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Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

MARIA TREJO, individually, and on behalf of
all others similarly situated,

Plaintiff,

v.

CHOICE HEALTH SYSTEMS, INC., an entity;
and DOES 1 through 10, inclusive,

Defendants.

Case No.: 24CU019700C

*[Assigned for all purposes to the Hon. Euketa
Oliver, Dept. C-75]*

**DECLARATION OF THIAGO M.
COELHO IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

Preliminary Approval Hearing:

Date: April 9, 2027

Time: 10:00 a.m.

Dept.: C-75

Complaint filed: October 28, 2024

FAC filed: April 13, 2026

Trial date: None set

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1. I am an attorney at law licensed to practice before all courts of the State of California. I am a Partner at Wilshire Law Firm, PLC (“WLF”), counsel for Plaintiff Maria Trejo (“Plaintiff”) in this matter. I am thoroughly familiar with and have personal knowledge of all the facts set forth herein. If called as a witness, I could and would testify truthfully to the matters described here.

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1 Date for Final Court Approval (“Class Notice”) is attached thereto as **Exhibit A**.

2 6. The negotiations were adversarial and conducted at arm’s length, with both Parties
3 prepared to continue litigating if the mediation had been unsuccessful.

4 7. On September 25, 2026, Plaintiff submitted a copy of the Agreement to the LWDA.
5 A true and correct copy of the LWDA email confirming receipt is attached as **Exhibit 3**.

6 8. The Parties have agreed to settle the claims alleged in this case for a Gross
7 Settlement Amount of \$318,800.00. Agreement § 3.1.

8 9. Defendant will pay employer payroll taxes owed on the wage portions of the
9 Individual Class Payments separate from the GSA. Agreement § 3.1.

10 10. Subject to Court approval, Defendant shall fund a Gross Settlement of \$318,800.00,
11 from which the following payments will be deducted: 1) Class Counsel Fees up to \$106,266.67
12 (one-third (1/3) of the GSA); Class Counsel Litigation Expenses up to \$19,000.00 to reimburse
13 reasonable litigation costs incurred; 3) an Enhancement Award up to \$10,000.00 to Plaintiff for
14 her service; 4) Administration Costs up to \$12,500.00 to Phoenix, the proposed Administrator; and
15 (5) PAGA Penalties of \$20,000.00, allocated 65% (\$13,000.00) to the LWDA and 35% (\$7,000.00)
16 to Aggrieved Employees. Agreement §§ 1.5, 1.10.

17 11. After all the requested payments are deducted, the remainder of \$151,033.33 (the
18 “Net Settlement Amount”) shall be distributed to Participating Class Members on a pro rata basis
19 as Individual Class Payments.

20 12. Individual Class Payments will be calculated based on the number of Workweeks
21 worked by each Class Member during the Class Period. For tax purposes, the Individual Class
22 Payments will be allocated 20% to wages and 80% to interest and penalties. Agreement §§ 3.2.4,
23 3.2.4.1.

24 13. The 35% share of PAGA Penalties (\$7,000) allocated to Aggrieved Employees will
25 be distributed pro rata as Individual PAGA Payments calculated based on the number of Pay
26 Periods worked by each Aggrieved Employee during the PAGA Period. For tax purposes, the
27 individual PAGA payments will be considered 100% penalties. Agreement §§ 3.2.5, 3.2.5.1,
28 3.2.5.2.

1 14. Any payment, or the remainder of any payment, not approved by the Court will be
2 retained by the Administrator in the Net Settlement Amount for distribution to Participating Class
3 Members. Agreement §§ 3.2.1, 3.2.2, 3.2.3, 3.2.5.

4 15. Funds represented by any checks uncashed and cancelled after the void date will be
5 transmitted by the Administrator to the California Controller's Unclaimed Property Fund in the
6 name of the Class Member. None of the GSA will revert to Defendant. Agreement §§ 3.1, 4.4.3.

7 16. "Class Members" means all current and former hourly, non-exempt employees who
8 were employed by Defendant, either directly or through any predecessor, successor, assign,
9 subsidiary, staffing agency, or professional employer organization, in California during the Class
10 Period. Agreement § 3.2.

11 17. "Class Period" means the period from October 28, 2020, through June 13, 2026.
12 Agreement § 1.13.

13 18. Defendant represents the Class consists of approximately 964 Class Members.

14 19. "Participating Class Member" means a Class Member who does not submit a timely
15 Request for Exclusion from the class action portion of the Settlement. Agreement § 1.37.

16 20. "Aggrieved Employees" means all current and former hourly, non-exempt
17 employees employed by Defendant in the State of California during the PAGA Period. Agreement
18 § 1.4.

19 21. "PAGA Period" means the period from January 21, 2025, through June 13, 2026.
20 Agreement § 1.33.

21 22. "Effective Date" means the date by which the Court's Judgment is final, which is
22 the date the Judgment is entered if no Participating Class Member objects to the Settlement.
23 Agreement § 1.19.

24 23. "Released Parties" means Defendant and Defendant's officers, directors,
25 employees, and agents. Agreement § 1.42.

26 24. Effective on the date when Defendant fully funds the GSA and all employer payroll
27 taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and
28 Class Counsel will release claims against the Released Parties. Agreement § 5.1.

1 25. Plaintiff discharges Released Parties from all claims, transactions, or occurrences,
2 that occurred during the Class Period, including all claims that were, or reasonably could have
3 been, alleged, based on the facts contained in the Action; and claims under the Fair Employment
4 and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the
5 California Labor Code, and all equivalent claims under federal law (“Plaintiff’s Release”). Plaintiff
6 also expressly waives all rights under Civil Code section 1542. Agreement §§ 5.1.1, 5.1.1.1.

7 26. All Participating Class Members will waive and release all claims arising during the
8 Class Period that were asserted or that could have been asserted based on the factual allegations in
9 the Operative Complaint (“Released Class Claims”). Agreement § 5.1.2.

10 27. Aggrieved Employees, including Non-Participating Class Members who are
11 Aggrieved Employees, are deemed to release all claims for PAGA civil penalties arising during
12 the PAGA Period that were alleged, or that could have been alleged, against the Released Parties
13 based on the facts asserted in the PAGA Notice and the Operative Complaint (“Released PAGA
14 Claims”). Agreement § 5.1.3.

15 28. The Class Notice provides information regarding the nature of this lawsuit, a
16 summary of the settlement terms, the formula for calculating Individual Class and PAGA
17 Payments, instructions how to opt out of or object to the Settlement and how to dispute the
18 calculations, the amounts sought for the Class Representative Service Payment, Class Counsel Fees
19 and Costs, and Administration Costs, and the date, time, and location of the final approval hearing.

20 29. The Administrator will mail the Class Notice in English and in Spanish by first-
21 class mail. Agreement § 7.4.2.

22 30. The Class Notice notifies Class Members that they do not need to submit a claim in
23 order to participate in the Settlement and receive a payment. Agreement § 4.4.

24 31. Within seven (7) days of receipt, Class Notices returned to the Administrator as
25 undeliverable will be re-mailed to the USPS forwarding address provided or to an address
26 ascertained through a National Change of Address search. Agreement §§ 4.4.1, 4.4.2.

27 32. The 60-day deadline to opt-out of the Settlement or to submit an objection or
28 workweek dispute will be extended by fourteen (14) days for all Class Members whose Class

1 Notice was remailed. Agreement § 1.44.

2 **Investigation and Exposure Analysis**

3 33. In advance of the mediation, Class Counsel thoroughly investigated the claims and
4 defenses at issue, as well as applicable law. In their exchange of informal discovery, Defendant
5 produced Plaintiff's personnel file, information about the proposed class, a 25% random sampling
6 of Class Members' time and payroll records, and Defendant's written policies in effect during the
7 Class Period. Class Counsel also engaged a consultant to quantify Defendant's potential exposure,
8 which was then discounted by claim to account for the risks of further litigation, including the
9 likelihood of certifying a class and prevailing at trial, to estimate Defendant's realistic exposure.

10 34. Defendant's records show approximately 964 Class Members, making joinder
11 impracticable. Furthermore, the relatively small size and amount of each person's claim means that
12 Class Members have little incentive to litigate their claims on an individual basis because the
13 expenditure of resources would likely outweigh any potential recovery.

14 35. Plaintiff alleged that Defendant maintained uniform employment policies and/or
15 practices that unlawfully deprived Class Members of wages, meal periods, rest periods,
16 reimbursement of business expenses, accurate wage statements, and timely payment of wages both
17 during and on separation of employment. These allegations present common factual and legal
18 questions regarding, *inter alia*, whether Defendant applied the same policies to all Class Members,
19 including for scheduling, timekeeping, pay, meal periods, rest periods, and reimbursement, whether
20 these policies and practices resulted in Labor Code violations, whether Defendant's conduct was
21 intentional, and whether Class Members are entitled to relief. Relevant common questions could be
22 resolved using Plaintiff's common proof, including Class Members' time and payroll records,
23 Defendant's written policies, and testimony from Defendant and Class Members.

24 36. Although Defendant's maximum potential exposure is substantial, the risks of failing
25 to certify a class, decertification, or failing to prevail at trial on the merits affected the valuation of
26 the claims for purposes of settlement. Plaintiff's calculations were based on the following data points:
27 923 Class Members; 31,880 workweeks; \$20.11 average hourly rate of pay; 6,279 PAGA pay
28 periods; and 728 aggrieved employees.

1 37. Minimum and Overtime Wages: Plaintiff alleged that Defendant required Class
2 Members to perform work while off the clock, which time was necessarily not compensated. For
3 example, Plaintiff alleged that she and other Class Members were required to continue working
4 after they had clocked out for meal breaks or during rest breaks. Class Counsel assumed that 20%
5 of unpaid work should have been paid at the overtime rate of pay and that Class Members worked
6 one (1) hour of unpaid time per workweek. Defendant's potential maximum exposure for this claim
7 is approximately \$705,217.48 (((31,880 workweeks x .8) x \$20.11 average hourly rate of pay x 1
8 hour/workweek) + ((31,880 x .2) x (\$20.11 x 1.5 overtime rate))). Because this claim would have
9 relied heavily on Class Member testimony and would not be evidenced in Defendant's time and
10 payroll records, Class Counsel discounted this figure based on a 40% chance of certifying a class
11 and a 40% chance of prevailing at trial on the merits. Defendant's estimated realistic exposure is
12 thus \$112,834.80 (\$705,217.48 x .4 x .4).

13 38. Meal Periods: Plaintiff alleged that Defendant failed to provide Class Members with
14 all legally compliant meal periods to which they were entitled or pay meal period premiums in lieu
15 thereof. For example, Plaintiff alleged that she and other Class Members were required to continue
16 working after they had clocked out for meal breaks. Class Counsel's consultant found a 93.8%
17 meal period violation rate from Class Members' time and payroll records, where meal periods were
18 short, late, or missed. Defendant's estimated maximum exposure for this claim is \$621,447.47
19 (32,945 shifts over 5 hours x \$20.11 average hourly rate x 93.8% violation rate). Taking into
20 account the difficulty of certifying and proving meal period claims, as well as Defendant's
21 contentions that the claim lacks merit and that a 93.8% violation rate is unrealistic, Class Counsel
22 discounted this figure based on a 50% chance of certifying a class and a 40% chance of prevailing
23 at trial. Defendant's estimated realistic exposure is thus \$124,289.49 (\$621.447.47 x .5 x .4).

24 39. Rest Periods: Plaintiff alleged that Defendant failed to provide Class Members with
25 all legally compliant rest periods to which they were entitled or pay rest period premiums in lieu
26 thereof. For example, Plaintiff alleged that she and other Class Members were required to continue
27 working during rest breaks. Class Counsel assumed a 100% violation rate for all qualifying shifts
28 during the Class Period, and Defendant's estimated maximum exposure for this claim is

1 \$1,505,193.28 (74,848 shifts of 3.5 hours or longer x \$20.11 average hourly rate x 100% violation
2 rate). However, to account for the difficulty of certifying and proving rest period claims,
3 particularly because rest periods are not recorded, Class Members may elect to forego rest periods,
4 and this claim would have relied exclusively on Class Member testimony, Class Counsel
5 discounted this figure based on a 30% chance of certifying a class and a 20% chance of prevailing
6 at trial. Defendant's estimated realistic exposure is thus \$90,311.60 ($\$1,505,193.28 \times .3 \times .2$).

7 40. Reimbursements: Plaintiff alleged that Defendant failed to indemnify Class
8 Members for expenses necessarily incurred in the performance of their duties, such as using
9 personal cell phones for work. Class Counsel estimated unreimbursed expenses of \$12.50 per
10 workweek per Class Member, for a total of approximately \$398,500.00 ($\$12.50 \times 31,880$
11 workweeks). However, Defendant argued that these expenses were not required by Defendant,
12 and that it could not have known that these expenses were being incurred. Accordingly, Class
13 Counsel discounted this claim based on a 30% chance of succeeding at class certification and a
14 30% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$35,865
15 ($\$398,500 \times .3 \times .3$).

16 41. In sum, Class Counsel estimated that Defendant's maximum potential exposure for
17 the off-the-clock work, meal period violations, and rest period violations (i.e., the "Wage Claims")
18 is approximately \$2,831,858.23. However, considering the risk and uncertainty of certifying a class
19 and prevailing at trial, Class Counsel estimates that Defendant's estimated realistic exposure for
20 the Wage Claims is approximately \$327,435.90.

21 42. Derivative Penalties: Plaintiff alleged that Defendant owed waiting time penalties
22 and wage statement penalties as a result of the failure to pay all wages. Class Counsel estimated
23 that Defendant's realistic exposure for these statutory penalties is \$129,981.26. Based on
24 approximately 502 formerly employed Class Members during the 3-year limitations period and an
25 average 5.2-hour shift, Defendant's estimated maximum exposure for waiting time penalties is
26 \$1,574,854.32 ($502 \text{ employees} \times \$20.11 \text{ average hourly rate} \times 5.2 \text{ hours/day} \times 30 \text{ days}$). Based on
27 approximately 728 Class Members who worked approximately 6,279 pay periods during the 1-
28 year limitations period, Defendant's estimated maximum exposure for inaccurate wage statements

1 is \$591,500 ($\$36,400 [728 \text{ employees} \times 1 \text{ initial violation/employee} \times \$50 \text{ per violation}] +$
2 $\$555,100 [(6,279 \text{ pay periods} - 728 \text{ initial violations}) \times \$100 \text{ per subsequent violation}]$). Given
3 Defendant's defenses, the contested nature of Plaintiff's claims, the challenges of establishing
4 willfulness as applicable, and the discretionary nature of penalties, Class Counsel believe that it
5 would be unrealistic to expect the Court to award the full \$2,166,354.32 for statutory penalties.
6 Accordingly, these figures were discounted to account for the risk and uncertainty of certifying a
7 class (20%) and prevailing at trial (30%), resulting in an estimated realistic exposure of \$94,491.26
8 for waiting time penalties ($\$1,574,854.32 \times .3 \times .2$), and \$35,490 for wage statement penalties
9 ($\$591,500 \times .3 \times .2$), or approximately \$129,981.26 for statutory penalties.

10 43. PAGA: Assuming the default \$100 penalty would apply to each of 6,279 pay periods
11 in the PAGA Period, Defendant's maximum potential exposure is \$627,900. However, even
12 assuming success on the merits of each claim, the Court has discretion to reduce penalties,
13 including where to do otherwise would result in an award that is unjust, arbitrary and oppressive,
14 or confiscatory. Accordingly, Class Counsel discounted this figure to account for the risk and
15 uncertainty of prevailing at trial (10%), and Defendant's estimated realistic exposure is \$62,790.00
16 ($\$627,900 \times .1$). The settlement allocates \$20,000.00 from the GSA to PAGA, which represents
17 6% of the GSA and approximately 32% of Defendant's realistic exposure for PAGA penalties
18 ($\$20,000 / \$62,790$).

19 44. Using these estimated figures, Defendant's estimated realistic exposure for all
20 claims, including penalties, would be approximately \$556,072.16, of which the GSA represents
21 approximately 57% ($\$318,800.00 / \$556,072.16$). Considering the risk and uncertainty of
22 prevailing at class certification and at trial, this is an excellent result for the Class. Indeed, because
23 of the proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid
24 the risk of an unfavorable judgment.

25 45. As provided in the Agreement, the Net Settlement Amount available for distribution
26 to Participating Class Members is currently \$151,033.33. Defendant's updated estimates based on
27 current records show approximately 964 Class Members and 33,953 total workweeks.
28 Accordingly, the Workweek value would be approximately \$4.74 ($\$151,033.33 / 33,953$), and the

1 average Individual Class Payments to each Participating Class Member approximately \$156.67
2 (\$151,033.33 / 964 class members).

3 **Enhancement Award**

4 46. Plaintiff assisted Class Counsel throughout this case, providing information
5 necessary to prosecute the claims, communicating with attorneys regarding the claims and defenses
6 at issue, staying in regular contact, making herself available the day of mediation to answer
7 questions, and reviewing the Agreement, among other documents, to ensure the Settlement was
8 fair and reasonable for the Class.

9 47. Notably, no action would likely have been taken by individual Class Members, and
10 no compensation recovered, but for Plaintiff's efforts and service on their behalf, thereby
11 promoting California's public policy and goal of enforcing the State's wage-and-hour laws

12 **Class Counsel's Qualifications**

13 48. Plaintiff is represented by WLF. The attorneys at WLF performed significant work
14 and expended litigation costs in prosecuting this matter with no guarantee of payment.

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

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

23 51. I graduated from the University of Central Florida and the University of Southern
24 California, Gould School of Law. In 2024, I was awarded the Daily Journal's California Lawyer
25 Attorney of the Year ("Clay") Award. The National Trial Lawyers selected me as a "Top 10 Data
26 Privacy Trial Lawyer," "Top 25 Class Action Trial Lawyers," "Top 10 Wage and Hour Trial
27 Lawyer," and a "Top 40 under 40" attorney. For 2020 and 2021, I was selected and served as the
28 President of the Data Privacy Trial Lawyers Association, and I am an active member of CAALA,

1 CAOC's Data Breach Committee, and AAJ's Class Action Division. I have been selected as a "Best
2 Lawyer" by The Best Lawyers in America® and Super Lawyers as a "Rising Star." I am the Vice
3 President of the Los Angeles County Bar Association's Privacy and Cybersecurity Section, and I
4 serve on the Board of Trustees of the Los Angeles County Bar Association. I have settled over 300
5 cases, including, but not limited to, consumer class action cases. My hourly rate is \$1,000.00, which
6 was approved in *Suarez v. Bank of America, N.A.*, No. 18-cv-01202-LB, 2024 WL 150721, at *3
7 (N.D. Cal. Jan. 11, 2024) ("As for the lodestar cross-check, the billing rates are normal and customary
8 for timekeepers with similar qualifications and experience in the relevant market.")

9 52. Further, I have extensive experience litigating class action cases, including wage-and-
10 hour class actions. My cases include:

- 11 a. I served as lead counsel in *Suarez v. Bank of America, N.A.*, Case No. 18-cv-01202-
12 LB, a wage-and-hour federal class action that resulted in a \$1.5 million settlement.
- 13 b. I was lead counsel in *Moore v. Centrelake Medical Grp.* (2022) 83 Cal.App.5th 515,
14 a data breach class action, where the Court of Appeal reversed the trial court's
15 judgment sustaining the defendant's demurrer, in part because the plaintiff's loss of
16 benefit of the bargain was deemed a sufficient injury for UCL standing. (*Id.* at 527-
17 530.)
- 18 c. I was lead in *Bland v. Urology of Greater Atlanta, LLC*, 377 Ga. App. 177 (2025),
19 where the Georgia Court of Appeals reversed dismissal of negligence, implied-
20 contract, implied-covenant, and injunctive-relief claims in a healthcare data breach
21 class action.
- 22 d. I am lead in *Freeman, et al. v. 3Commas Technologies OÜ*, No. 24-6158 (9th Cir.
23 Mar. 2, 2026), where the 9th Circuit reversed the district court's
24 personal jurisdiction dismissal of a data security class action involving an AI-
25 enabled cryptocurrency trading platform.
- 26 e. I was also lead counsel in *Mier v. CVS Health* (9th Cir. July 8, 2023) No. 22-55665,
27 2023 WL 4837851, where I obtained Rule 23(f) review, resulting in partial vacatur
28 and remand of the denial of class certification.

- f. I was also lead counsel in *Peters v. Apple, Inc.*, (Los Angeles Superior Court) Case No. 19STCV21787, a consumer class action involving Apple, Inc.'s alleged misrepresentations regarding its Family Sharing service, which resulted in a \$25 million class settlement.
- g. I also helped secure a \$49,995,000 settlement in *Head, et al. v. Regal Medical Group, Inc., et al.*, No. 23STCV02939 (Cal. Super. Ct.).
- h. In *In re MOVEit Customer Data Security Breach Litigation*, MDL No. 3083, I am one of two attorneys appointed by the court on the Experts Committee in an MDL involving over 200 defendants.
- i. I was also lead counsel in *Schumacher v. Bank of Hope*, Case No. 18STCV02066, a consumer class action that resulted in a \$13.3 million settlement.
- j. I served as an executive committee member in *Slate v. Dominion Dental Services*, Case No. 1:19-cv-01063, which resulted in a \$4.7 million settlement.
- k. I was co-lead in *In re MCG Health Data Security Litigation*, Case No. 2:22-cv-0849-RSM-DWC, which resulted in an \$8.8 million consumer class action settlement.
- l. I was co-lead in *Mendoza v. Crystal Bay Casino, LLC*, Case No. 3:23-cv-00092-MMD-CLB (D. Nev. Filed Feb. 28, 2023), a data breach consolidated class action with a court-approved \$675,000.00 settlement.
- m. I was co-lead in *In re Wright & Filippis, LLC Data Security Breach Litig.*, No. 2:22-cv-12908-SFC (E.D. Mich. Filed Nov. 30, 2022), which resulted in a court-approved \$2.9 million settlement.
- n. I was co-lead class counsel in *Lowery, et al., v. Community Psychiatry Management, LLC*, Case No. 24STCV30135 (Cal. Super. Ct. L.A. Cnty Nov. 15, 2024), with a pending settlement of \$3.5 million.
- o. I was lead class counsel in *Alcazar v. Fashion Nova, Inc.*, Case No. 4:20-cv-01434-JST (N.D. Cal. filed Feb. 26, 2020), with a pending settlement of \$5.15 million.

53. Jesenia Martinez was a Senior Attorney at WLF during the pendency of the Action. She graduated from Tufts University and Southwestern Law School and was admitted to practice

1 in California in 2017. During law school, she completed externships with Hon. Kim McLane
2 Wardlaw at the United States Court of Appeals for the Ninth Circuit and with Hon. Dean D.
3 Pregerson at the United States District Court for the Central District. Super Lawyers selected Ms.
4 Martinez as a “Rising Star.” For her work on *Peters v. Apple, Inc.* No. 19STCV21787 (LASC), she
5 was awarded the Daily Journal’s California Lawyer Attorney of the Year (CLAY) Award. She has
6 experience in all stages of litigation and been named as lead counsel in cases around the country.
7 At WLF, she also prosecuted consumer cases, including violations of the Americans with
8 Disabilities Act, violations of privacy rights, and other statutes for misleading and false advertising
9 under the Consumer Legal Remedies Act and the UCL. Some of her notable cases include securing
10 class certification in a matter pending in the Southern District of New York, *George v. Shamrock*
11 *Saloon II, LLC*, Case No.1: 17-cv-06663-RA-HBP, as well as a \$12.3 million settlement in a
12 consumer class action, *Kim v. Tinder, Inc., et al.*, No. 2:18-cv-03093-JFW-AS (C.D. Cal.). She
13 joined Wilshire Law Firm and assisted the team in securing a \$25 million consumer class action
14 settlement in *Peters v. Apple Inc.*, No. 19STCV21787 (Los Angeles Cnty.).

15 54. Jesse S. Chen is an Associate Attorney at WLF. He graduated in 2017 from Brandeis
16 University, with honors, obtaining a B.A. in Politics and International and Global Studies. He
17 received his J.D. from University of Southern California, Gould School of Law in 2020. Mr. Chen’s
18 practice has focused on complex consumer class actions, including in the areas of data breach and
19 cybersecurity, in both state and federal courts across the country. His notable cases include
20 securing a \$13.3 million class settlement in a data breach class action, *Schumacher et al. v. Bank*
21 *of Hope* (Los Angeles Superior Court), Case No. 18STCV02066, as well as a \$25 million class
22 settlement in a consumer class action against Apple, Inc. for its alleged misrepresentations
23 regarding its Family Sharing service. *Peters v. Apple, Inc.* (Los Angeles Superior Court) Case No.
24 19STCV21787. Mr. Chen received the CLAY Award for his contributions on *Peters* case. He has
25 also served as class counsel on the following cases:

- 26 a. *Billie Culp, et al., v. Fitzgibbon Hospital*, Case No. 23SA-CV00020 (Cir. Ct.
27 Saline Cty., Mo., Div. IV January 10, 2023), a data breach consolidated class
28 action with a court-approved \$650,000.00 settlement;

- b. *Mendoza v. Crystal Bay Casino, LLC*, Case No. 3:23-cv-00092-MMD-CLB (D. Nev. Filed Feb. 28, 2023), a data breach consolidated class action with a court-approved \$675,000.00 settlement;
- c. *In re Wright & Filippis, LLC Data Security Breach Litig.*, No. 2:22-cv-12908-SFC (E.D. Mich. Filed Nov. 30, 2022), which resulted in a court approved \$2.9 million settlement; and
- d. *Lowery, et al., v. Community Psychiatry Management, LLC*, Case No. 24STCV30135 (Cal. Super. Ct. L.A. Cnty Nov. 15, 2024), which resulted in a \$3.5 million settlement, pending final approval.

55. Chumahan Bowen is an Associate Attorney at Wilshire Law Firm, PLC. He has practiced civil litigation since 2009, with substantial experience in complex litigation, including class actions, employment matters, consumer matters, business disputes, and appellate litigation. Mr. Bowen is licensed to practice law in California and Hawaii. He received his Juris Doctor from Pepperdine School of Law, a Bachelor of Arts in English from the University of California, Berkeley, and a Master of Arts in Screenwriting from the University of California, Los Angeles. His current reasonable hourly lodestar rate for this matter is \$750 per hour. A \$750 hourly rate is appropriate and defensible given his approximately 17 years of litigation experience, complex-litigation background, and California and Hawaii licensure.

56. Karen L. Wallace is a Senior Settlement Attorney at WLF. She earned a Ph.D. in English at the University of California, Los Angeles, and taught literature and writing for many years. She returned to school in 2007 and earned a J.D. with a public service distinction from Southwestern Law School in 2010, when she was admitted to the California State Bar. Her practice has focused on complex wage and hour and consumer cases on behalf of plaintiffs, and she has litigated class and representative actions in both state and federal courts throughout California.

No Conflicts

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

58. WLF is not aware of any pending matter or action against Defendant that may be extinguished or adversely affected by this Settlement.

Administrator

59. Class Counsel selected Phoenix Settlement Administrators (“Phoenix”) to administer this Settlement based on the not-to-exceed bid of \$12,500.00. A true and correct copy of Phoenix’s bid is attached as **Exhibit 4**.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 29, 2026 at Los Angeles, California.

P

Thiago M. Coelho

EXHIBIT 1

WILSHIRE LAW FIRM, PLC

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Los Angeles, CA 90017
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Sean Paisan, Esq.
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January 8, 2026

LWDA

Attn. PAGA Administrator
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(Via Online Submission)

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(Via electronic mail)

**Re: *Maria Trejo v. Care Choice Health Systems, Inc.*
Notice of California Labor Code Violations and PAGA Penalties**

To Whom It May Concern:

Please be advised that my office has been retained by Maria Trejo to pursue a representative action under the California Labor Code Private Attorneys General Act of 2004 (PAGA), California Labor Code¹ section 2699, *et seq.* against Ms. Trejo's former employer, Care Choice Health Systems, Inc. dba Care Choice Health ("CCHS" or "Employer"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of Labor Code violations which Ms. Trejo alleges CCHS engaged in with respect to Ms. Trejo and potentially all CCHS's current and former employees.

Ms. Trejo wishes to pursue this action on behalf of CCHS's current and former employees, on behalf of the State of California, as well as on behalf of all other persons who worked for CCHS in California as non-exempt or hourly-paid employees at any time within the applicable statutory period collectively referred to as, "Aggrieved Employees").

Ms. Trejo and Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

Ms. Trejo's Employment with CCHS

CCHS provides a range of mental health services, including but not limited to, outpatient assistance and psychiatric programs. At all relevant times, CCHS owned and operated an industry business, and establishment

¹ Unless otherwise stated, all references to "Labor Code" are meant to reference the California Labor Code.

within the State of California. Therefore, and based on all the facts and circumstances incident to CCHS's business in California, CCHS is subject to the Labor Code, the Industrial Wage Commission's (IWC) Wage Orders, and the California Business and Professions Code.

Ms. Trejo is a resident of Vista, California who worked for CCHS in San Diego County, California, as an hourly-paid, non-exempt employee from approximately October 2021 to June 21, 2024. Ms. Trejo worked as a caregiver. Ms. Trejo's primary job function was attend to elderly or disabled individuals, including but not limited to supervising, feeding, and dressing them.

During Ms. Trejo's employment with CCHS, CCHS paid Ms. Trejo an hourly wage and classified Ms. Trejo as non-exempt from overtime. CCHS typically scheduled Ms. Trejo to work at least 5 days in a workweek and at least 8 hours per day but Ms. Trejo also worked more than 8 hours in a workday and more than 40 hours in a workweek.

In performing Ms. Trejo's duties, she was regularly required to perform work without compensation and Ms. Trejo was also frequently deprived of an opportunity to take legally compliant meal and rest breaks because the few meal and rest breaks Ms. Trejo took were often cut short or interrupted.

CCHS did not provide Ms. Trejo and Aggrieved Employees with the meal and rest break premiums as required by the Labor Code, and Ms. Trejo does not recall ever receiving any meal and rest break premiums. Additionally, Ms. Trejo necessarily incurred business-related expenses, including but not limited to use of her personal cell phone for work purposes, but CCHS did not reimburse such business expenses. These are just non-exhaustive examples of the facts and theories Ms. Trejo asserts, which are later described in more detail.

Throughout Ms. Trejo's employment, CCHS did not (1) pay for all hours worked (including minimum, straight time, and overtime wages); (2) provide Ms. Trejo with legally compliant meal periods; (3) authorize and permit Ms. Trejo to take rest periods; (4) timely pay all final wages to Ms. Trejo when CCHS terminated Ms. Trejo's employment; (5) furnish accurate wage statements to Ms. Trejo; and (6) indemnify Ms. Trejo for business expenditures. As will be further discussed, Ms. Trejo's experience working for CCHS was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum, Straight, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of the employer and including the time the employee is suffered or permitted to work, whether required to do so.

In addition, Labor Code section 510 provides that employees in California shall not be employed for more than 8 hours on any workday or 40 hours in a workweek unless they receive additional compensation plus their regular wages in amounts specified by law.

Labor Code sections 1194 and 1198 also provide that employees in California shall not be employed more than 8 hours in any workday or 40 hours in a workweek unless they receive the additional compensation as required by law. Further, Section 1198 declares unlawful the employment of an employee for hours longer than those fixed by the IWC.

Throughout the statutory period, CCHS did not pay Ms. Trejo and Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. At times, CCHS required Ms. Trejo

and Aggrieved Employees, or some of them, to work “off-the-clock,” uncompensated by, for example, requiring Ms. Trejo and Aggrieved Employees to perform work during uncompensated meal and rest breaks, and requiring Ms. Trejo and Aggrieved Employees to perform work before clocking in or after clocking out. As one example, CCHS required Ms. Trejo to perform work tasks in lieu of taking a meal break. Some of this unpaid work should have been paid at the overtime rate. California Labor Code section 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over 8 hours per day, 40 hours per week, or when employees work up to 8 hours on any seventh day of a workweek. CCHS failed to properly calculate Ms. Trejo’s regular rate of pay when paying overtime, by failing to include all compensation in Ms. Trejo’s overtime calculations, including hours worked off-the-clock. In failing to pay for all hours worked, CCHS also did not maintain accurate records of the hours Ms. Trejo and the Aggrieved Employees, or some of them, worked.

As a result, CCHS is liable to Ms. Trejo and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210, 1197.1, and 2699, subdivision (f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Breaks

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal break no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid 1 hour of additional wages for each workday they were not provided with all required meal breaks. Despite these legal requirements, CCHS at times wrongfully failed to provide Ms. Trejo and Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal break in a manner required by law (and also including but not limited to failing at times to provide Ms. Trejo and Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal breaks). For example, Ms. Trejo was frequently deprived of an opportunity to take legally compliant meal breaks, including because the very few meal breaks Ms. Trejo could take were often cut short or interrupted. CCHS required Ms. Trejo and others to continue working in lieu of taking a meal period, including but not limited to supervising, feeding, and providing car.

CCHS also continued to assert control over Ms. Trejo and Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal breaks, or by denying Ms. Trejo and Aggrieved Employees, or some of them, permission to take a meal break under the conditions required by law, and without properly compensating Ms. Trejo and Aggrieved Employees, or some of them, for meal breaks that were not provided as required by law. CCHS also did not inform Ms. Trejo of her right to, nor permitted her to take, all of her second meal breaks when Ms. Trejo worked at least 10 hours of work in a workday and otherwise unlawfully pressured Ms. Trejo to waive such breaks. Accordingly, CCHS at times failed to provide meal breaks to Ms. Trejo and Aggrieved Employees, or some of them, in compliance with California law.

Ms. Trejo and the Aggrieved Employees, or some of them, are thus entitled to be paid 1 hour of additional wages for each workday they were not provided with all required meal breaks. CCHS, however, at times failed to pay Ms. Trejo and Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal breaks that were not provided. Ms. Trejo does not recall ever receiving any meal and rest break premiums.

Thus, CCHS is liable to Ms. Trejo and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210 and 2699, subdivision (f)(2) for failing to provide meal breaks and pay meal period premium wages.

Failure to Authorize and Permit Rest Breaks

Per California law, employers are required to authorize and permit breaks of 10 uninterrupted minutes for each 4 hours of work or major fraction of 4 hours (*i.e.*, more than 2 hours). Thus, for example, if an employee's work time is 6 hours and 10 minutes, the employee is entitled to 2 rest breaks. Each failure to authorize rest breaks as required is itself a violation of California's rest break laws.

Throughout the statutory period, CCHS at times has wrongfully failed to authorize and permit Ms. Trejo and Aggrieved Employees, or some of them, to take legally compliant rest breaks in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Ms. Trejo and Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest breaks). CCHS at times required Ms. Trejo and Aggrieved Employees, or some of them, to work in excess of 4 consecutive hours a day without CCHS's authorizing and permitting Ms. Trejo to take a 10-minute, uninterrupted, duty-free rest period for every 4 hours of work (or major fraction of 4 hours), or without compensating Ms. Trejo and Aggrieved Employees, or some of them, for rest breaks that were not authorized or permitted.

Instead, CCHS at times continued to assert control over Ms. Trejo and Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest breaks, or at times by denying Ms. Trejo and Aggrieved Employees, or some of them, permission to take a rest break.

Accordingly, CCHS at times failed to authorize and permit Ms. Trejo and Aggrieved Employees, or some of them, to take rest breaks in compliance with California law. Ms. Trejo and Aggrieved Employees, or some of them, are thus entitled to be paid 1 hour of additional wages for each workday they were not authorized and permitted to take all required rest breaks. CCHS, however, at times failed to pay Ms. Trejo and Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest breaks that they were not authorized and permitted to take.

As a result, CCHS is liable to Ms. Trejo and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210 and 2699, subdivision (f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on CCHS's failure at times to pay Ms. Trejo and Aggrieved Employees, or some of them, for all wages as discussed above, CCHS also violated Labor Code section 204.

Section 204 requires employers to pay employees all earned wages twice per month. Throughout the applicable statute of limitations period, employees were entitled to be paid twice a month at their regular rates, including all meal and rest break premium wages owed and wages owed for overtime hours worked. However, at times, CCHS failed and refused to pay Ms. Trejo all wages due, and failed to pay those wages twice a month, in that Ms. Trejo was not paid all wages for all meal periods not provided by CCHS, all wages for all rest periods not authorized and permitted by CCHS, and all wages for all hours worked. As a result, CCHS owes Ms. Trejo the

legally required wages for unpaid wages, and Ms. Trejo and Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, CCHS is liable to Ms. Trejo and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Breaks

Ms. Trejo seeks penalties under Labor Code section 1174, subdivision (d). Per Labor Code section 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by section 1174 is subject to a penalty under section 1174.5. Under the applicable IWC Order section 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal breaks and total hours worked daily shall also be recorded.

CCHS, however, at times failed to maintain accurate records of hours worked and all meal breaks taken or missed by Ms. Trejo and Aggrieved Employees, or some of them.

CCHS's failure to provide and maintain records required by the Labor Code and the applicable IWC Wage Orders deprived Ms. Trejo and Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal breaks, and the accuracy of their hours worked stated in CCHS's records. Therefore, Ms. Trejo and Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to CCHS. As a direct result, Ms. Trejo and Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel CCHS to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of CCHS's knowing failure, at times, to comply with the Labor Code and applicable IWC Wage Orders, Ms. Trejo and Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves their employment, their wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours' previous notice of their intention to quit, in which case the employee is entitled to their wages at the time of quitting. Direct deposits of wages to an employee's bank, saving and loan, or credit union account that were previously authorized by the employee are immediately terminated when an employee quits or is discharged, and the payment of wages upon termination of employment in the manner described above shall apply unless the employee has voluntarily authorized that deposit and provided that the employer complies with the provisions of Labor Code section 213, subdivision (d) relating to the payment of wages upon termination or quitting of employment.

Within the applicable statute of limitations, the employment of Ms. Trejo and many other Aggrieved Employees ended, *i.e.*, was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, CCHS at times failed, and continue at times to fail, to pay Ms. Trejo and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within 72 hours of their

leaving CCHS's employment. These include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal break premium wages, and missed rest break premium wages. CCHS also violated, and continue to violate, Labor Code section 213, subdivision (d) by paying final wages (if any are paid at all) via direct deposit without the employee's voluntary authorization. Ms. Trejo recalls that she did not receive final wages at the time of discharge, nor within 72 hours of leaving CCHS's employment.

CCHS's conduct violates Labor Code sections 201 and 202. Labor Code section 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than 30 days.

Accordingly, Ms. Trejo and Aggrieved Employees, or some of them, are entitled to recover from CCHS their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code section 203.

Moreover, CCHS is liable to Ms. Trejo and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 2699, subdivision (f)(2) for failing to timely pay all wages at termination, and for unlawfully making any such payment (if any) via direct deposit without the employee's voluntary authorization.

Failure to Furnish Accurate Wage Statements

Labor Code section 226, subdivision (a) provides that every employer shall, semimonthly or at the time of each payment of wages, furnish each of its employees an accurate itemized wage statement in writing showing 9 pieces of information, including: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and the last four digits of their Social Security number or an employee identification number other than a Social Security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Cal. Lab. Code, § 226, subd. (e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees." (Cal. Lab. Code, § 226, subd. (e)(1).)

Throughout the statutory period, CCHS at times failed, and continues at times to fail, to timely furnish Ms. Trejo and Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal breaks that were not provided in accordance with California law, and correct wages for rest breaks that were not authorized and permitted to take in accordance with California law).

Because CCHS at times violated Labor Code section 226, Ms. Trejo and Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Ms. Trejo and similarly Aggrieved Employees, or some of them, are entitled to recover from CCHS the greater of their actual damages caused by CCHS's failure to comply with Labor Code section 226, subdivision (a), or an aggregate penalty not exceeding \$4,000 per employee. Moreover, CCHS is liable to Ms. Trejo and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 226.3 for failing to timely furnish accurate itemized wage statements.

Recordkeeping Requirement Violations

Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by employees. For all applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal breaks were provided each day.

Based on information and belief, CCHS at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Ms. Trejo and other Aggrieved Employees began and ended each work period, time records of meal breaks, and accurate itemized wage statements.

Based on information and belief, CCHS at times failed and continues at times to fail to keep accurate and complete records showing total hours worked by Ms. Trejo and Aggrieved Employees, or some of them, by virtue of CCHS's time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. CCHS failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of CCHS's failure to relieve Ms. Trejo and Aggrieved Employees, or some of them, of all duties and CCHS's control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, CCHS further failed at times, and continue at times to fail, to record the true start and end times of Ms. Trejo's and Aggrieved Employees' meal periods, or some of them.

Based on further information and belief, CCHS further failed at times and continue at times to fail, to record the true start and end times of Ms. Trejo's and Aggrieved Employees' work shifts, or some of them.

Additionally, CCHS at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Ms. Trejo and Aggrieved Employees, or some of them. CCHS's failure to keep "accurate and complete" payroll records for Ms. Trejo and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject CCHS to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.²

Failure to Indemnify Necessary Expenditures

Labor Code section 2802, subdivision (a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of their

² See Labor Code § 2699, subdivision (f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

duties. Throughout the applicable statute of limitations period, CCHS at times wrongfully required Ms. Trejo and Aggrieved Employees, or some of them, to pay expenses they incurred in direct discharge of their duties for CCHS including but not limited to using their personal cell phones for work purposes. Ms. Trejo and Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Ms. Trejo and Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for CCHS but CCHS failed to indemnify Ms. Trejo and Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, CCHS is liable to Ms. Trejo and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 2802 and 2699, subdivision (f)(2) for failing to indemnify Ms. Trejo and Aggrieved Employees, or some of them, for necessary business expenditures.

Action for PAGA Civil Penalties

In light of the above, Ms. Trejo alleges that CCHS violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code sections 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code section 226.7 and applicable IWC Wage Orders by failing at times to provide meal breaks;
3. Labor Code section 226.7 and applicable IWC Wage Orders by failing at times to authorize and permit rest breaks;
4. Labor Code section 204 by failing at times to pay all earned wages twice per month;
5. Labor Code section 1174.5 and applicable IWC Wage Orders by failing at times to maintain accurate records of hours worked and meal breaks taken or missed;
6. Labor Code sections 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code section 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code section 1174 by failing at times to keep accurate and complete payroll records; and
9. Labor Code section 2802 by failing at times to indemnify for necessary expenditures;

Therefore, on behalf of potentially Aggrieved Employees, Ms. Trejo seeks applicable penalties related to the violations alleged above per PAGA. These include, but are not limited to, penalties under Labor Code sections 210, 226.3, 1174.5, 1197.1, and 2699.

Ms. Trejo has placed CCHS on notice by emailing a copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.



Jesenia A. Martinez
Wilshire Law Firm, PLC

EXHIBIT 2

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*Attorneys for Defendant Care Choice Health Systems, Inc.
(erroneously sued as Choice Health Systems, Inc.)*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

MARIA TREJO, individually, and on behalf of
all others similarly situated,

Plaintiff,

v.

CHOICE HEALTH SYSTEMS, INC., an
entity; and DOES 1 through 10, inclusive,

Defendants.

Case No. 24CU019700C

CLASS ACTION

*Assigned for all purposes to:
Hon. Euketa Oliver, Dept. C-75*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

Action Filed: October 28, 2024
Trial Date: Not set

WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Maria Trejo (“Plaintiff”) and Defendant Care Choice Health Systems, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS

1.1 “Action” means Plaintiff’s lawsuit alleging class action wage-and-hour violations as well as individual and representative claims under the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*, against Defendant captioned *Maria Trejo v. Choice Health Systems, Inc.*, San Diego County Superior Court, Case No. 24CU019700C, filed on October 28, 2024.

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

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

1.4 “Aggrieved Employee” means all current and former hourly, non-exempt employees employed by Defendant in the State of California during the PAGA Period.

1.5 “Class” means all current and former hourly, non-exempt employees who were employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in the State of California during the Class Period.

1.6 “Class Counsel” means Thiago M. Coelho, Chumahan B. Bowen, and Jesenia A. Martinez of Wilshire Law Firm, PLC.

1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will request approval from the Court of up to one-third (1/3) of the GSA (currently \$106,266.67).

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Los Angeles, CA 90017

1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$19,000.00, and paid from the Gross Settlement Amount.

1.9 “Class Data” means Class Member identifying information in Defendant’s possession including Class Members’ names, last-known mailing addresses, Social Security numbers, and numbers 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 with a Spanish translation 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 October 28, 2020 through the date of filing the motion for preliminary approval (“Settlement Class Period”).

1.14 “Class Representative” means the named Plaintiff Maria Trejo in the Action.

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

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

1.17 “Defendant” means named Defendant Care Choice Health Systems, Inc.

1.18 “Defendant’s Counsel” means .

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

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Los Angeles, CA 90017

1 Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more
2 Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of
3 appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the
4 appellate court affirms the Judgment and issues a remittitur.

5 1.20 "Final Approval" means the Court's order granting final approval of the Settlement.

6 1.21 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval
7 of the Settlement.

8 1.22 "Final Judgment" means the Judgment entered by the Court upon granting Final
9 Approval of the Settlement.

10 1.23 "Gross Settlement Amount" or "GSA" means \$318,800.00, which is the total amount
11 Defendant agrees to pay under the Settlement, except as provided in Section 8 below.

12 1.24 "Individual Class Payment" means the Participating Class Member's pro rata share of
13 the Net Settlement Amount calculated according to the number of Workweeks worked during the
14 Class Period.

15 1.25 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35%
16 of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the
17 PAGA Period.

18 1.26 "Judgment" means the judgment entered by the Court based upon the Final Approval.

19 1.27 "LWDA" means the California Labor and Workforce Development Agency, the
20 agency entitled, under Labor Code section 2699, subdivision (i).

21 1.28 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA
22 under Labor Code section 2699, subdivision (i).

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

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

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

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

1.33 "PAGA Period" means the period from January 21, 2025 through the date of filing the motion for preliminary approval.

1.34 "PAGA" means the Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.*

1.35 "PAGA Notice" means Plaintiff's January 8, 2026 letter (LWDA-CM-1148575-26) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.36 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$20,000.00), allocated 35% to the Aggrieved Employees (\$7,000.00) and 65% to LWDA (\$13,000.00) in settlement of PAGA claims.

1.37 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.38 "Plaintiff" means Maria Trejo, the named plaintiff in the Actions.

1.39 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.40 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.41 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.42 "Released Parties" means Defendant and Defendant's officers, directors, employees and agents.

1.43 "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.

1.44 "Response Deadline" means 60 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,

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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.

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

1.46 “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 October 28, 2024, Plaintiff filed the 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 January 8, 2026, pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave notice to the LWDA and Defendant that Plaintiff intended to proceed with a representative action under PAGA (LWDA-CM-1148575-26). On April 13, 2026, after the 65-day statutory period passed, Plaintiff filed a First Amended Complaint, which added to the Complaint a cause of action for penalties pursuant to Labor Code section 2699 *et seq.*

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

2.3 On November 4, 2025, the Parties participated in an all-day mediation presided over by mediator Gig Kyriacou. With the help of Mr. Kyriacou, the Parties were able to reach an agreement on general settlement terms at mediation and executed a Memorandum of Understanding thereafter.

2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Action. Prior to mediation, Plaintiff obtained and analyzed a

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representative sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129–30 ("*Dunk/Kullar*").

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

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

3. MONETARY TERMS

3.1 Gross Settlement Amount. Except as otherwise provided by Section 8 below, Defendant will pay \$318,800.00 to fully settle, resolve, and extinguish all claims asserted in the Action, including without limitation all claims asserted in the PAGA Notice. The Gross Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant will pay separately.

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

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

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1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Enhancement Award.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the GSA, which is currently estimated to be \$106,266.67 and a Class Counsel Litigation Expenses Payment for actual costs. Defendant will not oppose requests for these payments. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiff's counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to exceed \$12,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

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

3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of

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wage claims (the “Wage Portion”). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member’s Individual Class Payment will be allocated to the settlement of claims for interest and penalties (the “Non-Wage Portion”). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000.00 to be paid from the Gross Settlement Amount, with 65% (\$13,000.00) allocated to the LWDA PAGA Payment and 35% (\$7,000.00) allocated to the Individual PAGA Payments.

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

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

4. SETTLEMENT FUNDING AND PAYMENTS

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant represents there are 923 Class Members who collectively worked a total of 31,880 Workweeks during the Class Period.

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4.2 Class Data. Not later than 7 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as 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 65 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 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. 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-

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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 Code of Civil Procedure section 384, subdivision (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

5.1 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, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1.1 Plaintiff's Release. Plaintiff discharges 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 Action; and claims under the

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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”). Plaintiff’s 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. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.

5.1.1.1 Plaintiff’s Waiver of Rights Under California Civil Code section 1542.

For purposes of Plaintiff’s Release, Plaintiff expressly waives and relinquishes 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.

5.1.2 Released Class Claims: All Participating Class Members will waive and release all claims asserted in the Operative Complaint filed in the Action or that could have been based on the factual allegations asserted in the Operative Complaint filed in the Action during the Class Period (collectively the “Released Class Claims”).

5.1.3 Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are all claims for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiff’s PAGA Notice to the LWDA and the Operative Complaint filed in the Action, or that could have been based on the facts asserted in the PAGA Notice and the Operative Complaint filed in the Action against Released Parties (collectively the “Released PAGA Claims”).

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6. MOTION FOR PRELIMINARY APPROVAL

6.1 Plaintiff will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).

6.2 Plaintiff’s Responsibilities. Plaintiff 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, subdivision (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 Plaintiff 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 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, Plaintiff 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.

6.3 Responsibilities of Counsel. Class Counsel and Defendant’s 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 court days before the hearing, unless otherwise ordered by the Court, and deliver the Court’s Preliminary Approval Order to the Administrator.

6.4 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 Defendant’s Counsel will expeditiously work together on behalf of the Parties by

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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 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.

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

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

7.4 Notice to Class Members.

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

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (USPS) mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA

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1 Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall
2 update Class Member addresses using the National Change of Address database.

3 7.4.3 Not later than 5 calendar days after the Administrator's receipt of any Class
4 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using
5 any forwarding address provided by the USPS. If the USPS does not provide a forwarding address,
6 the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the
7 most current address obtained. The Administrator has no obligation to make further attempts to locate
8 or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

9 7.4.4 The deadlines for Class Members' written objections, challenges to
10 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days
11 beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-
12 mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed
13 Class Notice.

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

22 7.5 Requests for Exclusion (Opt-Outs).

23 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class
24 Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion
25 not later than 60 days after the Administrator mails the Class Notice (plus an additional 14) days for
26 Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class
27 Member or his/her representative that reasonably communicates the Class Member's election to be
28 excluded from the Settlement and includes the Class Member's name, address and email address or

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1 telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked
2 by the Response Deadline.

3 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because
4 it fails to contain all the information specified in the Class Notice. The Administrator shall accept any
5 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person
6 as a Class Member and the Class Member's desire to be excluded. The Administrator's determination
7 shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason
8 to question the authenticity of a Request for Exclusion, the Administrator may demand additional
9 proof of the Class Member's identity. The Administrator's determination of authenticity shall be final
10 and not appealable or otherwise susceptible to challenge.

11 7.5.3 Every Class Member who does not submit a timely and valid Request for
12 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits
13 and bound by all terms and conditions of the Settlement, including the Participating Class Members'
14 Releases under paragraphs 5.1.2 and 5.1.3 of this Agreement, regardless of whether the Participating
15 Class Member actually receives the Class Notice or objects to the Settlement.

16 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is
17 a Non-Participating Class Member and shall not receive an Individual Class Payment or have the
18 right to object to the class action components of the Settlement. Because future PAGA claims are
19 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are
20 Aggrieved Employees are deemed to release the Released PAGA Claims identified in Paragraph 5.3
21 of this Agreement and are eligible for an Individual PAGA Payment.

22 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after
23 the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class
24 Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods allocated
25 to the Class Member in the Class Notice. The Class Member may challenge the allocation by
26 communicating with the Administrator via fax, email or mail. The Administrator must encourage the
27 challenging Class Member to submit supporting documentation. In the absence of any contrary
28 documentation, the Administrator is entitled to presume that the Workweeks contained in the Class

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1 Notice are correct so long as they are consistent with the Class Data. The Administrator's
2 determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and
3 not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies
4 of all challenges to the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class
5 Counsel and the Administrator's determination of the challenges.

6 7.7 Objections to Settlement.

7 7.7.1 Only Participating Class Members may object to the class action components
8 of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
9 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment
10 and/or Enhancement Award.

11 7.7.2 Participating Class Members may send written objections to the Administrator,
12 by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire
13 an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A
14 Participating Class Member who elects to send a written objection to the Administrator must do so
15 not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14
16 days for Class Members whose Class Notice was re-mailed).

17 7.7.3 Non-Participating Class Members have no right to object to any of the class
18 action components of the Settlement.

19 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to
20 be performed or observed by the Administrator contained in this Agreement or otherwise.

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

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

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1 by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's
2 declaration(s) in Court.

3 7.8.6 Final Report by Settlement Administrator. Within 10 days after the
4 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
5 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
6 identification number only of all payments made under this Agreement. At least 15 days before any
7 deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense
8 Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments
9 required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration
10 in Court.

11 **8. ESCALATOR CLAUSE**

12 8.1 Based on its records, Defendant represents there are 923 Class Members who
13 collectively worked a total of 31,880 Workweeks during the Class Period. Should the Workweeks
14 increase more than 10% (i.e. more than 35,068 workweeks), the GSA will increase on a proportional
15 basis equal to the percentage increase in the number of Workweeks worked by the Class Members
16 above the 10% (for example, if the final number of total workweeks increases by 11%, the GSA will
17 increase 1%). Defendant may elect before the preliminary approval is filed either (a) to pay pro rata
18 for excess workweeks or (b) to set a fixed earlier end date so total workweeks do not exceed 110%.

19 8.2 This is a material representation for Plaintiff to enter into this Settlement.

20 **9. MOTION FOR FINAL APPROVAL**

21 9.1 Not later than 16 court days before the calendared Final Approval Hearing, unless
22 otherwise scheduled by the Court, Plaintiff will file in Court, a Motion for Final Approval of the
23 Settlement that includes a request for approval of the PAGA settlement under Labor Code section
24 2699, subdivision (l); a Proposed Final Approval Order; and a proposed Judgment (collectively
25 "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defendant's
26 Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will
27 expeditiously meet and confer in person or by telephone, and in good faith, to resolve any
28 disagreements concerning the Motion for Final Approval.

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

9.3 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Costs Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

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

9.6 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material

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modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Enhancement Award or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10. AMENDED JUDGMENT

10.1 If any amended judgment is required under Code of Civil Procedure section 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 Plaintiff 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 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. Plaintiff, Class Counsel, Defendant, and Defendant's 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

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1 permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
2 or indirectly, specifically or generally, to any person, corporation, association, government agency,
3 or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be
4 instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent
5 necessary to report income to appropriate taxing authorities; (4) in response to a court order or
6 subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.
7 Each Party agrees to immediately notify the other Party of any judicial or agency order, inquiry, or
8 subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel
9 separately agree not to, directly or indirectly, initiate any conversation or other communication, before
10 the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or
11 the matters giving rise to this Agreement except to respond only that "the matter was resolved," or
12 words to that effect. This paragraph does not restrict Class Counsel's communications with Class
13 Members in accordance with Class Counsel's ethical obligations owed to Class Members.

14 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and
15 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from
16 the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to
17 communicate with Class Members in accordance with Defendant's Counsel's and Class Counsel's
18 ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

19 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
20 together with its attached exhibits shall constitute the entire agreement between the Parties relating to
21 the Settlement, superseding all oral representations, warranties, covenants, or inducements made to
22 or by any Party.

23 11.5 Attorney Authorization. Class Counsel and Defendant's Counsel separately warrant
24 and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
25 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its
26 terms, and to execute any other documents reasonably required to effectuate the terms of this
27 Agreement including any amendments to this Agreement.
28

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

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

11.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defendant's Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

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

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

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

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

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

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

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

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 Plaintiff:

Thiago M. Coelho
thiago.coelho@wilshirelawfirm.com
Chumahan B. Bowen
chumahan.bowen@wilshirelawfirm.com
Jesenia A. Martinez
jesenia.martinez@wilshirelawfirm.com
JeseniaMartinezsTeam@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017

To Defendant:

Joel Van Parys, SBN 227387
jvanparys@cdflaborlaw.com
Dalia Z. Khatib, SBN 323712
dkhatib@cdflaborlaw.com
CDF LABOR LAW LLP
900 University Avenue, Suite 200
Sacramento, California 95825

Robert E. King, 198325
info@legallynanny.com
LEGALLY NANNY®
37 Trailwood
Irvine, California 92620-8864

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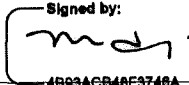
11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same 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 Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure 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 Code of Civil Procedure section 664 *et seq.*, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Evidence Code sections 1122, subdivision (a)(1) and section 1123, subdivision (b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the San Diego County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure section 664.6.

IT IS SO AGREED.

DATED: 6/4/2026

Signed by:

4899ACB48F3746A
Plaintiff Maria Trejo

DATED: 6/11/2020

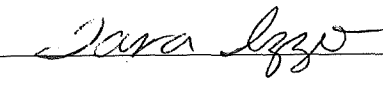

Defendant Care Choice Health Systems, Inc.
By: Tara Izzo
Title: CEO

EXHIBIT A

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

Maria Trejo v. Choice Health Systems, Inc.,
San Diego County Superior Court, Case No. 24CU019700C

***The San Diego 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 an employee class and representative action lawsuit (“Action”) against Care Choice Health Systems, Inc. (“Defendant”) for alleged wage and hour violations. The Actions were filed by former employee, Maria Trejo, and seeks (1) payment of unpaid wages and other relief for a class of non-exempt or hourly-paid employees (“Class Members”) who worked for Defendant during the Class Period October 28, 2020 to XXXX); and (2) penalties under the California Private Attorney General Act (PAGA) for all Class Members who worked for Defendant during the PAGA Period (January 21, 2025 to XXXX) (“Aggrieved Employees”).

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 \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____.** 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 _____ Workweeks during the Class Period and you worked _____ 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 Plaintiff and Plaintiff’s 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 Care Choice Health Systems, Inc. at some point between October 28, 2020 through XXXX, 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 January 21, 2025 through XXXX.

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 Action is the San Diego County Superior Court. The case is titled *Maria Trejo v. Choice Health Systems, Inc.*, Case No. 24CU019700C. The person who sued, Maria Trejo, is the Plaintiff, and the company sued, Care Choice Health Systems, Inc., is the Defendant.

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

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiff in the lawsuit alleges 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; (8) violation of California's Unfair Competition Law, California Business and Professions Code section 17200 *et seq.* In addition, Plaintiff is seeking to recover civil penalties pursuant to PAGA ("PAGA Penalties") based on the alleged violations of the California Labor Code listed above. Defendant denies Plaintiff's 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 Plaintiff) 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 Plaintiff or Defendant on the merits of the claims alleged in the lawsuit. Plaintiff believes Plaintiff would win at trial. Defendant thinks that Plaintiff's lawsuit would not proceed to a trial and/or that Plaintiff 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 Plaintiff, as well as Plaintiff's 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 current and former hourly, non-exempt employees who were employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in State of California at any time from October 28, 2020 through XXXX.

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 \$318,800.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of one-third of the GSA or \$106,266.67 and reimbursement for reasonable costs; Enhancement Award of \$10,000.00 to the Plaintiff (for Plaintiff’s work and efforts prosecuting this case); a PAGA Penalties payment of \$20,000.00 to resolve the PAGA claims; and Settlement Administration Costs to Phoenix Settlement Administrators, not to exceed \$12,500.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, 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 \$TBD. 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 \$20,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 65% of the PAGA Penalties payment, or \$13,000.00, will be paid to the California Labor and Workforce Development Agency. The remaining 35% of the PAGA Penalties payment, or \$7,000.00, 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 (October 28, 2020 to XXXX). Eighty percent (80%) 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 percent (20%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% 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 January 21, 2025 to XXXX (“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* (2020) 53 Cal.App.5th 476.)

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 Fairness Hearing on _____, 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 72 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 the GSA is fully funded by Defendant.

Released Class Claims: The "Released Class Claims" shall include all claims asserted in the Operative Complaint filed in the Action or that could have been based on the factual allegations asserted in the Operative Complaint filed in the Action during the Class Period against the Released Parties.

Released PAGA Claims: If you are an Aggrieved Employee (i.e. if you worked for Defendant during the PAGA Period), you will also release all claims for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiff's PAGA Notice to the LWDA and the Operative Complaint filed in the Action, or that could have been based on the facts asserted in the PAGA Notice and the Operative Complaint filed in the Action against Released Parties

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 [60 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].
Care Choice Health 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 (January 21, 2025 through XXXX). 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 [60 days after Class Notice is Mailed].

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

No. If you exclude yourself, you will not receive any money from this Settlement. However, if you timely exclude yourself from the Settlement, you will retain the right to pursue your own legal action against Defendant, if you desire.

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.

Thiago M. Coelho
thiago.coelho@wilshirelawfirm.com
Chumahan B. Bowen
chumahan.bowen@wilshirelawfirm.com
Jesenia A. Martinez
jesenia.martinez@wilshirelawfirm.com
JeseniaMartinezsTeam@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve up to \$106,266.67 (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 \$19,000.00 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 Plaintiff Maria Trejo in the amount of \$10,000.00 in addition to Plaintiff's Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiff has spent in service to the Class as the Class Representative. The Court may award a Class Representative 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 _____, 2026, at the following address:

[INSERT]
Care Choice Health Settlement
XXXXX
City, State, XXXXX
Email:

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

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 at _____ on _____ in Department C-75 of the San Diego County Superior Court (Hall of Justice) located at 330 West Broadway, San Diego, California 92101, 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 Payment 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. You may also pay your own lawyer to attend, but it is not necessary.

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 Action.

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

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 _____, or you can write to the Administrator at the following address:

[INSERT]
Care Choice Health Settlement
XXXXX
City, State, XXXXX
Email:
Fax

PLEASE DO NOT TELEPHONE THE COURT OR CARE CHOICE HEALTH SYSTEM, 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 3



Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>

Date Fri 9/25/2026 4:51 PM

To Giancarlo Recinos' Team <GiancarloRecinosTeam@wilshirelawfirm.com>

09/25/2026 04:51:10 PM

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

Item submitted: Proposed Settlement

On 09/25/2026 04:51:10 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1148575-26

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%7Cdariane.rose%40wilshirelawfirm.com%7C7a940676a6904090c79d08df1b5fe7ae%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639259770863142351%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMlslkFOljoitWFRpbCIsIldUljoyfQ%3D%3D%7C0%7C%7C%7C&data=kWZDqHwMakPxMSmwyjxj1vs0z0kLTTYbeXw8ptrJU%3D&reserved=0](https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate+Attorneys+General+Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7C7a940676a6904090c79d08df1b5fe7ae%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639259770863142351%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMlslkFOljoitWFRpbCIsIldUljoyfQ%3D%3D%7C0%7C%7C%7C&data=kWZDqHwMakPxMSmwyjxj1vs0z0kLTTYbeXw8ptrJU%3D&reserved=0)

EXHIBIT 4



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	923
Opt Out Rate	1%
Opt Outs Received	9
Total Class Claimants	914
Subtotal Admin Only	\$12,500.00

Not-to-Exceed Total \$12,500.00

For 923 Class Members

Pricing Good for Scope of Estimate Only

April 27, 2026

Case: Trejo v. Care Choice Health Systems, Inc., Opt-Out Administration wTranslation

Phoenix Contact: Jodey Lawrence

Contact Number: 800-523-5773

Email: Jodey@phoenixclassaction.com

Requesting Party: Jesenia Martinez, Esq.

Firm: Wilshire Law Firm, PLC

Toll Free: (800) 926 9799

Email: jesenia.martinez@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 923 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*	\$121.06	1	\$121.06
Call Center & Long Distance	\$2.00	2	\$4.00
NCOA (USPS)	\$250.00	2	\$500.00
Total			\$1,375.06

* 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	923	\$461.50
Notice Packet & Opt-Out Form	\$1.25	923	\$1,153.75
Estimated Postage (up to 2 oz.)*	\$0.79	923	\$729.17
Static Website	\$200.00	1	\$200.00
Language Translation	\$1,000.00	1	\$1,000.00
Total			\$3,919.42

* 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	\$2.00	92	\$184.60
Remail Notice Packets	\$1.25	92	\$115.38
Estimated Postage	\$0.79	92	\$72.92
Programming Undeliverables	\$50.00	2	\$100.00
Total			\$582.89

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	1	\$135.00
Non Opt-Out Processing	\$200.00	1	\$200.00
Case Associate	\$55.00	2	\$110.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	1	\$10.00
Case Manager	\$75.00	2	\$150.00
Total			\$605.00

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	\$125.00	5	\$625.00
Mail Class Checks *	\$1.25	914	\$1,142.21
Estimated Postage	\$0.79	914	\$721.88
Total			\$3,379.09

* 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	46	\$68.53
Case Associate	\$55.00	4	\$220.00
Reconcile Uncashed Checks	\$75.00	3	\$225.00
Conclusion Reports	\$125.00	2	\$250.00
Case Manager Conclusion	\$100.00	1	\$100.00
Final Reporting & Declarations	\$125.00	2	\$250.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,150.00	1	\$1,150.00
Total			\$2,638.53

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

Estimate Total: \$12,500.00



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.