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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF TUOLUMNE

VERONICA AGUAYO, as an individual
and on behalf of all others similarly situated,

Plaintiff,

vs.

HEALTHCARE STAFFING
PROFESSIONALS, INC., a California
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: CV65621

**DECLARATION OF KRISTEN M. AGNEW IN
SUPPORT OF PLAINTIFF'S MOTION TO
APPROVE SETTLEMENT AGREEMENT
PURSUANT TO THE PRIVATE ATTORNEYS
GENERAL ACT**

Date: August 9, 2024
Time: 8:30 a.m.
Dept: 1

Complaint Filed: October 4, 2023
Trial Date: None

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I, Kristen M. Agnew, declare as follows:

1. I am an attorney at law, duly licensed to practice before all Courts in the State of California, and am with the law firm Diversity Law Group, P.C., counsel of record for Plaintiff Veronica Aguayo (“Plaintiff”). I have personal knowledge of the facts set forth below and if called to testify I could and would do so competently.

PROCEDURAL HISTORY

2. From the inception of the case, I have zealously represented the interests of the Aggrieved Employees.

3. On July 27, 2023, Plaintiff filed a notice with the Labor Workforce & Development Agency (“LWDA”) alleging claims against Defendant Healthcare Staffing Professionals, Inc. (“Defendant” or “HSP”) for violation of Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512, 558, 1194, 1197 and 1197.1 (the “PAGA Notice”). As set forth in the PAGA Notice, Plaintiff contends that Defendant had a consistent policy of: (a) failing to pay minimum, regular and/or overtime wages for all hours worked, in violation of Labor Code sections 510, 558, 1194, 1197 and 1197.1; (b) failing to provide off-duty meal and rest breaks, in violation of Labor Code sections 226.7 and 512; (c) failing to pay employees all of their wages upon separation of employment due to unpaid and/or underpaid wages, in violation of Labor Code sections 201, 202 and 203; and (d) failing to provide accurate itemized wage statements, in violation of Labor Code section 226. Attached hereto as **Exhibit 2** is a true and correct copy of the PAGA Notice.

4. On October 4, 2023, Plaintiff initiated the instant representative PAGA Action against Defendant in the Superior Court of California, County of Tuolumne (the “Action”). Plaintiff asserts a single cause of action for violation of the PAGA, predicated on the alleged Labor Code violations set forth in the PAGA Notice. Plaintiff seeks to recover PAGA penalties on behalf of all current and former non-exempt employees who worked for Defendant in the State of California.

5. On or about April 30, 2024, Defendant filed an Answer. Defendant denies all allegations in the Action and all claims of any wrongdoing whatsoever.

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7. **Off-the-Clock Claim.** As set forth in the Complaint, Plaintiff alleges that HSP had a corporate policy, pattern, and practice of failing to pay all earned wages to Plaintiff and Aggrieved Employees. In particular, Plaintiff alleges that employees were required to submit to multi-point security inspections both at the start and end of their shift. Plaintiff and Aggrieved Employees did not receive the payment of wages for such time.

9. **Regular Rate Violation.** Plaintiff further alleges that HSP paid Plaintiff and Aggrieved Employees overtime wages based on the incorrect regular rate of pay. During workweeks when employees worked overtime and earned non-discretionary incentive pay, including without limitation, per diems, Plaintiff alleges HSP failed to incorporate the nondiscretionary incentives into the calculation of the regular rate of pay. Consequently, HSP underpaid overtime wages to Plaintiff and other Aggrieved Employees.

10. HSP contends that per diems are not wages. Instead, the per diems function as a reimbursement for work-related expenses. As such, they may be properly excluded from the regular

1 rate calculation.

2 11. **Meal and Rest Period Violation.** Plaintiff alleges that HSP failed in its affirmative
3 obligation to ensure that Plaintiff and Aggrieved Employees had the opportunity to take and were
4 provided with off-duty meal and rest periods in accordance with the mandates of the California
5 Labor Code and the applicable IWC Wage Order. Plaintiff maintains that, as a pattern and practice,
6 employees frequently work through their entire shift without being allowed to take an off-duty meal
7 and rest breaks. More specifically, the staffing model in the prison's medical facility did not allow
8 for employees to take uninterrupted breaks. Additionally, given the amount of time that the security
9 inspections take to complete, employees cannot leave the facility and return to their stations within
10 30 minutes. Consequently, supervisors direct employees to remain on the prison grounds during
11 their meal periods.

12 12. HSP counters that it has maintained compliant written meal period policies
13 throughout the liability period and has always provided compliant breaks in line with those policies.
14 Furthermore, as a result of the lawsuit HSP conducted an audit of its meal and rest period practices.
15 HSP represented and Plaintiff confirmed through analysis of HSP's data that HSP's meal/rest
16 compliance rate is over 90% and that any deviations were based on individualized unique
17 circumstances, not due to HSP. Defendant argues that this tends to support HSP's position that
18 HSP's policies and procedures are compliant.

19 13. **Derivative Violations.** Due to the non-payment and/or underpayment of wages and
20 meal/rest break premiums, as identified above, Plaintiff alleges that HSP failed to provide accurate
21 itemized wage statements and pay all earned wages at the time of separation to Aggrieved
22 Employees.

23 14. As argued by HSP, Plaintiff's derivative wage statement violation is vulnerable to a
24 motion for summary judgment based on the weaknesses of the underlying primary claims. *See*
25 *Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308 (2018) (finding that the employees did
26 not suffer a violation under 226(a) where their wage statement cause of action was derived from an
27 underlying wage and hour violation for overtime).

28 //

15. **Mediation Data.** Defendant also produced data relevant to the potential value of the claims, including the number of Aggrieved Employees, the aggregate number of pay periods worked by all Aggrieved Employees during the PAGA Period (July 27, 2022, through September 30, 2023), the number of pay periods worked by the sub-set of Aggrieved Employees assigned to work at a correctional facility, the number of pay periods in which Aggrieved Employees earned overtime and non-discretionary incentive wages in the same workweek, and the number of separated Aggrieved Employees. Defendant confirmed that there were 1,203 Aggrieved Employees who worked approximately 20,880 pay period during the PAGA Period. Defendant also provided its written wage and hour policies and a representative sampling of time records.

16. Using the data provided by Defendant, I performed a comprehensive damages analysis.

MEDIATION

17. On April 9, 2024, the Parties engaged in an all-day mediation session before Mr. Jackson. During the mediation, counsel zealously advocated on behalf of their respective clients. The Parties spoke at length about the strengths and weaknesses of each sides' claims and defenses and the scope of Defendant's liability. The Parties gained valuable insight and exchanged significant information about their respective positions. After a full day of negotiation, the Parties were able to reach an agreement for settlement and the key terms. The Parties thereafter worked to memorialize the terms of the settlement in Memorandum of Understanding and subsequently executed a long-form settlement agreement now before the Court.

SUMMARY OF THE PROPOSED SETTLEMENT

18. On or about June 18, 2024, the Parties executed the Joint Stipulation of Settlement and Release under the Private Attorneys General Act (“Agreement” or “Settlement”) resolving all claims alleged in the Complaint. Attached hereto as **Exhibit 1** is true and correct copy of the Agreement.

19. As defined by the Settlement, “Aggrieved Employees” means “all current and former California employees of Healthcare Staffing Professionals, Inc. who were paid wages by Defendant at any time from July 27, 2022, through September 30, 2023.” (Settlement Agreement §

1 B-2.) Based upon Defendant's records, there are 1,203 Aggrieved Employees who received the
2 payment of wages in approximately 20,880 pay periods during the PAGA Period (July 27, 2022,
3 through September 30, 2023.

4 20. The Settlement Agreement requires Defendant to pay the gross amount of One
5 Hundred Ninety-Eight Thousand Nine Hundred Twelve Dollars (\$198,912.00) (the "Maximum
6 Settlement Amount"). (Settlement Agreement §§ B-9.) Based on the data points provided by
7 Defendant, on raw average, Defendant will pay approximately \$9.52 for each of the 20,880 pay
8 periods worked by Aggrieved Employees during the PAGA Period and released under the
9 Settlement.

10 21. The balance of the Maximum Settlement Amount remaining after deduction of the
11 approved Enhancement Payment to Plaintiff, attorneys' fees and costs and the Settlement
12 Administration Costs (the "PAGA Penalties Fund"), will be available for distribution to the LWDA
13 and Aggrieved Employees. (*Id.* at §§ B-10, C-4.)

14 22. As part of the Settlement Agreement, Defendant does not object to Plaintiff's
15 Counsel's request for attorneys' fees of approximately thirty-five percent of the Maximum
16 Settlement Amount, i.e. Sixty-Nine Thousand Six Hundred Nineteen Dollars and Twenty Cents
17 (\$69,619.20), plus up to Fifteen Thousand Dollars (\$15,000.00) for reimbursement of litigation
18 costs, subject to the Court finally approving this Settlement. (Settlement Agreement § C-9.)
19 However, Plaintiff's Counsel's anticipated actual litigation costs total \$9,251.83.

20 23. Defendant has also agreed to not object to Plaintiff's request for an Enhancement
21 Payment of Five Thousand Dollars (\$7,500). (Settlement Agreement §§ B-7, C-8.)

22 24. Finally, the Settlement Agreement provides for the payment of the fees and expenses
23 reasonably incurred by the Settlement Administrator. (Settlement Agreement § C-10.) The Parties
24 have agreed to utilize Phoenix Settlement Administrators to administer the settlement, with the
25 administration costs estimated to be \$10,000.00. (*Id.* at §§ B-16, C-10.) The Parties believe that the
26 administration fee is reasonable and should be approved.

27 **PAYMENTS TO AGGRIEVED EMPLOYEES AND THE LWDA**

28 25. Assuming that the Court approves the Enhancement Payment to Plaintiff (\$7,500),

attorney's fees (\$69,619.20), actual litigation costs (\$9,251.83) and the Settlement Administrator's costs (\$10,000.00), I estimate that the PAGA Penalties fund will total \$102,540.97.

26. Seventy-Five percent of the PAGA Penalties Fund, or approximately \$76,905.73, will be paid to the LWDA for PAGA penalties. (Settlement Agreement § C-4) The remaining twenty-five percent, or approximately \$25,635.24, will be distributed to Aggrieved Employees. (*Id.*)

27. The Individual Settlement Payment to each Aggrieved Employee will be based on the number of "Pay Period Points" assigned to the employee. (Settlement Agreement § C-5.) Aggrieved Employees will be credited with: (1) one point for each pay period in which the employee worked at least one shift during the PAGA Period; (2) one point for each pay period in which the employee worked at least one shift in a correctional facility during the PAGA Period; and (3) one point for each pay period in which the employee earned both overtime and Per Diem wages in the same workweek during the PAGA Period. (*See id.*) For the reasons discussed in paragraphs 7, 8 and 11 *supra*, it is the Parties' intention that greater weight should be given to the pay periods in which Aggrieved Employees worked in a correctional facility during the PAGA Period. (*See id.*) This is fair, as it directly allocates greater penalties to individual Aggrieved Employees who have allegedly suffered greater harm.

28. Based on the number of Aggrieved Employees, employees will be entitled to recover, on average, up to \$21.30 each. However, the amount that any particular Aggrieved Employee will be entitled to recover will be greater or lower than this average depending on the number of "Pay Period Points" assigned to the employee.

POTENTIAL CIVIL PENALTIES

29. The maximum potential PAGA penalties are \$2,088,000. There are 20,880 pay periods during the relevant time period. I applied the \$100 penalty per violation, given that there had been no prior finding that Defendant's practices had caused a violation of the Labor Code.

30. However, in order to recover any PAGA penalties, Plaintiff would be required at trial to prove the underlying Labor Code violations and Plaintiff's claims are contested.

31. Assuming that Plaintiff prevailed on liability, under the facts of this case, I

1 appreciate the substantial risk that the Court could exercise its discretion under PAGA to reduce the
2 maximum allowable PAGA penalties. Defendant, for example, has argued that even if the Court
3 ultimately found that its payroll practices violate the Labor Code, the alleged violations were
4 inadvertent and did not result in substantial economic harm to employee. Defendant would also
5 likely argues that higher penalties would have been confiscatory.

6 32. I am also aware that Courts routinely award far less than the statutory maximum
7 amount of civil penalties, even where an underlying violation of the Labor Code is found. For
8 example, as shown in the Court of Appeal's decision in *Carrington v. Starbucks Corp.*, while the
9 plaintiff prevailed on his PAGA claim upon trial, the trial court reduced the maximum PAGA
10 penalty amount by 90%, citing the employer's good faith attempt at complying with the law. 30
11 Cal. App. 5th 504, 517 (2018). Similarly, in the matter of *Magadia v. Wal-Mart Assocs. et al.*, 2019
12 U.S. Dist. Lexis 91792, while the trial court imposed substantial PAGA penalties upon the
13 defendant, such amount still represented reductions of 67% and 80% of the potential PAGA
14 penalties at issue. *Id.* at *87-*100. Moreover, this was only after the plaintiff in Magadia had
15 prevailed after trial.

16 33. I strongly believe that Plaintiff can prevail at trial. However, after taking into
17 account sharply disputed factual and legal issues involved in this litigation, the risks attending
18 further prosecution, and the substantial benefits to be received pursuant to the compromise and
19 settlement of the litigation, I have concluded that settlement on the terms set forth in the Settlement
20 Agreement is appropriate and in the best interests of Plaintiff and the Aggrieved Employees.

21 ATTORNEY EXPERIENCE

22 34. My firm has a great deal of experience in wage and hour class action litigation and
23 has been approved as class counsel in a number of class actions.

24 35. My qualifications are as follows: I was the 2003 recipient of the Spelman
25 Presidential Scholarship to Emory University School of Law. During law school, I was a summer
26 associate at the law firm of Sonnenschein, Nath and Rosenthal, and clerked with the Atlanta office
27 of the Equal Employment Opportunity Commission. I received my J.D. from Emory University in
28 2006 and was admitted to the California Bar in December 2006. Following law school, I was an

1 associate at Sonnenschein from September 2006 to May 2009.

2 36. Since 2009, my primary area of practice has been employment litigation. I have
3 practiced law at two preeminent employment defense firms. From May 2009 to June 2011, I was an
4 associate at Ogletree, Deakins, Nash, Smoak & Stewart, P.C. I was also an associate, and then
5 senior associate, in the labor and employment practice group of Seyfarth Shaw, LLP from June
6 2011 to May 2016. At both Ogletree and Seyfarth, I represented a wide array of fortune 500
7 companies in employment litigation in both state and federal courts, as well as before government
8 agencies, including the California Department of Labor. My practice included the defense of single
9 plaintiff and multi-plaintiff lawsuits involving claims under the California Fair Employment and
10 Housing Act, the California Labor Code and the Fair Labor Standards Act. I also handled a number
11 of wage and hour class actions.

12 37. In June 2016, I joined Diversity Law Group, P.C. where I spend most of my time
13 handling employment cases. I primarily represent employees.

14 38. I served as the lead associate on a number of wage and hour class actions, including
15 *Martha Cardenas v. Gold's Gym*, Los Angeles County Superior Court Case No. BC445112;
16 *Nathaniel Werner v. Crown Equipment Corporation*, Los Angeles County Superior Court Case No.
17 BC439428; *Christopher Williams v. Allstate Insurance Co.*, Los Angeles County Superior Court
18 Case No. BC382577; *Hwang v. Caltech*, Los Angeles County Superior Court Case No. BC464894;
19 *Melissa Roberts v. Zale Delaware, Inc.*, Los Angeles Superior Court Case No. BC523610; *Michael*
20 *Oliver v. Konica Minolta Business Solutions U.S.A., Inc.*, Santa Clara County Superior Court Case
21 No. 114-CV-263183; *Tessa Hodge v. Zale Delaware, Inc., d/b/a Piercing Pagoda*, San Bernardino
22 Superior Court Case No CIVVS1301632; *Warren v. Paychex, Inc.*, N.D. Cal. Case No. 3:10-cv-
23 02006; *Tapia v. Zale Delaware Inc. et al*, S.D. Cal. Case No. 3:13-cv-01565; and *Benjamin Burgess*
24 *et al v. Tesoro Refining and Marketing Company et al*, C.D. Cal. Case No. 2:10-cv-05870.

25 39. I have been approved as class counsel in a number of class actions by the Superior
26 Courts of California and United States District Courts, including: *Antonio Becerra-Mata v. PSC*
27 *Industrial Outsourcing, LP*, San Benito County Superior Court Case No. CU-15-00030; *Andrew*
28 *Vasquez v. Earthbound Farm, LLC*, San Benito County Superior Court Case No. CU-17-00171;

1 *Fransisco Pulido v. Westrock Services, Inc.*, San Benito County Superior Court Case No. CU-18-
2 00074; *Kosal So v. Owens-Brockway Glass Container, Inc.*, Los Angeles County Superior Court
3 Case No. BC608609; *John Obiols v. Lockheed Martin Corporation*, Santa Clara County Superior
4 Court Case No. 17CV314178; and *Eric Chavez v. Converse, Inc.*, N.D. Cal. Case No. 15-cv-03746-
5 NC.

6 40. I also second chaired two jury trials where I represented the prevailing defendant.
7 Both cases involved employees who brought claims against their former employers pursuant to the
8 Fair Employment & Housing Act. The cases are: *Jeff Cowell v. Eaton Aerospace LLC et al*, Los
9 Angeles County Superior Court Case No. BC401543; and *Richard Gulden v. Pratt & Whitney*
10 *Rocketdyne Inc. et al.*, Los Angeles County Superior Court Case No. BC468909.

11 **ATTORNEYS' FEES AND LITIGATION COSTS**

12 41. At the time the Parties negotiated the Settlement Agreement, I did not have a final
13 tally of the litigation costs incurred to date. As such, the Parties included a maximum amount that
14 could be attributed to costs under the settlement. To date, Diversity Law Group has incurred costs
15 in the amount of \$9,251.83 for litigation related expenses, including filing fees, postage, copying
16 and court reporter fees. Attached hereto as **Exhibit 3** is a true and correct copy of the cost report.

17 42. To date, I have incurred approximately 76.10 hours in connection with the litigation
18 of this lawsuit. Attached hereto as **Exhibit 4** is a summary of the hours I have incurred to date. I
19 expect to spend an additional three hours finalizing this settlement, including preparing for the
20 approval hearing, conferring with Settlement Administrator regarding distribution of payment to
21 Aggrieved Employees, and fielding phone calls regarding inquiries about the Settlement.

22 43. As of January 1, 2024, my hourly rate in class and representative actions increased to
23 \$800. Accordingly, the total lodestar for my hours will be approximately \$63,280 (79.10 hours x
24 \$800). I was recently approved at an hourly rate of \$800 in the matters of *Robert Jordan v.*
25 *Mondelez Global, LLC*, San Bernardino County Superior Court Case No. CIVSB2202758; and
26 *Alexis Tristan v. American Homes 4 Rent, L.P.*, Los Angeles County Superior Court Case No.
27 23STCV17006. I was also previously approved at an hourly rate of \$700.00 in a number of matters,
28 including: *Foaad Hanna v. Equinix, LLC*, Santa Clara County Superior Court Case No.

1 18CV339365; *Alicia Harris v. 24 Seven LLC*, Los Angeles County Superior Court Case No.
2 BC720144; *Mary Della Maggiora v. Watsonville Community Hospital*, Santa Cruz Superior Court
3 Case No. 18CV00191; *Michael Randolph v. Pacific Racing Association*, Alameda County Superior
4 Court Case No. RG18908139; *Gutierrez v. Spa Havens, LP*, San Diego Superior Court Case No.
5 37-2019-00057065-CU-OE-NC; *Cruzado v. Ontario T, Inc.*, San Bernardino Superior Court Case
6 No. CIVSB2027249; *Ray v. C&W Facility Services, Inc.*, San Bernardino Superior Court Case No.
7 CIVSB2101321; *Alvarez v. Forterra Building Products*, San Diego Superior Court Case No. 37-
8 2020-00018179-CU-OE-CTL; *Dunn v. Universal Plant Services of California, Inc.*, Solano County
9 Superior Court Case No. FCS056134, *Pulido v. Georgia-Pacific Corrugated III LLC*, Fresno
10 Superior Court Case No. 18CECG00265; *In re: FPI Management Wage and Hour Cases*, Los
11 Angeles Superior Court Case No. JCCP5050; *Delgado v. Kloeckner Metals Corporation*, Los
12 Angeles Superior Court Case No. 20STCV22503; *Jackson v. Samuel, Son & Co. (USA) Inc.*,
13 Riverside County Superior Court Case No. CVRI2101679, *Blanton v. Communications Test*
14 *Design, Inc.*, San Joaquin Superior Court Case No. STK-CV-UOE-2021-0005136; *Diaz v. Acuity*
15 *Brands Lighting, Inc.*, San Bernardino Superior Court Case No. CIVDS2015583; *Flournoy v.*
16 *Partners Personnel – Management Services, LLC*, Riverside County Superior Court Case No.
17 CVRI2102372; *Idian v. VHSD ES INC.*, San Diego Superior Court Case No. 37-2019-00018927-
18 CU-OE-CTL; *Miller v. Stanbridge University*, Orange County Superior Court Case No. 30-2021-
19 01206298-CU-OE-CXC; *Romano v. SSA Terminals, LLC*, Los Angeles Superior Court Case No.
20 20STCV29048; *Wise v. Le Petite Academy, Inc.*, San Joaquin Superior Court Case No., STK-CV-
21 UOE-2021-10561; *Chambers v. SOMACIS, Inc.*, San Diego Superior Court Case No. 37-2021-
22 00033445-CU-OE-CTL; *Johnson v. FS Palo Alto Employment, Inc.*, Santa Clara Superior Court
23 Case No. 21CV389927; *Rodriguez v. U.S. Bank National Association*, Los Angeles Superior Court
24 Case No. BC617356; *Moss v. Sares Regis Operating Company, L.P.*, Orange County Superior
25 Court Case No. 30-2021-01201041-CU-OE-CXC; and *Rodriguez v. City National Bank*, Los
26 Angeles Superior Court Case No. 20STCV29761.

27 **NOTICE TO LWDA**

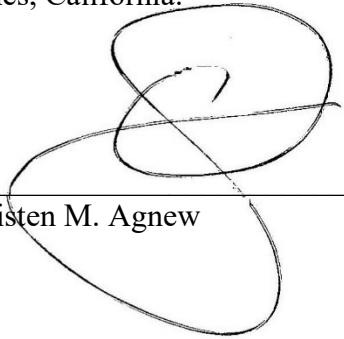
28 44. Concurrent with the filing of the Motion to Approve PAGA Settlement, my office

1 uploaded the Motion, Settlement Agreement, and proposed order to the LWDA's website. Attached
2 hereto as **Exhibit 5** is a true and correct copy of the submission confirmation.

3 45. In addition, my office shall submit to the LWDA a copy of the Court's judgment and
4 order approving the Settlement Agreement within ten (10) days after entry of judgment or order.

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

7 Executed on July 15, 2024, at Los Angeles, California.

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Kristen M. Agnew

EXHIBIT 1

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Attorneys for Plaintiff and the Aggrieved Employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF TUOLUMNE

VERONICA AGUAYO, as an individual
and on behalf of all others similarly situated,

Plaintiff,

vs.

HEALTHCARE STAFFING
PROFESSIONALS, INC., a California
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: CV65621

**JOINT STIPULATION OF SETTLEMENT
AND RELEASE UNDER THE PRIVATE
ATTORNEYS GENERAL ACT, CALIFORNIA
LABOR CODE § 2698, ET SEQ.**

Complaint Filed: October 4, 2023
Trial Date: None

1 This Joint Stipulation of Settlement and Release (“Agreement” or “Settlement”) under the
2 Private Attorneys General Act, California Labor Code section 2698 *et seq.* (“PAGA”), is made by
3 and between Veronica Aguayo (“Aguayo” or “Plaintiff”), individually and as representative on
4 behalf of Aggrieved Employees as further defined herein and the State of California, and Healthcare
5 Staffing Professionals, Inc. (the “Company” or “Defendant”). Aguayo and Defendant are
6 collectively referred to herein as the “Parties” and may be individually referred to as a “Party.”

7 **A. FACTUAL BACKGROUND**

8 1. This Settlement is made and entered into by and between Plaintiff and Defendant, and
9 is subject to the terms and conditions hereof, and to the Court’s approval. The Parties expressly
10 acknowledge that this Agreement is entered into solely for the purpose of compromising significantly
11 disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant.
12 Defendant denies that the Company is liable to Plaintiff or the Aggrieved Employees and denies that
13 the Company has violated any law.

14 2. On July 27, 2023, Plaintiff filed a notice with the Labor & Workforce Development
15 Agency (“LWDA”) alleging that Defendant violated Labor Code sections 201, 202, 203, 204, 226,
16 226.7, 510, 512, 558, 1194, 1197, 1197.1 pursuant to Labor Code section 2699.

17 3. On October 4, 2023, Plaintiff initiated the Action in the Superior Court of California,
18 County of Tuolumne. The Representative Action Complaint alleges a single cause of action for
19 violation of Labor Code section 2698, *et seq.* (“PAGA”).

20 4. As alleged in the Complaint, Plaintiff contends that Defendant engaged in a policy and
21 practice of: (a) failing to pay minimum, regular and/or overtime wages for all hours worked, in
22 violation of Labor Code sections 510, 558, 1194, 1197 and 1197.1; (b) failing to provide off-duty
23 meal and rest breaks, in violation of Labor Code sections 226.7 and 512; (c) failing to pay employees
24 all of their wages upon separation of employment due to unpaid and/or underpaid wages, in violation
25 of Labor Code sections 201, 202 and 203; and (d) failing to provide accurate itemized wage
26 statements, in violation of Labor Code section 226.

27 5. On May 1, 2024, Defendant filed an Answer denying all allegations in the Action and
28 all claims of any wrongdoing whatsoever by any of the Company’s parents, subsidiaries, affiliates,

divisions, agents, servants or employees for any claims. Among other defenses, Defendant asserted that PAGA penalties were not legally owed and that any penalties would be unjust, arbitrary, oppressive, and confiscatory.

6. Shortly after the filing of the Complaint, the Parties agreed to explore the possibility of settlement and engage in settlement negotiations with the assistance of mediator (T. Warren Jackson), from Signature Resolution. In connection therewith, Defendant produced data relating to the number of Aggrieved Employees and pay periods worked by each Aggrieved Employee, which allowed Plaintiff's Counsel to conduct a full damage analysis. After extended negotiations conducted at arm's length, Plaintiff and Defendant reached the present settlement. The Parties recognize the risk, expense, and delay in continuing the Action, and therefore believe the Settlement to be fair, reasonable, and adequate.

B. DEFINITIONS

1. "Action" means *Veronica Aguayo v. Healthcare Staffing Professionals, Inc.*, filed on October 4, 2023, in the Superior Court of California, County of Tuolumne, Case No. CV65621.

2. "Aggrieved Employees" means all current and former non-exempt employees of Defendant in the State of California who worked at least one shift at any time from July 27, 2022, through September 30, 2023. Defendant has determined that there are 1,203 Aggrieved Employees who worked approximately 20,880 pay period during the PAGA Period.

3. "Plaintiff's Counsel" means Diversity Law Group, P.C., and Polaris Law Group.

4. "Complaint" means the Representative Action Complaint filed by Plaintiff in this Action.

5. "Defendant" or the "Company" means Healthcare Staffing Professionals, Inc.

6. "Effective Date" shall mean 65 days after the date of entry of both: (i) the Court's order approving the PAGA Settlement and (ii) the Judgment. However, if an individual moves to intervene and/or object to the settlement and the objection is sustained by the Court, and/or an appeal or other effort to obtain reconsideration or review has been initiated, the "Effective Date" shall instead mean five court days after the date that such objection and/or appeal is withdrawn, or such appeal or other reconsideration or review has been finally concluded in favor of the PAGA Settlement Order

and Judgment and the PAGA Settlement Order and Judgment are no longer subject to review by any means.

7. “Enhancement Payment” means the amount that the Court authorizes to be paid to Plaintiff, in addition to her Individual Settlement Payment, in recognition of her efforts and risks in assisting with the prosecution of the Action. Subject to the Court granting approval of the Settlement, the Parties agree that Plaintiff shall be paid up to Seven Thousand Five Hundred Dollars (\$7,500.00) from the Maximum Settlement Amount. It is understood by Plaintiff that the Court has final discretion in any Enhancement Payment.

8. “Individual Settlement Payment” means the amount payable from the Net PAGA Payment to each Aggrieved Employee.

9. “Maximum Settlement Amount” means the maximum settlement amount of One Hundred Ninety-Eight Thousand Nine Hundred Twelve Dollars (\$198,912.00) to be paid by Defendant as a result of this Agreement. The Maximum Settlement Amount includes all Individual Settlement Payments to Aggrieved Employees, payment to the LWDA, the Enhancement Payment to Plaintiff, Settlement Administration Costs and Attorneys Fees and Costs. No other sums shall be due or owed by Defendant or by the other Released Parties in connection with the Action and this Settlement.

10. “PAGA Penalties Fund” means the balance of the Maximum Settlement Amount remaining after deduction of all other amounts in the settlement of the Action, including the approved Enhancement Payment to Plaintiff, Attorneys’ Fees and Costs and Settlement Administration Cost.

11. “PAGA Period” means the period of July 27, 2022, through September 30, 2023.

12. “Parties” means Plaintiff and Defendant as defined herein, together.

13. “Plaintiff” means Veronica Aguayo.

14. “Released Parties” means Defendant and all of its (current and former) officers, directors, shareholders, employees, independent contractors, customers, service recipients, service providers, Management Solution, LLC, and the State of California, Department of Corrections and Rehabilitation, as well as all other actual or potential joint employers of Defendant.

15. “Released Claims” means all claims for civil PAGA penalties predicated on all Labor

Code and IWC Wage Order provisions stated in Plaintiffs PAGA letter filed with the LWDA and/or alleged in the Action, including without limitation Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1194, 1197, 1197 .1 and 2698 et seq, including but not limited to costs and attorneys' fees related thereto, including under CCP Section 1021.5. The claims to be released will include the claims that were alleged or which could have been alleged based on the facts and allegations in the PAGA letter and or that were made in the operative Complaint filed in the Action and accrued during the PAGA Period.

16. "Settlement Administration Costs" means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Agreement, which are estimated at Ten Thousand Dollars (\$10,000.00). Any portion of the Settlement Administration Costs not used or approved by the Court shall be added to the PAGA Penalties Fund.

17. "Settlement Administrator" means Phoenix Settlement Administrators.

C. PAYMENT OF CONSIDERATION

1. Settlement Consideration. Defendant shall pay the Maximum Settlement Amount as specified in this Agreement, which shall be used to pay: (1) each Individual Settlement Payment; (2) Attorneys' Fees and Costs; (3) Enhancement Payment; (4) Settlement Administration Costs; and (5) payment to the LWDA. The Parties agree that this is a non-reversionary Settlement and that no portion of the Maximum Settlement Amount shall revert to Defendant.

2. Escalator Clause. The Maximum Settlement Amount was calculated with, and is premised on, Defendant's representation that there are 20,880 pay periods in which Aggrieved Employees worked at least one shift during the PAGA Period. Should the number of pay periods exceed this amount by more than ten percent (10%) (i.e., 22,968 or more pay periods), the Maximum Settlement Amount shall be increased proportionally to the amount of the total increase about ten percent (10%). For instance, a twelve percent (12%) increase in the number of pay periods will result in a two percent (2%) increase in the Maximum Settlement Amount.

3. Funding of the Maximum Settlement Amount. Within thirty (30) calendar days after the Effective Date, Defendant shall deposit the Maximum Settlement Amount with the Settlement

1 Administrator who shall place that sum into a Qualified Settlement Fund (“QSF”). The QSF shall be
2 an interest-bearing account at a federally insured bank that is established by the Settlement
3 Administrator and which is mutually acceptable to the Parties and the Settlement Administrator. The
4 funds in the QSF shall be invested either in short-term U.S. Treasury securities with maturity dates
5 of less than 90 days at the time of deposit, or in an SEC-registered money market fund investing
6 exclusively in U.S. Treasury securities with average maturities of less than 90 days and rated AAA
7 by Standard & Poor’s. The Parties agree that the QSF is intended to be a “Qualified Settlement Fund”
8 under Section 468B of the Internal Revenue Code and Treas. Reg. § 1.468B-1, 26 C.F.R. § 1.468B-
9 1, et seq., and will be administered by the Settlement Administrator as such. With respect to the QSF,
10 the Settlement Administrator shall: (1) open and administer the Settlement Account in such a manner
11 as to qualify and maintain the qualification of the QSF as a “Qualified Settlement Fund” under Section
12 468B of the Internal Revenue Code and Treas. Reg. § 1.468B-1; (2) satisfy all federal, state and local
13 and income and other tax reporting, return, and filing requirements with respect to the QSF and any
14 interest or other income earned by the QSF, and (3) satisfy out of the QSF all (i) taxes (including any
15 estimated taxes, interest, or penalties) with respect to the interest or other interest earned by the QSF,
16 and (ii) fees, expenses and costs incurred in connection with the opening and administration of the
17 QSF and the performance of its duties and functions as described in this Agreement. The
18 aforementioned taxes, fees, costs, and expenses shall be treated as and included in the costs of
19 administering the QSF and as Claims Administration Expenses, with no additional payment owed by
20 Defendant. The Parties and the Settlement Administrator shall treat the QSF as coming into existence
21 as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-
22 1(j)(2)(i), and such election statement shall be attached to the appropriate returns as required by 26
23 C.F.R. § 1.468B-1(j)(ii). The Parties agree to cooperate with the Settlement Administrator and one
24 another to the extent reasonably necessary to carry out the provisions of this Section.

25 4. Allocation of the PAGA Penalties Fund. The PAGA Penalties Fund shall be used to
26 satisfy Individual Settlement Payments to Aggrieved Employees and payment to the LWDA in
27 accordance with the terms of this Agreement. The PAGA Penalties Fund is the maximum amount
28 that will be available for distribution to the LWDA and Aggrieved Employees in full satisfaction of

all Released Claims. Except as provided in Section C-2, no other sums are due or payable by Defendant. Pursuant to PAGA, seventy-five percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining twenty-five percent (25%), will be paid to all Aggrieved Employees (“Net PAGA Payment”).

5. Calculation of Individual Settlement Payment. Collectively, the Aggrieved Employees are entitled to 100% of the Net PAGA Payment. The Net PAGA Payment shall be distributed to the Aggrieved Employees on a pro-rata basis, based upon the following:

5.1. The Settlement Administrator shall calculate each Aggrieved Employee’s respective “Pay Period Points.” To calculate the value of an Aggrieved Employees’ Pay Period Points, the employee shall be credited with: (1) one point for each pay period in which the employee worked at least one shift during the PAGA Period; (2) one point for each pay period in which the employee worked at least one shift in a correctional facility during the PAGA Period; and (3) one point for each pay period in which the employee earned both overtime and Per Diem wages in the same workweek during the PAGA Period. It is the Parties’ intention that greater weight should be given to the pay periods in which Aggrieved Employees worked in a correctional facility during the PAGA Period.

5.2. The Settlement Administrator shall divide the Net PAGA Payment by the combined sum of the Pay Period Points assigned to all Aggrieved Employees. This value shall then be multiplied by each Aggrieved Employee’s respective Pay Period Points to determine the amount of the Individual Settlement Payment.

5.3. The Parties agree that if any Aggrieved Employee disputes the basis for determining their share of the Settlement, Defendant’s records shall presumptively control unless the Aggrieved Employee can produce documentation evidence of other pay periods worked during the PAGA Period.

6. Tax Treatment of Individual Settlement Payment. All Individual Settlement Payments shall be allocated as 100% as penalties. The payments shall be reported on an IRS Form 1099 by the Settlement Administrator.

7. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any

Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

8. Enhancement Payment. Defendant agrees not to oppose or impede any application or motion by Plaintiff for an Enhancement Payment of up to Seven Thousand Five Hundred Dollars (\$7,500.00). The Enhancement Payment shall be paid from the Maximum Settlement Amount and shall be paid in addition to Plaintiff's Individual Settlement Payment as an Aggrieved Employee. It is understood by Plaintiff that the Court has final discretion in any Enhancement Payment. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff reflecting the Enhancement Payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on her Enhancement Payment and shall hold Defendant and the other Released Parties harmless from any claim or liability for taxes, penalties, or interest arising as a result of the Enhancement Payment. Any portion of the Enhancement Payment not awarded to Plaintiff shall be added to the PAGA Penalties Fund and shall be distributed to Aggrieved Employees as provided in this Agreement.

9. Attorneys' Fees and Costs: In full satisfaction of all claims Plaintiff may have for attorneys' fees, litigation costs, and expenses arising out of the Action, Defendant agrees not to oppose a motion by Plaintiff's Counsel for payment of a maximum amount of Sixty-Nine Thousand Six Hundred Nineteen Dollars and 20/100 (\$69,619.20) in attorneys' fees and actual litigation costs and expenses not to exceed Fifteen Thousand Dollars (\$15,000.00)) ("Attorneys' Fees and Costs"), which, if approved by the Court, shall be paid from the Maximum Settlement Amount. It is understood by Plaintiff and Plaintiff's Counsel that the Court has final discretion in the award of Attorneys' Fees and Costs. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel reflecting the awarded attorneys' fees, costs, and expenses and Plaintiff's Counsel shall be solely and legally responsible to pay any and all applicable taxes on the Attorneys' Fees and Costs and shall hold Defendant and the other Released Parties harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payment of Attorneys' Fees and Costs.

10. Settlement Administration Costs. The Settlement Administrator shall be paid for the

reasonable costs of administration of the Settlement from the Maximum Settlement Amount, currently estimated at Ten Thousand Dollars (\$10,000.00). These costs, which shall be paid from the Maximum Settlement Amount, shall include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 IRS Forms, establishing a Qualified Settlement Fund, administering, and distributing the Maximum Settlement Amount, and providing necessary reports and declarations. Any portion of the Settlement Administration Costs not allowed shall be added to the PAGA Penalties Fund and shall be distributed to Aggrieved Employees as provided in this Agreement.

D. ADMINISTRATION OF SETTLEMENT

1. Approval of PAGA Settlement. Plaintiff will present this Settlement Agreement to the Court and will request that the Court issue an Order and Judgment, approving and incorporating by reference the terms and conditions of the Settlement Agreement. More specifically, Plaintiff's Counsel shall request the entry of an order granting approval of the Settlement, which shall include findings and orders: (i) approving the settlement, (ii) adjudging the terms to be fair, reasonable, and adequate and binding on Plaintiff, the Aggrieved Employees and the State of California, (iii) reciting the release terms, (iv) directing that the settlement's terms and provisions be carried out; (v) entering final judgment in accordance with this Agreement and without further fees or costs to any party except as expressly set forth in this Agreement; and (vi) retaining jurisdiction to oversee administration and enforcement of the terms of this Agreement and the Court's orders. Plaintiff's motion shall be unopposed by Defendant unless Plaintiff's approval motion seeks relief inconsistent with or not specified by this Agreement. In such event, Defendant reserves the right to address any assertions that are not contained in this Agreement. Plaintiff shall submit a copy of this Settlement Agreement to the LWDA at the same time that it is submitted to the Court.

2. Settlement Administration. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement. The Settlement Administrator shall provide the following services:

- a. Establish and maintain a Qualified Settlement Fund account;

- 1 b. Calculate the Individual Settlement Payments to be paid to Aggrieved
2 Employees in accordance with the terms and provisions of this Agreement;
- 3 c. Print and issue Individual Settlement Payment checks;
- 4 d. Verify the last known address for each Aggrieved Employee through a
5 generally utilized, national address update database prior to mailing the Individual Settlement
6 Payment check;
- 7 e. Disburse any awards of costs and attorneys' fees and the Enhancement
8 Payment;
- 9 f. Prepare and issue 1099 Forms; and
- 10 g. Perform such other tasks necessary to effectuate the terms of this Agreement
11 or as the Parties mutually agree or the Court orders the Parties to perform.

12 3. Delivery of the Aggrieved Employee List and Data. Within ten (10) calendar days
13 after the Effective Date, and to the extent the information is available, Defendant shall provide the
14 Settlement Administrator with a Microsoft Office Excel spreadsheet and shall include each
15 Aggrieved Employee's: full name; employee number; most recent mailing address; social security
16 number; number of pay periods in which each Aggrieved Employee worked at least one shift in a
17 correctional facility during the PAGA Period; number of pay periods in which each Aggrieved
18 Employee earned both overtime and Per Diem wages in the same workweek during the PAGA Period;
19 and the number of pay periods in which each Aggrieved Employee worked at least one shift during
20 the PAGA Period.

21 4. Timing of Distribution. Within ten (10) calendar days after the payment of the entire
22 Maximum Settlement Amount, the Settlement Administrator will issue payments to: (a) Aggrieved
23 Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and (d) Plaintiff's
24 Counsel. The Settlement Administrator will issue the appropriate tax forms for all payments issued
25 under this Settlement.

26 5. Mailing of Individual Settlement Payments to Aggrieved Employees: The Settlement
27 Administrator will issue each Aggrieved Employee a check for his or her share of the PAGA Penalties
28 Fund. Checks will remain negotiable for 180 days. Any checks returned as non-deliverable on or

1 before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the
2 forwarding address affixed thereto. Funds represented by settlement checks returned as undeliverable
3 and those settlement checks remaining un-cashed for more than 180 days after issuance shall be
4 issued to the California State Controller in the name of the Aggrieved Employee.

5 **E. RELEASE OF CLAIMS**

6 1. Denial of Liability. The Parties expressly recognize that the making of this Agreement
7 and the settlement contained herein, does not in any way constitute an admission or concession of
8 wrongdoing on the part of Defendant and Defendant expressly denies all liability. Nothing in this
9 Settlement, nor any action taken in implementation thereof, nor any statements, discussions or
10 communications, nor any materials prepared, exchanged, issued or used during the course of this
11 Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used
12 or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum
13 or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance,
14 regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the
15 foregoing, this Settlement Agreement may be used in any proceeding in court or arbitration that has
16 as its purpose the interpretation, implementation, or enforcement of this Settlement or any orders or
17 judgments of the Court entered into in connection therewith.

18 2. Release of Claims by Aggrieved Employees. Upon the Effective Date, each of the
19 Aggrieved Employees, including Plaintiff, for themselves and for their respective spouses, domestic
20 partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries,
21 devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and
22 representatives (whether current or former), fully release and forever discharge all of the Released
23 Parties of and from all Released Claims. Aggrieved Employees are bound by the terms of this
24 Settlement Agreement and the releases provided herein, regardless of whether the Employee receives
25 a settlement check, or any funds being held in their name by the California Sate Controller.

26 3. No Right to Opt-Out. The Parties agree there is no statutory right for any Aggrieved
27 Employee to opt out or otherwise exclude himself or herself from the Settlement.

28 4. General Release and Waiver of Claims by Plaintiff. As a condition to obtaining the

Enhancement Payment provided for herein, Plaintiff (on behalf of herself and her spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives (whether current or former) also agrees to a general release of any and all claims against the Released Parties—which shall include without limitation any and all claims which in any way relate to her employment with Defendant (or separation therefrom), under State, Federal or local law, in tort, common law, statute, contract, or equity, whether pled in the Complaint or not, including but not limited to any claims under the FLSA, Title VII, ADA, FEHA, ADEA, FMLA, CFRA, PAGA, California Labor Code, or any Industrial Welfare Commission Wage Order—now existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution of this Settlement Agreement. This release is intended to be as broad as possible to release and extinguish all claims of any kind. Plaintiff further expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides: “**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**”

F. MISCELLANEOUS

1. Tax Liability. Defendant, Defendant’s counsel, the Settlement Administrator, and Plaintiff’s Counsel make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Aggrieved Employees are not relying on any statement, representation, or calculation by Defendant, Defendant’s counsel, Plaintiff’s Counsel, or by the Settlement Administrator in this regard. Plaintiff and Aggrieved Employees understand and agree that they will be solely responsible for the payment of any and all taxes and penalties assessed on their respective payments described herein and will defend, indemnify, and hold Defendant, Defendant’s counsel, Plaintiff’s Counsel and the Settlement Administrator free and harmless from and against any claims resulting from treatment of such payments as non-taxable penalties/damages.

2. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS/HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

3. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged. This is a material term of this Agreement.

1 4. Nullification of Settlement Agreement. In the event that: (i) the Court does not
2 approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other
3 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be
4 null and void, and the Parties will be returned to their original respective positions.

5 5. Continued Jurisdiction. After entry of the judgment, the Court will have continuing
6 jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of
7 the Settlement, (ii) settlement administration matters, and (iii) such post-Court Approval matters as
8 may be appropriate under court rules or as set forth in this Settlement.

9 6. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
10 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed
11 binding on the Parties.

12 7. Disputes Regarding Language of Final Settlement Agreement. If the Parties have a
13 dispute with regard to the language of the Agreement, the Parties agree to attempt to informally
14 resolve the dispute by engaging Warren Jackson to mediate such dispute.

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

18 9. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
19 represent they are expressly authorized by the Parties whom they represent to negotiate this
20 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
21 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
22 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
23 counsel will cooperate with each other and use their best efforts to effect the implementation of the
24 Settlement. If the Parties are unable to reach agreement on the form or content of any document
25 needed to implement the Settlement, or on any supplemental provisions that may become necessary
26 to effectuate the terms of this Settlement, the Parties may seek the assistance of mediator Warren
27 Jackson, or the Court to resolve such disagreement.

1 10. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
2 and inure to the benefit of, the successors or assigns of the Parties hereto.

3 11. California Law Governs. All terms of this Settlement Agreement will be governed by
4 and interpreted according to the laws of the State of California.

5 12. Execution and Counterparts. This Settlement Agreement may be executed in one or
6 more counterparts and by Docu-sign or other electronic means-. All executed counterparts and each
7 of them, including facsimile, emailed, and scanned copies of the signature page, will be deemed to
8 be one and the same instrument provided that counsel for the Parties will exchange among themselves
9 original signed counterparts.

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

15 14. Invalidity of Any Provision. Before declaring any provision of this Settlement
16 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
17 possible consistent with applicable precedents so as to define all provisions of this Settlement
18 Agreement valid and enforceable. If any provision is ruled by the Court as invalid or unenforceable,
19 in whole or in part, the invalid or enforceable provision shall be stricken and the Parties shall take
20 reasonable steps to replace the stricken provision with a provision as similar in tenor as legally
21 possible.

22 15. Captions. The captions and section numbers in this Settlement Agreement are inserted
23 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of
24 the provisions of this Settlement Agreement.

25 16. Waiver. No waiver of any condition or covenant contained in this Settlement
26 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to
27 imply or constitute a further waiver by such party of the same or any other condition, covenant, right
28 or remedy.

1 17. Enforcement Action. In the event that one or more of the Parties institutes any legal
2 action or other proceeding against any other Party or Parties to enforce the provisions of this
3 Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or
4 Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with
5 any enforcement actions. Other than as stated in this Agreement, the Parties are responsible for their
6 own attorneys' fees and costs in the prosecution and defense of this Action. There is no prevailing
7 party.

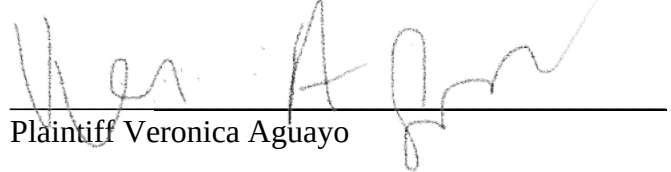
8 18. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
9 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
10 construed more strictly against one party than another merely by virtue of the fact that it may have
11 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
12 negotiations between the Parties, all Parties have contributed to the preparation of this Settlement
13 Agreement.

14 19. Binding Agreement. The Parties warrant that they understand and have full authority
15 to enter into this Settlement, and further intend that this Settlement Agreement will be fully
16 enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure
17 in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
18 otherwise might apply under federal or state law.

1 **IN WITNESS WHEREOF**, the undersigned Settling Parties and their duly authorized
2 representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and
3 with a full understanding of its consequences.

4 **06/18/24**
5 DATED: _____

PLAINTIFF VERONICA AGUAYO

6 
7 _____
8 Plaintiff Veronica Aguayo

9 DATED: _____

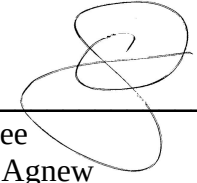
**DEFENDANT HEALTHCARE STAFFING
PROFESSIONALS, INC.**

10 _____
11 _____
12 _____
13 Please Print Name of Authorized Signatory

14 **APPROVED AND ACKNOWLEDGED AS TO FORM**

15
16 DATED: 6/20/2024

DIVERSITY LAW GROUP, P.C.

17 
18 _____
19 Larry W. Lee
20 Kristen M. Agnew
21 Attorneys for Plaintiff and the Aggrieved
22 Employees

23 DATED: _____

**LEWITT, HACKMAN, SHAPIRO, MARSHALL
& HARLAN**

24 _____
25 Sue M. Bendavid
26 Ian P. Paxson
27 Attorneys for Defendant
28

1 **IN WITNESS WHEREOF**, the undersigned Settling Parties and their duly authorized
2 representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and
3 with a full understanding of its consequences.

4
5 DATED: _____

PLAINTIFF VERONICA AGUAYO

6
7 _____
Plaintiff Veronica Aguayo

8
9 DATED: 06/18/2024

**DEFENDANT HEALTHCARE STAFFING
PROFESSIONALS, INC.**

10
11 _____
12 *Maxie L. Juzang*
13 Please Print Name of Authorized Signatory

14
15 **APPROVED AND ACKNOWLEDGED AS TO FORM**

16 DATED: _____

DIVERSITY LAW GROUP, P.C.

17
18 _____
19 Larry W. Lee
20 Kristen M. Agnew
21 Attorneys for Plaintiff and the Aggrieved
22 Employees

23 DATED: 06/18/2024

**LEWITT, HACKMAN, SHAPIRO, MARSHALL
& HARLAN**

24 *Sue Bendavid*
25 _____
26 Sue M. Bendavid
27 Ian P. Paxson
28 Attorneys for Defendant

EXHIBIT 2

VERONICA AGUAYO

c/o DIVERSITY LAW GROUP, P.C.
515 S. FIGUEROA ST., SUITE 1250
LOS ANGELES, CALIFORNIA 90071
TELEPHONE (213) 488-6555
FACSIMILE (213) 488-6554

July 19, 2023

VIA ON-LINE FILING AND CERTIFIED MAIL TO EMPLOYER

California Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

Re: *Aguayo v. Healthcare Staffing Professional Inc*

To Whom It May Concern:

This correspondence shall constitute written notice under Labor Code section 2699.3 of my claims against my former employer, Healthcare Staffing Professional Inc (the "Company"). Specifically, I allege that the Company:

1. Violated Labor Code §§ 201-204, 510, 558, 1194, 1197, 1197.1 by not paying proper overtime wages to me and other similarly situated aggrieved employees. Specifically, throughout our employment with the Company, non-exempt employees and I earned non-discretionary remuneration, including, but not limited to, Per Diems. As these items are non-discretionary forms of remuneration, they should have been included in the regular rate of pay for purposes of paying me and other employees our overtime wages. However, whenever the Company paid me and other employees our overtime wages during periods in which we earned such non-discretionary remuneration, the overtime wages were not paid at 1.5 time the regular rate of pay but rather were paid at 1.5 times our base rate of pay. In addition, I and other aggrieved employees were required to walk through various security measures prior to the start of each shift without being paid for such time. Further as a result of such violations, the Company violated Labor Code §§ 201-203 by not paying employees all of their wages upon separation of employment due to the underpaid wages and Labor Code § 226(a) as the net/gross wages earned and hours worked shown on the wage statements were inaccurate due to the wage violations set forth above.

2. Violated Labor Code § 226.7 and 512 by failing to provide off-duty meal and rest breaks. Specifically, I and other similarly situated aggrieved employees were required to work through our entire shift without being allowed to take any off-duty meal and rest breaks. Further as a result of such violations, the Company violated Labor Code §§ 201-203 by not paying employees all of their wages upon separation of employment due to the unpaid meal/rest break premium wages and Labor Code § 226(a) as the net/gross wages earned shown on the wage statements were inaccurate due to the wage violations set forth above.

July 19, 2023

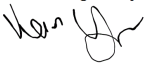
Page 2

The address for the Company is:

Healthcare Staffing Professional Inc
6914 Canby, Suite 109
Reseda, CA 91335

Please contact my attorneys at the address/telephone number listed above if you have any questions regarding this matter.

Sincerely,

DocuSigned by:

477C16D69D994E8...

Veronica Aguayo

cc: Healthcare Staffing Professional Inc (by certified mail)

EXHIBIT 3

7/15/2024
12:06 PM

DIVERSITY LAW GROUP
Slip Listing

Page 1

Selection Criteria

Slip Classification Open
Client (hand select) Include: Aguayo, Veronica v. Healthcare
Slip.Transaction Ty 2 - 2

Rate Info - identifies rate source and level

Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
75767	EXP	Mariana Becerra	1	75.00	75.00
7/27/2023		Court fees			
WIP		Aguayo, Veronica v. Healthca			
LWDA					
75893	EXP	Olympia	2	0.25	0.50
7/31/2023		Photocopies			
WIP		Aguayo, Veronica v. Healthca			
Photocopies					
75894	EXP	Olympia	1	8.53	8.53
7/31/2023		Postage			
WIP		Aguayo, Veronica v. Healthca			
Postage					
76555	EXP	Erika Mejia	1	680.25	680.25
10/2/2023		Atty Service			
WIP		Aguayo, Veronica v. Healthca			
Attorney Service - Complaint					
78002	EXP	Erika Mejia	1	210.81	210.81
3/7/2024		Atty Service			
WIP		Aguayo, Veronica v. Healthca			
Attorney Service - CMS					
77747	EXP	Olympia	1	7450.00	7450.00
3/11/2024		Arbitrators			
WIP		Aguayo, Veronica v. Healthca			
Signature Resolution Mediation					
78003	EXP	Olympia	1	201.75	201.75
3/11/2024		Atty Service			
WIP		Aguayo, Veronica v. Healthca			
Attorney Service - Notice of Remote Appearance					
78012	EXP	Olympia	1	168.75	168.75
3/19/2024		Atty Service			
WIP		Aguayo, Veronica v. Healthca			
Attorney Service - Notice of Change of Attorney					

7/15/2024
12:06 PM

DIVERSITY LAW GROUP
Slip Listing

Page 2

Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
77804	EXP	Kristen Agnew	1	72.00	72.00
3/22/2024		Court fees			
WIP		Aguayo, Veronica v. Healthca			
Courtcall					
78575	EXP	Kristen Agnew	1	29.24	29.24
4/9/2024		Meals			
WIP		Aguayo, Veronica v. Healthca			
Meal					
78610	EXP	Christine S. Lee	1	72.00	72.00
6/21/2024		Court fees			
WIP		Aguayo, Veronica v. Healthca			
Courtcall					
78718	EXP	Kristen Agnew	1	283.00	283.00
7/10/2024		Court fees			
WIP		Aguayo, Veronica v. Healthca			
Est Filing Fees for Motion for Approval					
Grand Total					
			Billable	0.00	9251.83
			Unbillable	0.00	0.00
			Total	0.00	9251.83

EXHIBIT 4

Veronica Aguayo v. Healthcare Staffing Professionals, Inc.
Superior Court of California, County of Tuolumne, Case No. CV65621
Time and Task Chart for Kristen Agnew

Hours	Description of Work
4.90	Review intake notes; conduct legal research and analysis re potential theories of liability and prepare memorandum to file re same; confer with co-counsel re evaluation of claims and likely defenses.
1.30	Draft PAGA notice; confer with co-counsel re same.
3.50	Meet and confer with defense counsel pre-litigation settlement; prepare outline of data points required for settlement negotiations; confer with co-counsel re same.
6.70	Review and analyze arbitration agreement; conduct legal research and analysis re defenses to arbitration and arbitrability of PAGA claim; confer with co-counsel re same.
1.00	Draft representative action complaint.
5.60	Interview alleged aggrieved employees re security inspections and meal/rest period practices; confer with co-counsel re same.
8.20	Conduct legal research and analysis re compensability of security inspections in correctional facilities; confer with co-counsel re same.
2.90	Review and analyze sampling of time and payroll records for meal/rest period violations; confer with co-counsel re same.
1.40	Meet and confer with defense counsel re March 22, 2024 case management conference; draft Plaintiff's case management statement; prepare for and appear at case management conference.
2.20	Prepare exposure analysis; confer with co-counsel re same.
3.70	Conduct legal research and analysis re impact of <i>Huerta v. CSI Electrical Contractors Inc.</i> on off-the-clock and meal/rest period claims; confer with co-counsel re same.
20.10	Draft mediation statement; attend all day mediation; draft memorandum of understanding; meet and confer with defense counsel re revisions to same.
6.40	Draft joint stipulation of representative action settlement ("settlement agreement"); confer with defense counsel and co-counsel re revisions to settlement agreement; review and incorporate proposed revisions to settlement agreement.
8.20	Draft motion for approval of settlement agreement and supporting declarations; conduct legal research and analysis re same.
76.10	<u>TOTAL HOURS</u>

EXHIBIT 5