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15 CORPORATION OF AMERICA HOLDINGS

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
17 **FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**
18

19 NAYAN LAL, on behalf of himself and all others
20 similarly situated,

21 Plaintiff,

22 v.

23 ESOTERIX, INC., a Delaware corporation;
24 LABORATORY CORPORATION OF
25 AMERICA HOLDINGS, a Delaware corporation;
and DOES 1 through 100, Inclusive

26 Defendants.
27
28

CASE NO.: 23STCV15800
(Consolidated with Case No. 23STCV27917)

[Assigned for all purposes to the Hon. William F.
Highberger - Dept. 10]

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

1 This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between
2 plaintiff NAYAN LAL ("Plaintiff") and defendants ESOTERIX, INC. ("Esoterix") and
3 LABORATORY CORPORATION OF AMERICA HOLDINGS. ("Labcorp of America")(Esoterix
4 and Labcorp of America, collectively "Defendants"). The Agreement refers to Plaintiff and
5 Defendants collectively as "Parties," or individually as "Party."

6 **1. DEFINITIONS.**

7 In addition to other terms defined in this Agreement, the terms below have the
8 following meaning in this Agreement:

- 9 1.1. "Action" means the Plaintiff's class action lawsuit alleging wage and hour violations
10 against Defendants captioned *Nayan Lal v. Esoterix, Inc., et al.*, Case No.
11 23STCV15800 filed on July 6, 2023 and pending in Superior Court of the State of
12 California, County of Los Angeles, Spring Steet Courthouse ("Class Action Lawsuit");
13 and Plaintiff's representative PAGA lawsuit against Defendants captioned *Nayan Lal*
14 *v. Esoterix, Inc., et al.*, Case No. 23STCV27917 filed on November 14, 2023 and
15 pending in Superior Court of the State of California, County of Los Angeles, Stanley
16 Mosk Courthouse ("PAGA Lawsuit"). On March 27, 2024, the Court consolidated the
17 cases and assigned Case No. 23STCV15800 as the lead case.
- 18 1.2. "Administrator" means Phoenix Class Action Administration Solutions, the neutral
19 entity the Parties have agreed to appoint to administer the Settlement.
- 20 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid
21 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
22 accordance with the Administrator's "not to exceed" bid submitted to the Court in
23 connection with Preliminary Approval of the Settlement.
- 24 1.4. "Aggrieved Employee" means all current and former non-exempt employees employed
25 by or formerly employed by Esoterix within the State of California at any time during
26 the period beginning July 6, 2022 through May 1, 2025. It is estimated that there are
27 approximately 363 Aggrieved Employees and approximately 18,400 pay periods for
28 Aggrieved Employees during this period.

- 1.5. "Class" or "Class Members" means all current and former non-exempt employees of Esoterix within the State of California at any time during the Class Period beginning on July 6, 2019 through May 1, 2025. It is estimated that there are approximately 437 Class Members and 57,200 Workweeks for Class Members during this period.
- 1.6. "Class Counsel" means Michael Nourmand and James A. De Sario with The Nourmand Law Firm, APC.
- 1.7. "Class Counsel Fees Payment" mean the amount allocated to Class Counsel for attorneys' fees incurred to prosecute the Action not to exceed 1/3 from the Gross Settlement Amount and currently estimated to be Four Hundred Thirty Three Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$433,333.33).
- 1.8. "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reimbursement of reasonable expenses incurred to prosecute the Action, which is currently estimated to be not more than Twenty Five Thousand Dollars (\$25,000.00).
- 1.9. "Class Data" means Class Members' (1) full name, last-known mailing address, and full Social Security number, and (2) number of Class Period Workweeks and PAGA Pay Periods within the relevant Class Period and PAGA Period.
- 1.10. "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 through Accurint or similar service, and direct contact by the Administrator with Class Members.
- 1.12. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be

1 mailed to Class Members in English and Spanish in the form, without material
2 variation, attached as Exhibit A and incorporated by reference into this Agreement.

3 1.13. "Class Period" means the period from July 6, 2019 through May 1, 2025.

4 1.14. "Class Representative" means the named Plaintiff in the Operative Complaint in the
5 Action seeking Court approval to serve as a Class Representative, Nayan Lal.

6 1.15. "Class Representative Service Payment" means the service payment to Plaintiff as the
7 Class Representative for initiating the Action and providing services in support of the
8 Action, as approved by the Court to compensate Plaintiff for initiating the Action,
9 performing work in support of the Action, undertaking the risk of liability for Plaintiffs'
10 expenses, and for the general release of all claims by Plaintiff.

11 1.16. "Court" means the Superior Court of California, County of Los Angeles.

12 1.17. "Defendants" means named Defendants Esoterix and Labcorp of America.

13 1.18. "Defense Counsel" means Eugene Ryu and Yesi Lagunas of K&L Gates LLP.

14 1.19. "Effective Date" means the date by when all of the following has occurred: (i) the
15 Agreement has been executed by Parties and their counsel; (ii) the Court grants
16 preliminary Approval of the Settlement; (iii) the Class Notice is sent to Class Members,
17 providing them with the opportunity to object or opt-out of the Settlement, (iv) the
18 Court has held a settlement approval hearing and entered the Court's Final Order and
19 Judgment and the Judgment is final. The Judgment is final as of the later of the
20 following occurrences: (a) when the period for filing any appeal, writ, intervention, or
21 other proceeding opposing the settlement has elapsed without any appeal, writ,
22 intervention or proceeding opposing the Settlement having been filed, (b) when any
23 appeal, writ, intervention, or other proceeding opposing the Settlement has been
24 dismissed finally and conclusively with no right to pursue further remedies or relief; or
25 (c) if any timely appeal, writ, intervention, or other proceeding has upheld the Court's
26 Final Order and Judgement with no right to pursue further remedies or relief.

27 1.20. "Final Approval" means the Court's order granting final approval of the Settlement.
28

1.21. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.

1.22. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.23. "Gross Settlement Amount" means One Million Three Hundred Thousand Dollars (\$1,300,000.00) which is the total amount Defendants agrees to pay under the Settlement to resolve the claims of Class Members, the State of California and Aggrieved Employees. With the exception of Defendants' share of employment taxes, which shall be paid separately by Defendants, the Gross Settlement Amount will be used to pay the Individual Class Payment, the LWDA PAGA Payment, Individual PAGA Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and the Class Representative Service Payment. In no event shall Defendants be liable for the payment of any amounts exceeding the Gross Settlement Amount with the exception of the employer's share of payroll taxes due and payable as a result of this Settlement, which shall be paid separately from the Gross Settlement Amount, and in the event Defendants exercise their option to increase the amount of the settlement pro rata pursuant to the escalator clause set forth herein. This Gross Settlement Amount is an all-in amount without any reversion to Defendant.

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

1.25. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

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

- 1.27. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.28. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.29. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.30. "Non-Participating Class Member" means any Class Member who opts out of the Class Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.31. "Operative Complaint" means the class and PAGA complaints filed by Plaintiff in the Action, which were consolidated by the Court on March 27, 2024.
- 1.32. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Esoterix for at least one day during the PAGA Period.
- 1.33. "PAGA Period" means the period from July 6, 2022 through May 1, 2025.
- 1.34. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.35. "PAGA Notice" means Plaintiff's July 6, 2023 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.36. "PAGA Penalties" means the total amount of PAGA civil penalties in the amount of \$60,000.00 to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$15,000.00) and 75% to the LWDA (\$45,000.00) in settlement of PAGA claims made in the PAGA Notice and the Action.
- 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 Nayan Lal, the named plaintiff in the Action.

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

1.40. "Preliminary Approval Order" means the Court's Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.41. "Released Class Claims" means all claims that were alleged, or reasonably could have been alleged under the California Labor Code and California Industrial Welfare Commission Wage Orders, which occurred during the Class Period. Released Class Claims include but are not limited to any claims alleged in the Action or that could have been alleged in the Action based on the facts stated in the Action for alleged failure to pay overtime in violation of California Labor Code sections 510, 1194, 1199 (including all claims of alleged unpaid hours or alleged hours worked off the clock) and California Code of Civil Procedure section 1021.5 and California Civil Code Section 3287; failure to pay minimum wages in violation of California Labor Code sections 1194, 1194.2, 1197, and 1197.1 (including all claims of alleged unpaid hours or alleged hours worked off the clock); failure to provide meal periods in violation of California Labor Code sections 226.7, 512, and California Code of Civil Procedure section 1021.5 and Civil Code Section 3287(a), and the applicable IWC Wage Order; failure to provide rest periods in violation of California Labor Code sections 226.7, 512, and California Code of Civil Procedure section 1021.5 and Civil Code Section 3287(a), and the applicable IWC Wage Order; failure to pay all wages upon termination in violation of California Labor Code sections 201, 202, and 203, 218, 218.5, 218.6, and Civil Code section 3287(a); failure to provide accurate wage statements in violation of California Labor Code section 226; unfair competition in violation of California Business and Professions Code section 17200, 17203, and Code of Civil Procedure section 1021.5 based on the facts stated in the in the Action; alleged violations of California Labor Code sections 200, 201, 202, 203, 210, 226, 226.7, 510, 512, 1194, 1194.2, 1197, and the California Code of Regulations, Title 8, § 11070 or premiums in connection therewith based on the facts stated in the Action; claims for interest,

1 penalties (including but not limited to waiting time penalties), or premiums in
2 connection therewith that were alleged or which reasonably could have been alleged in
3 the Action; any claims for injunctive relief, declaratory relief, restitution, or fraudulent
4 business practices alleged or which could have been alleged in the Action; and claims
5 under the California Labor Code, including California Labor Code Sections 218, 218.5,
6 218.6 based on the facts stated in the Action; California Civil Code Sections 1021.5
7 and 3287(a) based on the facts stated in the Action; the California Industrial Welfare
8 Commission Wage Orders, and the California Business and Professions Code alleged
9 in or that could have been alleged under the same or similar facts, allegations and/or
10 claims pleaded in the Action, as well as any claims under the California Labor Code
11 and California Industrial Welfare Commission Wage Orders that were alleged or which
12 could have been alleged under the same or similar facts, allegations and/or claims
13 pleaded in the Action during the Class Period. Except as set forth in this section,
14 Participating Class Members do not release any other claims, including claims for
15 vested benefits, wrongful termination, violation of the Fair Employment and Housing
16 Act, unemployment insurance, disability, social security, workers' compensation, or
17 claims occurring outside the Class Period.

18 1.42. "Released PAGA Claims" means all Class Members who are Aggrieved Employees
19 are deemed to release on behalf of themselves and their respective former and present
20 representatives, agents, attorneys, heirs, administrators, successors, and assigned, the
21 Released Parties from all claims for PAGA penalties that were alleged, or reasonably
22 could have been alleged during the PAGA Period under same facts stated in Plaintiff's
23 PAGA letter and in the Action, including claims for alleged violations of Labor Code
24 sections 200, 201, 202, 203, 204, 210, 226, 226.3, 226.7, 256, 510, 512, 558, 1174,
25 1194, 1194.2, 1197, 1197.1, 1199, and 2699. The Released PAGA Claims do not
26 include other PAGA claims, underlying wage and hour claims, claims for wrongful
27 termination, discrimination, unemployment insurance, disability and worker's
28 compensation, and claims outside of the PAGA Period.

- 1.43. "Released Parties" means Defendants Esoterix, Inc. and Laboratory Corporation of America Holdings, and any of its past, present and future direct or indirect parents, subsidiaries, predecessors, successors, affiliates, and all entities that could be held to be joint employers, as well as each of its or their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendants.
- 1.44. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.45. "Response Deadline" means 30 calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom a Class Notice is resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.46. "Settlement" means the disposition of the Action and all related claims affected by this Agreement and the Judgment.
- 1.47. "Workweek" means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On July 6, 2023, Plaintiff filed the Class Action Lawsuit, alleging causes of action against Defendants in the Superior Court of the State of California, County of Los Angeles for (1) failure to pay overtime wages, (2) failure to pay minimum wages, (3) failure to provide meal periods, (4) failure to provide rest periods, (5) failure to pay all wages upon termination, (6) failure to provide accurate wage statements, and (7) unfair competition. On August 28, 2023, Defendants removed the Class Action Lawsuit to the United State District Court for the Central District of California. Plaintiff challenged jurisdiction by filing a Motion to Remand the action back to state court, which was granted. The Class Action Lawsuit was remanded back to state court on

December 7, 2023. On November 14, 2023, Plaintiff filed the separate representative PAGA Lawsuit in Superior Court of the State of California, County of Los Angeles, Stanley Mosk. On March 27, 2024, the Court consolidated the PAGA lawsuit with the Class Action Lawsuit and made the Class Action Lawsuit the lead case.

2.2. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged in the Operative Complaint .

2.3. Pursuant to Labor Code section 2699.3, subd.(a), on July 6, 2023, Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

2.4. On April 1, 2025, the Parties participated in an all-day mediation presided over by Honorable Amy D. Hogue (Ret.), which led to the settlement of the Action through a mediator's proposal. The Parties engaged Judge Hogue on April 7, 2025 and August 28, 2025 to seek guidance on the Parties' disputes concerning certain settlement terms, which ultimately resulted in this Agreement.

2.5. Prior to mediation, the Parties engaged in informal discovery wherein Plaintiff obtained sufficient documents and information to investigate the claims, such as identification of the number of Class Members (i.e., approximately 437 non-exempt employees); workweeks for Class Members (i.e., approximately 57,200 Workweeks); PAGA pay periods for Aggrieved Employees (i.e., approximately 18,400); average hourly rate of pay (i.e., \$25.50); time and payroll records for 88 Class Members; and relevant policy documents. Accordingly, 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, 129-130 ("*Dunk/Kullar*").

2.6. The Court has not granted class certification.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as provided in Paragraph 8 below, Defendants promise to pay One Million Three Hundred Thousand Dollars (\$1,300,000.00) and no

more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement.

3.2. Payments from the Gross Settlement Amount. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants. Subject to the terms and conditions of this Agreement, the Administrator will make the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Ten Thousand Dollars (\$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). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount for distribution to Participating Class Members. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment. Any denial or modification of the Class Representative Service Payment by the Court to the requested amount of the Class Representative Service Payment will not serve as grounds to nullify,

1 modify, or invalidate this Settlement, increase the Gross Settlement Amount or
2 appeal a Judgment approving the Settlement.

3 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third
4 (1/3), which is currently estimated to be Four Hundred Thirty Three Thousand
5 Three Hundred Thirty Three Dollars and Thirty Three Cents (\$433,333.33), and
6 a Class Counsel Litigation Expenses Payment of not more than Twenty Five
7 Thousand Dollars (\$25,000.00). Defendants will not oppose requests for these
8 payments provided that do not exceed these amounts. Plaintiff and/or Class
9 Counsel will file a motion for Class Counsel Fees Payment and Class Litigation
10 Expenses Payment or as part of the Motion for Final Approval, no later than 16
11 court days prior to the Final Approval Hearing. If the Court approves a Class
12 Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment
13 less than the amounts requested, the Administrator will allocate the remainder
14 to the Net Settlement Amount for distribution to Participating Class Members.
15 Released Parties shall have no liability to Class Counsel or any other Plaintiff's
16 Counsel arising from any claim to any portion any Class Counsel Fee Payment,
17 and/or Class Counsel Litigation Expenses Payment. The Administrator will
18 pay the Class Counsel Fees Payment and Class Counsel Expenses Payment
19 using one or more IRS 1099 Forms. Class Counsel assumes full responsibility
20 and liability for taxes owed on the Class Counsel Fees Payment and the Class
21 Counsel Litigation Expenses Payment and holds Defendants harmless, and
22 indemnifies Defendants, from any dispute or controversy regarding any
23 division or sharing of any of these Payments. The payment of the Class Counsel
24 Fees Payment and Litigation Expenses Payment shall be made to the Nourmand
25 Law Firm, APC. Any denial or modification of the Class Counsel Fee Payment
26 and/or Class Counsel Litigation Expenses Payment by the Court to the
27 requested amount of the Class Counsel Fee Payment and/or Class Counsel
28 Litigation Expenses Payment will not serve as grounds to nullify, modify, or

1 invalidate this Settlement, increase the Gross Settlement Amount, or appeal a
2 Judgment approving the Settlement.

3 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed Eight
4 Thousand Nine Hundred and Fifty Dollars (\$8,950.00) except for a showing of
5 good cause and as approved by the Court. To the extent the Administration
6 Expenses are less or the Court approves payment less than Eight Thousand Nine
7 Hundred and Fifty Dollars (\$8,950.00), the Administrator will retain the
8 remainder in the Net Settlement Amount.

9 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated
10 by: (a) dividing the Net Settlement Amount by the total number of Workweeks
11 worked by all Participating Class Members during the Class Period; and (b)
12 multiplying the result by each Participating Class Member's Workweeks.

13 3.2.4.1. Tax Allocation of Individual Class Payments. 15% of each
14 Participating Class Member's Individual Class Payment will be
15 allocated to settlement of wage claims (the "Wage Portion"). The Wage
16 Portions are subject to tax withholding and will be reported on an IRS
17 W-2 Form. The remaining 85% of each Participating Class Member's
18 Individual Class Payment will be allocated to settlement of claims for
19 non-wages, interest, and penalties (the "Non-Wage Portion"). The Non-
20 Wage Portions are not subject to wage withholdings and will be reported
21 on IRS 1099 Forms. Participating Class Members assume full
22 responsibility and liability for any employee taxes owed on their
23 Individual Class Payment.

24 3.2.4.2. Effect of Non-Participating Class Members on Calculation of
25 Individual Class Payments. Non-Participating Class Members will not
26 receive any Individual Class Payments. The Administrator will retain
27 amounts equal to their Individual Class Payments in the Net Settlement
28

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 Sixty Thousand Dollars (\$60,000.00) to be paid from the Gross Settlement Amount, with 75% [Forty Five Thousand Dollars (\$45,000.00)] allocated to the LWDA PAGA Payment and 25% [Fifteen Thousand Dollars (\$15,000.00)] 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' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. 100% of the Aggrieved Individual PAGA Payment will be characterized and treated for tax purposes as penalties not subject to payroll tax.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on its records, Defendants have represented there are approximately 437 Class Members who collectively worked a total of approximately 57,200 Workweeks during the Class Period; and approximately 363 Aggrieved Employees who collectively worked a total of approximately 18,400 pay periods during the PAGA Period.

4.2. Class Data. Not later than 30 days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of

1 a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the
2 Administrator must maintain the Class Data in confidence, use the Class Data only for
3 purposes of this Settlement and for no other purpose, and restrict access to the Class
4 Data to Administrator employees who need access to the Class Data to effect and
5 perform under this Agreement. Defendants have a continuing duty to immediately
6 notify Class Counsel if they discover that the Class Data omitted Class Member
7 identifying information and to provide corrected or updated Class Data as soon as
8 reasonably feasible. Without any extension of the deadline by which Defendants must
9 send the Class Data to the Administrator, the Parties and their counsel will
10 expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any
11 issues related to missing or omitted Class Data.

12 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross
13 Settlement Amount, and also fund the amounts necessary to fully pay Defendants'
14 share of payroll taxes by transmitting the funds to the Administrator no later than
15 fourteen (14) days after the Effective Date. Once Defendants have made such
16 payments, they will be deemed to have satisfied all terms and conditions under this
17 Settlement, shall be entitled to all protections afforded to Defendants under this
18 Settlement, and shall have no further obligations under the terms of the Settlement.

19 4.4. Payments from the Gross Settlement Amount. Within seven (7) days after Defendant
20 funds the Gross Settlement Amount, the Administrator will mail checks for all
21 Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA
22 Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the
23 Class Counsel Litigation Expenses Payment, and the Class Representative Service
24 Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel
25 Litigation Expenses Payment, and the Class Representative Service Payment shall not
26 precede disbursement of Individual Class Payments and Individual PAGA Payments.

27 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
28 Individual PAGA Payments and send them to the Class Members via First Class

1 U.S. Mail, postage prepaid. The face of each check shall prominently state the
2 "void date" (which is 180 days after the date of mailing) when the check will
3 be voided. The Administrator will cancel all checks not cashed by the void
4 date. The Administrator will send checks for Individual Class Payments to all
5 Participating Class Members (including those for whom Class Notice was
6 returned undelivered). The Administrator will send checks for Individual
7 PAGA Payments to all Aggrieved Employees including Non-Participating
8 Class Members who qualify as Aggrieved Employees (including those for
9 whom Class Notice was returned undelivered). The Administrator may send
10 Participating Class Members a single check combining the Individual Class
11 Payment and the Individual PAGA Payment. Before mailing any checks, the
12 Settlement Administrator must update the recipients' mailing addresses using
13 the National Change of Address Database.

14 4.4.2. The Administrator must conduct a Class Member Address Search for all other
15 Class Members whose checks are returned undelivered without USPS
16 forwarding address. Within 7 days of receiving a returned check the
17 Administrator must re-mail checks to the USPS forwarding address provided or
18 to an address ascertained through the Class Member Address Search. The
19 Administrator need not take further steps to deliver checks to Class Members
20 whose re-mailed checks are returned as undelivered. The Administrator shall
21 promptly send a replacement check to any Class Member whose original check
22 was lost or misplaced, requested by the Class Member prior to the void date.

23 4.4.3. For any Class Member whose Individual Class Payment check or Individual
24 PAGA Payment check is uncashed and cancelled after the void date, the
25 Administrator shall transmit the funds represented by such checks to the
26 California Controller's Unclaimed Property Fund in the name of the Class
27 Member and/or Aggrieved Employee and their social security number thereby
28

1 leaving no "unpaid residue" subject to the requirements of California Code of
2 Civil Procedure Section 384, subd. (b).

3 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments
4 shall not obligate Defendants to confer any additional benefits or make any
5 additional payments to Class Members (such as 401(k) contributions or
6 bonuses) beyond those specified in this Agreement.

7 **5. RELEASES OF CLAIMS.** Effective on the date when Defendants fully funds the entire
8 Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the
9 Individual Class Payments, Plaintiff, Class Members, Aggrieved Employees, and the State of
10 California will release claims against all Released Parties as follows:

11 5.1 Plaintiff's Release. Plaintiff, Plaintiff's respective former and present representatives,
12 agents, attorneys, administrators, successors, assigns and all persons purporting to act
13 on Plaintiff's behalf or purporting to assert a claim under or through him shall be
14 deemed to have fully, finally, and forever released, settled, compromised, relinquished
15 and discharged any and all of the Released Parties of and from any and all claims,
16 transactions or occurrences that occurred during the Class Period and PAGA Period,
17 whatsoever including, but not limited to: all claims that were, or reasonably could have
18 been alleged in the Operative Complaint, including but not limited to Plaintiff's
19 employment and/or the termination of employment including, but not limited to, any
20 claims for misclassification, wages, bonuses, severance pay, vacation pay, penalties,
21 employment benefits, stock options, violation of any personnel policy, any claims
22 based on discrimination, harassment, unlawful retaliation, violation of public policy, or
23 damages of any kind whatsoever, arising out of any common law torts, contracts,
24 express or implied, any covenant of good faith and fair dealing, any theory of wrongful
25 discharge, any theory of negligence, any theory of retaliation, any legal restriction on
26 any Defendants' right to terminate the employment relationship, or any federal, state,
27 or other governmental statute, executive order, regulation or ordinance, or common
28 law, or any other basis whatsoever, to the fullest extent provided by law, including, but

not limited to claims for violation of the Fair Labor Standards Act, the California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Equal Pay Act, the Fair Labor Standards Act, the Fair Credit Reporting Act; the Worker Adjustment and Retraining Notification Act, the Older Worker Benefit Protection Act of 1990, the Sarbanes-Oxley Act of 2002, the Immigration Control and Reform Act; the Genetic Information Non-Discrimination Act, the Occupational Safety and Health Act, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq., any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Plaintiff as a result of this Settlement Agreement. Nayan Lal shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law that purports to limit the scope of a general release. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for unemployment benefits, vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time. 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 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.

Plaintiff understands that Section 1542 gives the right not to release existing claims of which he is not now aware, unless Plaintiff voluntarily chooses to waive this right. Having been so apprised, Plaintiff nevertheless voluntarily waives the rights described in Section 1542 and elects to assume all risks for claims that now exist in his favor, known or unknown.

5.2 Release of Class Claims by Participating Class Members: All Participating Class Members, including Plaintiff, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from the Released Class Claims.

5.3 Release of PAGA Claims by Aggrieved Employees: All Aggrieved Employees, including Plaintiff, the LWDA, and the State of California, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims.

6. **MOTION FOR PRELIMINARY APPROVAL.** Class Counsel will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current procedures and instructions.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and serve a copy to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) the notice and memorandum in support of the Motion for Preliminary Approval that includes an

1 analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA
2 Settlement under Labor Code Section 2699, subd. (f)(2); (ii) the proposed Order
3 Granting Preliminary Approval and Approval of PAGA Settlement; (iii) the proposed
4 Class Notice; (iv) a signed declaration from the Administrator attaching its “not to
5 exceed” bid for administering the Settlement and attesting to its willingness to serve;
6 competency; operative procedures for protecting the security of Class Data; amounts
7 of insurance coverage for any data breach, defalcation of funds or other misfeasance;
8 all facts relevant to any actual or potential conflicts of interest with Class Members;
9 and the nature and extent of any financial relationship with Plaintiff, Class Counsel or
10 Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and
11 competency to serve and disclosing all facts relevant to any actual or potential conflicts
12 of interest with Class Members, and/or the Administrator; (vi) a signed declaration
13 from each Class Counsel firm attesting to its competency to represent the Class
14 Members; its timely transmission to the LWDA of all necessary PAGA documents
15 (initial PAGA Notice of violations (Labor Code section 2699.3, subd. (a))), Operative
16 Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code
17 section 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict
18 of interest with Class Members and/or the Administrator.

19 6.2 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing
20 and filing the Motion for Preliminary Approval no later than 30 days after the full
21 execution of this Agreement; obtaining a prompt hearing date for the Motion for
22 Preliminary Approval; and for appearing in Court to advocate in favor of the Motion
23 for Preliminary Approval. Class Counsel is responsible for delivering the Court’s
24 Preliminary Approval to the Administrator.

25 6.3 Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions
26 Preliminary Approval on any material change to this Agreement, Class Counsel and
27 Defense Counsel will expeditiously work together on behalf of the Parties by meeting
28 in person or by telephone, and in good faith, to modify the Agreement and otherwise

1 satisfy the Court's concerns. However, if the Court does not grant approval of the
2 Settlement in a form substantively similar to the version agreed to by the Parties, this
3 Settlement Agreement becomes null and void as if no settlement of any claim was ever
4 reached. All negotiations, statements, and proceedings and data relating thereto shall
5 be protected by California Evidence Code §1152 and shall be without prejudice to the
6 rights of any of the Parties.

7 **7. SETTLEMENT ADMINISTRATION.**

8 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action
9 Administration Solutions to serve as the Administrator and verified that, as a condition
10 of appointment, Administrator agrees to be bound by this Agreement and to perform,
11 as a fiduciary, all duties specified in this Agreement in exchange for payment of
12 Administration Expenses. The Parties and their Counsel represent that they have no
13 interest or relationship, financial or otherwise, with the Administrator other than a
14 professional relationship arising out of prior experiences administering settlements.

15 7.2 Employer Identification Number. The Administrator shall have and use its own
16 Employer Identification Number for purposes of calculating payroll tax withholdings
17 and providing reports state and federal tax authorities.

18 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
19 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
20 section 468B-1.

21 7.4 Notice to Class Members.

22 7.4.1 No later than fifteen (15) business days after the Court grants Preliminary
23 Approval, Defense Counsel will deliver the Class Data to the Administrator, in
24 the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy
25 rights, the Administrator must maintain the Class Data in confidence, use the
26 Class Data only for purposes of this Settlement and for no other purpose, and
27 restrict access to the Class Data to Administrator employees who need access
28 to effect and perform under this Agreement. Defense Counsel has a continuing

1 duty to immediately notify Class Counsel if it discovers that the Class Data
2 omitted Class Member identifying information and to provide corrected or
3 updated Class Data as soon as reasonably feasible. Without any extension of
4 the deadline by which Defense Counsel must send the Class Data to the
5 Administrator, the Parties and their counsel will expeditiously use best efforts,
6 in good faith, to reconstruct or otherwise resolve any issues related to missing
7 or omitted Class Data. No later than three (3) business days after receipt of the
8 Class Data, the Administrator shall notify Class Counsel that the list has been
9 received and state the number of Class Members, PAGA Members,
10 Workweeks, and Pay Periods in the Class Data.

11 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 15
12 days after receiving the Class Data, the Administrator will send to all Class
13 Members identified in the Class Data, via first-class United States Postal
14 Service ("USPS") mail, the Class Notice substantially in the form attached to
15 this Agreement as Exhibit A and translated to Spanish. The first page of the
16 Class Notice shall prominently estimate the dollar amounts of any Individual
17 Class Payment and/or Individual PAGA Payment payable to the Class Member,
18 and the number of Workweeks and PAGA Pay Periods (if applicable) used to
19 calculate these amounts. Before mailing Class Notices, the Administrator shall
20 update Class Member addresses using the National Change of Address
21 database.

22 7.4.3 Not later than 3 business days after the Administrator's receipt of any Class
23 Notice returned by the USPS as undelivered, the Administrator shall re-mail the
24 Class Notice using any forwarding address provided by the USPS. If the USPS
25 does not provide a forwarding address, the Administrator shall conduct a Class
26 Member Address Search, and re-mail the Class Notice to the most current
27 address obtained. The Administrator has no obligation to make further attempts
28

1 to locate or send Class Notice to Class Members whose Class Notice is returned
2 by the USPS a second time.

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

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

19 7.5 Requests for Exclusion (Opt-Outs).

20 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class
21 Settlement must send the Administrator, by fax, email, or mail, a signed written
22 Request for Exclusion not later than the Response Deadline (plus an additional
23 14 days for Class Members whose Class Notice is re-mailed. The 14 day
24 deadline runs from the date the notice was re-mailed). A Request for Exclusion
25 is a letter from a Class Member or his/her representative that reasonably
26 communicates the Class Member's election to be excluded from the Settlement
27 and includes the Class Member's name, address and email address or telephone
28

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

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

13 7.5.3 Every Class Member who does not submit a timely and valid Request for
14 Exclusion is deemed to be a Participating Class Member under this Agreement,
15 entitled to all benefits and bound by all terms and conditions of the Settlement,
16 including the Participating Class Members' Releases under Paragraph 5.2 of
17 this Agreement, regardless of whether the Participating Class Member actually
18 receives the Class Notice, receives their Individual Class and/or Individual
19 PAGA Payment, or objects to the Settlement.

20 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is
21 a Non-Participating Class Member and shall not receive an Individual Class
22 Payment or have the right to object to the class action components of the
23 Settlement. Because future PAGA claims are subject to claim preclusion upon
24 entry of the Judgment, Non-Participating Class Members who are Aggrieved
25 Employees are deemed to release the claims identified in Paragraph 5.3 of this
26 Agreement and are eligible for an Individual PAGA Payment. If a Class
27 Member submits both a Request for Exclusion and an objection, only the
28 Request for Exclusion will be accepted and the objection will be void.

1 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have until the
2 Response Deadline (plus an additional 14 days for Class Members whose Class Notice
3 is re-mailed, the 14 day deadline runs from the date the notice was re-mailed) to
4 challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated
5 to the Class Member in the Class Notice. The Class Member may challenge the
6 allocation by communicating with the Administrator via fax, email or mail. The
7 Administrator must encourage the challenging Class Member to submit supporting
8 documentation. In the absence of any contrary documentation, the Administrator is
9 entitled to presume that the Workweeks contained in the Class Notice are correct so
10 long as they are consistent with the Class Data. The Administrator's determination of
11 each Class Member's allocation of Workweeks and/or Pay Periods shall be final and
12 not appealable or otherwise susceptible to challenge, except by the Court. The
13 Administrator shall promptly provide copies of all challenges to calculation of
14 Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
15 Administrator's determination the challenges.

16 7.7 Objections to Settlement.

17 7.7.1 Only Participating Class Members may object to the class action components
18 of the Settlement and this Agreement, including contesting the fairness of the
19 Settlement and the amounts requested for the Class Counsel Fees Payment,
20 Class Counsel Litigation Expenses Payment, Administration Expenses
21 Payment, and Class Representative Service Payment.

22 7.7.2 Participating Class Members may send written objections to the Administrator,
23 by fax, email, or mail. In the alternative, Participating Class Members may
24 appear in Court (or hire an attorney to appear in Court) to present verbal
25 objections at the Final Approval Hearing. A Participating Class Member who
26 elects to send a written objection to the Administrator must do so not later than
27 the Response Deadline (plus an additional 14 days for Class Members whose
28 Class Notice was re-mailed, the 14 day deadline runs from the date the notice

1 was re-mailed). If the Participating Class Member elects to fax, email or mail
2 a written objection to the Administrator, the Administrator shall email a copy
3 of the objection, forthwith but in no event later than 3 business days from the
4 date of receipt, to Class Counsel and Defense Counsel. Class Counsel shall
5 lodge a copy of the objection with the Court.

6 7.7.3 Non-Participating Class Members have no right to object to any of the class
7 action components of the Settlement.

8 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to
9 be performed or observed by the Administrator contained in this Agreement or otherwise.

10 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will
11 establish and maintain and use an internet website to post information of interest
12 to Class Members including the date, time and location for the Final Approval
13 Hearing and copies of the Settlement Agreement. The Administrator will also
14 maintain and monitor an email address and a toll-free telephone number to
15 receive Class Member calls, faxes and emails.

16 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
17 promptly review on a rolling basis Requests for Exclusion to ascertain their
18 validity. Not later than 7 days after the expiration of the deadline for submitting
19 Requests for Exclusion, the Administrator shall email a list to Class Counsel
20 and Defense Counsel containing (a) the names and other identifying
21 information of Class Members who have timely submitted valid Requests for
22 Exclusion ("Exclusion List"); (b) the names and other identifying information
23 of Class Members who have submitted invalid Requests for Exclusion; (c)
24 copies of all Requests for Exclusion from Settlement submitted (whether valid
25 or invalid).

26 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written
27 reports via email to Class Counsel and Defense Counsel that, among other
28 things, tally the number of: Class Notices mailed or re-mailed, Class Notices

1 returned undelivered, Requests for Exclusion (whether valid or invalid)
2 received, objections received, challenges to Workweeks and/or Pay Periods
3 received and/or resolved, and checks mailed for Individual Class Payments and
4 Individual PAGA Payments ("Weekly Report"). The Weekly Reports must
5 include the Administrator's assessment of the validity of Requests for
6 Exclusion and attach copies of all Requests for Exclusion and objections
7 received.

8 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority
9 to address and make final decisions consistent with the terms of this Agreement
10 on all Class Member challenges over the calculation of Workweeks and/or Pay
11 Periods. The Administrator's decision shall be final and not appealable or
12 otherwise susceptible to challenge, except by the Court.

13 7.8.5 Administrator's Declaration. Not later than 7 days before the date by which
14 Plaintiff is required to file the Motion for Final Approval of the Settlement, the
15 Administrator will provide to Class Counsel and Defense Counsel, a signed
16 declaration suitable for filing in Court attesting to its due diligence and
17 compliance with all of its obligations under this Agreement, including, but not
18 limited to, its mailing of Class Notice, the Class Notices returned as
19 undelivered, the re-mailing of Class Notices, attempts to locate Class Members,
20 the total number of Requests for Exclusion from Settlement it received (both
21 valid or invalid), the number of written objections and attach the Exclusion List.
22 The Administrator will supplement its declaration as needed or requested by the
23 Parties and/or the Court. Class Counsel is responsible for filing the
24 Administrator's declaration(s) in Court.

25 7.8.6 Final Report by Settlement Administrator. Within 15 days after the
26 Administrator disburses all funds in the Gross Settlement Amount, the
27 Administrator will provide Class Counsel and Defense Counsel with a final
28 report detailing its disbursements by employee identification number only of all

1 payments made under this Agreement. At least 7 days before any deadline set
2 by the Court, the Administrator will prepare, and submit to Class Counsel and
3 Defense Counsel, a signed declaration suitable for filing in Court attesting to its
4 disbursement of all payments required under this Agreement. Class Counsel is
5 responsible for filing the Administrator's declaration in Court. If a second
6 declaration attesting to the distribution of uncashed checks is required, the
7 Administrator shall provide this second declaration at least 7 days before any
8 deadline for a second declaration and Class Counsel shall be responsible for
9 filing the second declaration with the Court.

10 **8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records,
11 Defendants estimates that there are approximately 57,200 Workweeks during the period from
12 July 6, 2019 through April 1, 2025, and approximately 18,400 PAGA pay periods from July 6,
13 2022 through April 1, 2025. If the actual number of Workweeks worked or pay periods within
14 the class and PAGA periods, respectively, to May 1, 2025 exceeds 108% (i.e., more than
15 61,776 Workweeks or 19,872 PAGA pay periods) of these estimates, then Defendants will
16 have the option to either increase the amount of the settlement pro rata for each percentage of
17 increased workweeks or pay periods over 8% (e.g., if the number of workweeks or pay periods
18 increased by 9% to 62,348 Workweeks or 20,056 PAGA pay periods, the Gross Settlement
19 Amount will increase by 1% or \$13,000) or elect to cut off the end date of the Class and PAGA
20 release periods as of the date the number of workweeks worked or pay periods exceeded one
21 hundred and eight percent of the estimated 57,200 Workweeks and 18,400 pay periods
22 proportionately.

23 **9. DEFENDANTS' RIGHT TO WITHDRAW.** If 8% or more Class Members timely opt out
24 of the class settlement, Defendants shall have the sole and absolute discretion to rescind/void
25 the Agreement within twenty (20) days after receiving from the Settlement Administrator the
26 final list of opt-outs. Defendants agree to meet and confer in good faith with Class Counsel
27 before rescinding or voiding the Agreement. In the event that Defendants elect to rescind/void
28 the Agreement, Defendants shall provide written notice of such rescission to Class Counsel

1 and shall pay any costs associated with administration. Such rescission shall have the same
2 effect as a termination of the Agreement for failure to satisfy a condition of settlement, and the
3 Agreement shall become null and void and have no further force or effect.

4 **10. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared
5 Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the
6 Settlement that includes a request for approval of the PAGA settlement under Labor Code
7 section 2699, subd. (l), a proposed Final Approval Order and a proposed Judgment
8 (collectively "Motion for Final Approval"). Class Counsel shall provide drafts of these
9 documents to Defense Counsel before filing the Motion for Final Approval. Class Counsel and
10 Defense Counsel will expeditiously meet and confer in person or by telephone, and in good
11 faith, to resolve any disagreements concerning the Motion for Final Approval.

12 **10.1 Response to Objections.** Each Party retains the right to respond to any objection raised
13 by a Participating Class Member, including the right to file responsive documents in
14 Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise
15 ordered or accepted by the Court.

16 **10.2 Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
17 Approval on any material change to the Settlement (including, but not limited to, the
18 scope of release to be granted by Class Members), the Parties will expeditiously work
19 together in good faith to address the Court's concerns by revising the Agreement as
20 necessary to obtain Final Approval. The Court's decision to award less than the
21 amounts requested for the Class Representative Service Payment, Class Counsel Fees
22 Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses
23 Payment shall not constitute a material modification to the Agreement within the
24 meaning of this paragraph.

25 **10.3 Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Judgment,
26 the Court will retain jurisdiction over the Parties, Action, and the Settlement under
27 Code of Civil Procedure section 664.6 solely for purposes of (i) enforcing this
28

Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, 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.

10.5 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 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, on an equal basis, any additional Administration Expenses reasonably incurred at the time of remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment 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.

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

1 **12. ADDITIONAL PROVISIONS.**

2 12.1 No Admission of Liability, Class Certification or Representative Manageability for
3 Other Purposes. This Agreement represents a compromise and settlement of highly
4 disputed claims. Nothing in this Agreement is intended or should be construed as an
5 admission by Defendant that any of the allegations in the Operative Complaint have
6 merit or that Defendant has any liability for any claims asserted; nor should it be
7 intended or construed as an admission by Plaintiff that Defendant's defenses in the
8 Action have merit. The Parties agree that class certification and representative
9 treatment is for purposes of this Settlement only. If, for any reason the Court does not
10 grant Preliminary Approval, Final Approval or enter Judgment, pursuant to this
11 Agreement, Defendant reserves the right to contest certification of any class for any
12 reasons, and Defendant reserves all available defenses to the claims in the Action, and
13 Plaintiff reserves the right to move for class certification on any grounds available and
14 to contest Defendants' defenses. The Settlement, this Agreement and Parties'
15 willingness to settle the Action will have no bearing on, and will not be admissible in
16 connection with, any litigation (except for proceedings to enforce or effectuate the
17 Settlement and this Agreement).

18 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants
19 and Defense Counsel separately agree that, until the Motion for Preliminary Approval
20 of Settlement is filed, they and each of them will not disclose, disseminate and/or
21 publicize, or cause or permit another person to disclose, disseminate, publicize, or
22 cause or permit another person to disclose, disseminate or publicize, any of the terms
23 of the Agreement directly or indirectly, specifically or generally, to any person,
24 corporation, association, government agency, or other entity except: (1) to the Parties'
25 attorneys, accountants, or spouses, all of whom will be instructed to keep this
26 Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to
27 report income to appropriate taxing authorities; (4) in response to a court order or
28 subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal

1 government agency. Each Party agrees to immediately notify each other Party of any
2 judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff,
3 Class Counsel, Defendants and Defense Counsel separately agree not to, directly or
4 indirectly, initiate any conversation or other communication, before the filing of the
5 Motion for Preliminary Approval, any with third party regarding this Agreement or the
6 matters giving rise to this Agreement except to respond only that "the matter was
7 resolved," or words to that effect. Class Counsel and named Plaintiff agree not to
8 publicize the terms of this Settlement with the media, including but not limited to, any
9 newspaper, journal, magazine, website and/or online reporter of settlements or on any
10 website. This paragraph does not restrict Class Counsel's communications with Class
11 Members in accordance with Class Counsel's ethical obligations owed to Class
12 Members.

13 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and
14 employees have not and will not solicit any Class Member to opt out of or object to the
15 Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed
16 to restrict Class Counsel's ability to communicate with Class Members in accordance
17 with Class Counsel's ethical obligations owed to Class Members.

18 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
19 together with its attached exhibit shall constitute the entire agreement between the
20 Parties relating to the Settlement, superseding any and all oral representations,
21 warranties, covenants, or inducements made to or by any Party.

22 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
23 represent that they are authorized by Plaintiff and Defendants, respectively, to take all
24 appropriate action required or permitted to be taken by such Parties pursuant to this
25 Agreement to effectuate its terms, and to execute any other documents reasonably
26 required to effectuate the terms of this Agreement including any amendments to this
27 Agreement.
28

- 1 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
2 best efforts, in good faith, to implement the Settlement by, among other things,
3 modifying the Agreement, submitting supplemental evidence and supplementing
4 points and authorities as requested by the Court. In the event the Parties are unable to
5 agree upon the form or content of any document necessary to implement the Settlement,
6 or on any modification of the Agreement that may become necessary to implement the
7 Settlement, the Parties will seek the assistance of a mediator and/or the Court for
8 resolution.
- 9 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not
10 directly or indirectly assigned, transferred, encumbered, or purported to assign,
11 transfer, or encumber to any person or entity and portion of any liability, claim,
12 demand, action, cause of action, or right released and discharged by the Party in this
13 Settlement.
- 14 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are
15 providing any advice regarding taxes or taxability, nor shall anything in this Settlement
16 be relied upon as such within the meaning of United States Treasury Department
17 Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 18 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
19 modified, changed, or waived only by an express written instrument signed by all
20 Parties or their representatives, and approved by the Court.
- 21 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to
22 the benefit of, the successors of each of the Parties.
- 23 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
24 governed by and interpreted according to the internal laws of the state of California,
25 without regard to conflict of law principles.
- 26 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
27 of this Agreement. This Agreement will not be construed against any Party on the basis
28 that the Party was the drafter or participated in the drafting.

1 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders
2 entered during Action and in this Agreement relating to the confidentiality of
3 information shall survive the execution of this Agreement.

4 12.14 Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code
5 §1152, and all copies and summaries of the Class Data provided to Class Counsel by
6 Defendant in connection with the mediation, other settlement negotiations, or in
7 connection with the Settlement, may be used only with respect to this Settlement, and
8 no other purpose, and may not be used in any way that violates any existing contractual
9 agreement, statute, or rule of court. Not later than 90 days after the date when the Court
10 discharges the Administrator's obligation to provide a Declaration confirming the final
11 pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions
12 of Class Data received from Defendants.

13 12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is
14 inserted for convenience of reference only and does not constitute a part of this
15 Agreement.

16 12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall
17 be to calendar days. In the event any date or deadline set forth in this Agreement falls
18 on a weekend or federal legal holiday, such date or deadline shall be on the first
19 business day thereafter.

20 12.17 Notice. All notices, demands or other communications between the Parties in
21 connection with this Agreement will be in writing and deemed to have been duly given
22 as of the third business day after mailing by United States mail, or the day sent by email
23 or messenger, addressed as follows:

24 To Plaintiff:
25 Michael Nourmand
26 James A. De Dario
27 The Nourmand Law Firm, APC
28 8822 West Olympic Boulevard
Beverly Hills, California 90211
Tel.: (310) 553-3600
Fax: (310) 553-3603
E-Mail:

mnourmand@nourmandlawfirm.com
jdesario@nourmandlawfirm.com

To Defendant:
Eugene Ryu, Esq.
Gene.Ryu@klgates.com
Yesi Lagunas, Esq.
Yesi.Lagunas@klgates.com
K&L Gates LLP
10100 Santa Monica Boulevard
8th Floor
Los Angeles, California 90067
Tel.: (310) 552-5000

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19 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 that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process from the mediation on April 1, 2025 until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

13. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 01/28/2026



Plaintiff Nayan Lal

Dated: _____

Andrew Chakeres, Vice President Employment Law
For Defendants Esoterix, Inc. and Laboratory Corporation of America
Holdings

mnourmand@nourmandlawfirm.com
jdesario@nourmandlawfirm.com

To Defendant:
Eugene Ryu, Esq.
Gene.Ryu@klgates.com
Yesi Lagunas, Esq.
Yesi.Lagunas@klgates.com
K&L Gates LLP
10100 Santa Monica Boulevard
8th Floor
Los Angeles, California 90067
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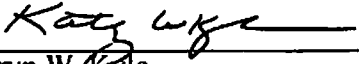
13. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____

Plaintiff Nayan Lal

Dated: 01/28/2026


Kathryn W. Kyle,
Executive Vice President and Chief Legal Officer
Laboratory Corporation of America Holdings and
Director, President and Secretary, Esoterix Inc.

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APPROVED AS TO FORM:

Dated: January 28, 2026

James A. De Sario
Michael Nourmand
James A. De Sario
The Nourmand Law Firm, APC
Attorney for Plaintiff

Dated: _____

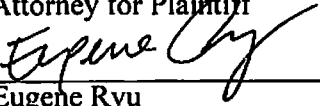
Eugene Ryu
Yesi Lagunas
K&L Gates LLP
Attorneys for Defendants

1
2 APPROVED AS TO FORM:

3
4 Dated: _____

Michael Nourmand
James A. De Sario
The Nourmand Law Firm, APC
Attorney for Plaintiff

6
7 Dated: 1/28/26


Eugene Ryu
Yesi Lagunas
K&L Gates LLP
Attorneys for Defendants