Participating Class Members, for settlement of both alleged unpaid wages, and statutory
9 penalties and interest. The PAGA Payment Shares are payments for the PAGA Released Claims for
10 the PAGA Employees.

11 89. All Individual Settlement Payments shall be allocated as follows: (i) twenty-five
12 percent (25%) of the portion of each Individual Settlement Payment will be allocated to alleged
13 unpaid wages and shall be paid net of all applicable payroll taxes, including the employee's share of
14 any federal, state and/or local payroll tax withholdings, and this portion of the payment will be
15 reported on an IRS Form W-2; and (ii) seventy-five percent (75%) will be allocated as non-wages,
16 for which an IRS Form 1099 will be issued. PAGA Payment Shares will be allocated entirely as
17 penalties and will be included on an IRS Form 1099.

18 90. Defendants and the other Released Parties shall not be required to provide any
19 additional form of compensation to any Participating Class Member as a result of this allocation of
20 Individual Settlement Payments or to any PAGA Employee as a result of this allocation of PAGA
21 Payment Shares. Each Participating Class Member, PAGA Employee, and Plaintiff shall be
22 responsible for remitting to state and/or federal taxing authorities any applicable taxes which may be
23 owed on the portion of any Individual Settlement Payment and PAGA Payment Share received
24 pursuant to this Settlement, except as provided by this Settlement. The Parties agree and represent
25 that the allocation between alleged unpaid wages and alleged penalties as specified herein is fair and
26 reasonable given the claims asserted in the lawsuit and the remedies available for those claims.

27 91. Each party to this Agreement acknowledges and agrees that:

28 (i) No provision of this Agreement and no written communication or disclosure

1 between or among the Parties or their attorneys and other advisers is or was
2 intended to be, nor shall any such communication or disclosure constitute or
3 be construed or be relied upon as, tax advice within the meaning of United
4 State Treasury Department Circular 230 (31 CFR Part 10, as amended);

5 (ii) He or she (a) has relied exclusively upon his or her own, independent legal
6 and tax advisers for advice (including tax advice) in connection with this
7 Agreement, (b) has not entered into this Agreement based upon the
8 recommendation of any other party or any attorney or advisor to any other
9 party, and (c) is not entitled to rely upon any communication or disclosure by
10 any attorney or adviser to any other party to avoid any tax penalty that may be
11 imposed on him or her or it; and

12 (iii) No attorney or adviser to any other party has imposed any limitation that
13 protects the confidentiality of any such attorney's or adviser's tax strategies
14 (regardless of whether such limitation is legally binding) upon disclosure by
15 him or her of the tax treatment or tax structure of any transaction, including
16 any transaction contemplated by this Agreement.

17 92. Each Participating Class Member, PAGA Employee, Class/PAGA Counsel, and
18 Plaintiff shall be responsible for remitting to state and/or federal taxing authorities any applicable
19 taxes which may be owed on the portion of any payment received pursuant to this Agreement. The
20 Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members,
21 PAGA Employees, and Class/PAGA Counsel any W-2, 1099, or other tax forms as may be required
22 by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be
23 responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

24 **V. CLASS AND PAGA RELEASED CLAIMS**

25 93. Providing there is final approval of this Settlement, then as of the date that
26 Defendants transmit the Gross Settlement Amount to the Settlement Administrator, the Participating
27 Class Members, individually and on behalf of all their respective successors, assigns, agents,
28 attorneys, executors, heirs, and personal representatives, shall fully and finally release and discharge

1 the Released Parties, and each of them, from the Class Released Claims.

2 94. The Class Released Claims include all claims, rights, demands, liabilities, causes of
3 action, and theories of liability of every nature and description, whether known or unknown, that
4 were or could have been alleged against any of the Released Parties arising out of, in connection
5 with, or based on the facts alleged in or arising out of the facts asserted in the Second Amended
6 Complaint. This includes claims for failure to pay wages, including, but not limited to, overtime and
7 minimum wages, failure to provide meal periods or to pay premiums in lieu thereof, failure to
8 provide rest periods or to pay premiums in lieu thereof, failure to timely pay wages upon separation
9 from employment, failure to timely pay wages during employment, failure to provide timely and
10 accurate itemized wage statements, failure to maintain or provide records, failure to reimburse
11 business expenses, unfair competition, penalties, damages, interest, costs, or attorneys' fees, and
12 violations of any other local, state, or federal law, whether for economic damages, non-economic
13 damages, penalties, liquidated or punitive damages, restitution, tort, contract, equitable relief,
14 injunctive or declaratory relief, to the extent necessary to effect a full and complete release of the
15 Class Released Claims, including, but not limited to, all claims under any common laws, contract,
16 the Fair Labor Standards Act ("FLSA"), California Labor Code Sections 200-203, 204, 210, 218,
17 218.5, 218.6, 221-223, 226, 226.3, 226.7, 246, 510, 511, 512, 558.1, 1174, 1174.5, 1175, 1182,
18 1182.12, 1194, 1194.2, 1197-1198.5, 2800, 2802, and any related provisions, California Code of
19 Civil Procedure section 1021.5, the California Business & Professions Code Sections 17200, *et seq.*,
20 California Code of Regulations, Title 8, section 11000 *et seq.*, and/or the applicable IWC Wage
21 Orders including *inter alia* Wage Orders 4-2001, 5-2001, and 9-2001. This release shall extend to
22 all such claims accrued during the Class Period. Notwithstanding the foregoing, the Class Released
23 Claims do not include any individual claim under Section 216(b) of the FLSA, 29 U.S.C. § 216(b),
24 as to a Participating Class Member who does not opt-in to the Settlement by cashing, depositing, or
25 endorsing his or her settlement check, to the extent that opting-in is required to release such FLSA
26 claims.

27 95. Providing there is final approval of this Settlement, then as of the date that
28 Defendants transmit the Gross Settlement Amount to the Settlement Administrator, the PAGA

1 Employees, Plaintiff, on behalf of herself individually, the aggrieved employees, and the LWDA,
2 individually and on behalf of all their respective successors, assigns, agents, attorneys, executors,
3 heirs, and personal representatives, shall fully and finally release and discharge the Released Parties,
4 and each of them, from the PAGA Released Claims.

5 96. The PAGA Released Claims include any and all claims for civil penalties under
6 PAGA based on the Labor Code violations alleged or that could have been alleged against any of
7 the Released Parties in the PAGA Letters sent by Plaintiff to the LWDA based on the facts alleged
8 therein or based on any facts discovered in the course of the litigation of the Civil Action. This
9 includes claims for penalties based upon failure to pay wages, including, but not limited to, overtime
10 and minimum wages, failure to provide meal periods or to pay premiums in lieu thereof, failure to
11 provide rest periods or to pay premiums in lieu thereof, failure to timely pay wages upon separation
12 from employment, failure to timely pay wages during employment, failure to provide timely and
13 accurate itemized wage statements, failure to maintain or provide records, failure to reimburse
14 business expenses, unfair competition, claims for attorneys' fees, costs, and penalties, including but
15 not limited to, claims for penalties based on alleged violations of Labor Code Sections 200-203, 204,
16 210, 218, 218.5, 218.6, 221-223, 225.5 226, 226.3, 226.7, 246, 510, 511, 512, 558, 558.1, 1174,
17 1174.5, 1182, 1182.12, 1194, 1194.2, 1197-1198.5, 2800, 2802, and any related provisions,
18 California Code of Civil Procedure section 1021.5, California Code of Regulations, Title 8, section
19 11000 *et seq.*, and/or the applicable IWC Wage Orders including *inter alia* Wage Orders 4-2001, 5-
20 2001, and 9-2001, as well as all facts, theories, or claims for civil penalties that would be considered
21 administratively exhausted under applicable law by the PAGA Letters that Plaintiff sent to the
22 LWDA. This release shall extend to all such claims accrued during the PAGA Period. This release
23 shall be binding on all PAGA Employees regardless of whether they submit a valid Opt Out from the
24 Class.

25 VI. RELEASE BY PLAINTIFF

26 97. Upon final approval of the Settlement, Guadalupe D Larios, for herself, her
27 successors, assigns, agents, executors, heirs and personal representatives, spouse and attorneys, and
28 any and all of them, voluntarily and with the advice of counsel, waives and releases any and all

1 claims, obligations, demands, actions, rights, causes of action, and liabilities against any of the
2 Released Parties of whatever kind and nature, character, and description, whether in law or equity,
3 whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation,
4 constitution, common law, or other source of law or contract, whether known or unknown, and
5 whether anticipated or unanticipated, including all claims arising from or relating to any and all acts,
6 events and omissions occurring prior to the date of final approval of this Agreement including, but
7 not limited to, all claims which relate in any way to her alleged employment with any of the
8 Released Parties and/or the termination of her employment with any of the Released Parties.
9 Guadalupe D Larios further releases all unknown claims against any of the Released Parties, covered
10 by California Civil Code Section 1542, which states: “**A general release does not extend to claims**
11 **that the creditor or releasing party does not know or suspect to exist in his or her favor at the**
12 **time of executing the release and that, if known by him or her, would have materially affected**
13 **his or her settlement with the debtor or released party.”**

14 **VII. LIMITATIONS ON USE OF THIS SETTLEMENT**

15 **A. No Admission**

16 98. Neither the acceptance nor the performance by Defendants of the terms of this
17 Agreement nor any of the related negotiations or proceedings are or shall be claimed to be, construed
18 as, or deemed a precedent or an admission by Defendants of the truth of any allegations in the
19 Complaint or the PAGA Letters.

20 **B. Non-Evidentiary Use**

21 99. Defendants deny that they have failed to comply with the law in any respect, or have
22 any liability to anyone based on the claims asserted in the Civil Action. Plaintiff expressly
23 acknowledges that this Agreement is entered into for the purpose of compromising highly disputed
24 claims and that nothing herein is an admission of liability, wrongdoing, or the propriety of class or
25 representative treatment by Defendants. Neither the Settlement nor any document prepared in
26 connection with the Settlement may be admitted in any proceeding as an admission by Defendants.
27 Notwithstanding this paragraph, any and all provisions of this Agreement may be admitted in
28 evidence and used in any proceeding to enforce the terms of this Agreement, or in defense of any

1 claims released or barred by this Agreement.

2 **C. Nullification**

3 100. If the Court for any reason does not approve this Settlement, this Agreement shall be
4 considered null and void and the Parties to this Agreement shall stand in the same position, without
5 prejudice, as if the Settlement had been neither entered into nor filed with the Court.

6 101. Invalidation of any material portion of this Agreement shall invalidate this Agreement
7 in its entirety unless the Parties agree in writing that the remaining provisions shall remain in full
8 force and effect.

9 **VIII. MISCELLANEOUS PROVISIONS**

10 **A. No Inducements**

11 102. Plaintiff and Defendants acknowledge that they are entering into this Settlement as a
12 free and voluntary act without duress or undue pressure or influence of any kind or nature
13 whatsoever, and that neither Plaintiff nor Defendants have relied on any promises, representations or
14 warranties regarding the subject matter hereof other than as set forth in this Agreement.

15 **B. No Prior Assignment**

16 100. The Parties represent, covenant, and warrant that they have not directly or indirectly,
17 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
18 entity any portion of any liability, claim, demand, action, cause of action or rights herein released
19 and discharged except as set forth herein.

20 **C. Construction**

21 101. The Parties agree that the terms and conditions of this Agreement are the result of
22 lengthy, intensive arm's-length negotiations between the Parties and their counsel, and this
23 Agreement shall not be construed in favor of or against any Party by reason of the extent to which
24 any Party or her or its counsel participated in the drafting of this Agreement.

25 **D. California Law**

26 102. All terms of this Agreement and its exhibits shall be governed and interpreted by and
27 according to the laws of the State of California, without giving effect to any conflict of law
28 principles or choice of law principles.

1 **E. Captions and Interpretations**

2 103. Paragraph titles or captions contained herein are inserted as a matter of convenience
3 and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any
4 provision hereof.

5 **F. Incorporation of Exhibits**

6 104. All exhibits to this Agreement are incorporated by reference and are a material part of
7 this Agreement. Any notice, order, judgment, or other exhibit that requires approval of the Court
8 must be approved without material alteration from its current form in order for this Agreement to be
9 enforceable.

10 **G. Modification**

11 105. This Agreement may not be changed, altered, or modified, except in a writing signed
12 by the Parties, and approved by the Court. This Agreement may not be discharged except by
13 performance in accordance with its terms or by a writing signed by the Parties.

14 **H. Reasonableness of Settlement**

15 106. Plaintiff represents that this is a fair, reasonable, and adequate settlement and have
16 arrived at this settlement through arms-length negotiations, taking into account all relevant factors,
17 present and potential.

18 **I. Integration Clause**

19 107. This Agreement contains the entire agreement between the Parties relating to the
20 Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements,
21 understandings, representations, and statements, whether oral or written and whether by a party or
22 such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

23 **J. Binding On Assigns**

24 108. This Agreement shall be binding upon and inure to the benefit of the Parties and their
25 respective heirs, trustees, executors, administrators, successors and assigns.

26 **K. No Prevailing Party**

27 109. No Party shall be considered a prevailing party for any purpose. Except as otherwise
28 provided for in this Agreement, each Party shall bear its or their own attorney fees and costs.

L. Class/PAGA Counsel Signatories

110. It is agreed that because the members of the Class are numerous, it is impossible or impractical to have each member of the Class execute this Agreement. The Notice of Class and PAGA Settlement shall advise all Class Members of the binding nature of the settlement, and the Agreement shall have the same force and effect as if this Agreement were executed by each Participating Class Member.

M. Counterparts

111. This Agreement, and any amendments hereto, may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Fax and pdf signatures shall be as valid as original signatures.

N. Waiver of Right to Object

112. By signing this Agreement, Plaintiff, on behalf of the Class, allegedly aggrieved employees, and herself, agrees to be bound by its terms. Plaintiff further agrees not to request to be excluded from the Class or Settlement and agrees not to object to any of the terms of the Agreement. Any request for exclusion from the Settlement by Plaintiff or any Objection by Plaintiff shall be void and of no force and effect. Likewise, Defendants agree to be bound by the terms of this Agreement and agree not to object to any of the terms of the Agreement.

O. Administration Costs if Settlement Fails

113. If the Settlement is not finally approved by the Court, voided or rescinded, any costs incurred by the Settlement Administrator shall be paid equally by the Parties (half by Plaintiff and/or Class/PAGA Counsel and half by Defendants).

P. Final Order and Judgment

114. Upon final approval of the Settlement, a Final Order and Judgment shall be entered by the Court which shall, among other things:

- (i) Grant final approval to the Settlement as fair, reasonable, adequate, in good faith and in the best interests of the Class and PAGA Employees as a whole, and order the Parties to carry out the provisions of this Agreement.

- 1 (ii) Adjudge that the Participating Class Members of the Settlement are
2 conclusively deemed to have released the Released Parties from the Class
3 Released Claims, and PAGA Employees and the LWDA are conclusively
4 deemed to have released the PAGA Released Claims, as more specifically set
5 forth above.
- 6 (iii) Prohibit and permanently enjoin each Participating Class Member and PAGA
7 Employees and the LWDA from pursuing in any fashion against any of the
8 Released Parties any and all of the Class Released Claims and/or PAGA
9 Released Claims, as applicable.
- 10 (iv) Reserve continuing jurisdiction as provided herein.

11 **Q. Limitations on Disclosure**

12 115. The Parties and their counsel agree that they will not issue any press releases, initiate
13 any contact with the press, respond to any press inquiry, or have any communication with the press
14 about the fact, amount, or terms of the Settlement. Unless they first obtain Defendants' express
15 written consent, Class/PAGA Counsel and Plaintiff shall not discuss, reveal, disclose, publicize, or
16 promote the terms of this Settlement, or the negotiations leading to the Settlement, to any third party
17 (including but not limited to the media, the legal community, or the public at large, including on
18 Class/PAGA Counsel's respective websites or otherwise). Nothing in this Agreement is intended to
19 prevent Plaintiff or Class/PAGA Counsel from disclosing or discussing the terms of this Settlement
20 (i) with the Court, (ii) with any Class Member; (iii) with the Settlement Administrator, or (iv) as
21 otherwise required by law.

22 116. This Agreement, the Settlement, and any proceedings or actions or negotiations in
23 connection therewith shall be deemed settlement communications covered by California Evidence
24 Code Sections 1115-1128, 1152-1154, Federal Rule of Evidence 408, and any other similar
25 provisions or law, and shall not be construed as an admission of truth of any allegation or the
26 validity of any cause of action or claim asserted or of any liability therein.

27 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly
28 authorized attorneys, as of the day and year herein set forth.

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

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DATED: 1/23/2025

DocuSigned by:

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GUADALUPE D LARIOS

DATED:

IHEALTH LABS, INC.

By:

DATED:

SILICON VALLEY TECHNICAL STAFFING

By:

APPROVED AS TO FORM AND CONTENT:

Dated: January 23, 2025

BRADLEY/GROMBACHER LLP
MAJARIAN LAW GROUP APC

By: 

Marcus Bradley
Sahag Majarian, II
Garen Majarian
Attorneys for Plaintiff

Dated: January 23, 2025

FISHER & PHILLIPS LLP

By: _____
Todd B. Scherwin
Shaun J. Voigt
Attorneys for Defendant
IHEALTH LABS INC.

Dated: January 23, 2025

REED SMITH LLP

By: _____
Michele Haydel Gehrke
Brittany M. Hernandez
Attorneys for Defendant
SILICON VALLEY TECHNICAL
STAFFING

1 DATED: _____

2 GUADALUPE D LARIOS

3 DATED: 01/22/2025

Mingwei Guan

4 IHEALTH LABS, INC.

5 By: Mingwei Guan

6 DATED: _____

7 SILICON VALLEY TECHNICAL STAFFING

8 By: _____

9
10 **APPROVED AS TO FORM AND CONTENT:**

11
12 Dated: January 17, 2025

BRADLEY/GROMBACHER LLP
MAJARIAN LAW GROUP APC

13
14 By: _____

15 Marcus Bradley
16 Sahag Majarian, II
17 Garen Majarian
18 Attorneys for Plaintiff

19 Dated: January 17, 2025

FISHER & PHILLIPS LLP

20 By: _____

21 *Todd B. Scherwin*
22 Todd B. Scherwin
23 Shaun J. Voigt
24 Attorneys for Defendant
25 IHEALTH LABS INC.

26 Dated: January 17, 2025

REED SMITH LLP

27 By: _____

28 Michele Haydel Gehrke
Brittany M. Hernandez
Attorneys for Defendant
SILICON VALLEY TECHNICAL
STAFFING

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

1
2 DATED: _____

GUADALUPE D LARIOS

3 DATED: _____

4 IHEALTH LABS, INC.

5 By: _____

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7 DATED: ____ January 21, 2025 ____

DocuSigned by:
Eugene Lupario
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SILICON VALLEY TECHNICAL STAFFING

8 By: _____

9
10 **APPROVED AS TO FORM AND CONTENT:**

11
12 Dated: January , 2025

BRADLEY/GROMBACHER LLP
MAJARIAN LAW GROUP APC

13 By: _____
14 Marcus Bradley
15 Sahag Majarian, II
16 Garen Majarian
17 Attorneys for Plaintiff

18 Dated: January , 2025

FISHER & PHILLIPS LLP

19 By: _____
20 Todd B. Scherwin
21 Shaun J. Voigt
22 Attorneys for Defendant
23 IHEALTH LABS INC.

24 Dated: January 21, 2025

REED SMITH LLP

25 By: *Brittany M. Hernandez*
26 Michele Haydel Gehrke
27 Brittany M. Hernandez
28 Attorneys for Defendant
SILICON VALLEY TECHNICAL
STAFFING

1
2 DATED: _____

GUADALUPE D LARIOS

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IHEALTH LABS, INC.

By: _____

6 DATED: _____

SILICON VALLEY TECHNICAL STAFFING

By: _____

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11
12 Dated: January 23, 2025

BRADLEY/GROMBACHER LLP
MAJARIAN LAW GROUP APC

By: _____

Marcus Bradley
Sahag Majarian, II
Garen Majarian
Attorneys for Plaintiff

17 Dated: January 23, 2025

FISHER & PHILLIPS LLP

By: _____

Todd B. Scherwin
Shaun J. Voigt
Attorneys for Defendant
IHEALTH LABS INC.

23 Dated: January 23, 2025

REED SMITH LLP

By: _____

Michele Haydel Gehrke
Brittany M. Hernandez
Attorneys for Defendant
SILICON VALLEY TECHNICAL
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