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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

QUINCY O'NEAL, individually and on behalf
of others similarly situated and on behalf of
other aggrieved employees,

Plaintiff,

vs.

INCLUDED HEALTH, INC., FORMERLY
KNOWN AS GRAND ROUNDS, INC., a
Delaware corporation; and DOES 1 through
25, inclusive,

Defendants.

Case No. CGC-23-608391

Honorable Jeffrey S. Ross
Department 606

**DECLARATION OF MIRIAM L. SCHIMMEL
IN SUPPORT OF PLAINTIFF'S RENEWED
MOTION FOR PRELIMINARY APPROVAL
OF CLASS ACTION AND PAGA
SETTLEMENT**

Date: June 23, 2025
Time: 10:00 a.m.
Dept.: 606

Complaint Filed: August 15, 2023
FAC Filed: January 2, 2024
Trial Date: Not Set

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1 attended all hearings; attended all mediations; coordinated with class action administrators; prepared
2 and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all
3 other intricate facets of litigation. During that time, he represented a wide range of clients from sole
4 proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of
5 the cases he managed were highly publicized, with articles written about them in the Los Angeles
6 Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has
7 regularly honored him as a Southern California Rising Star since 2012.

8 4. I am a 28-year litigator who joined Blackstone Law, APC in June 2022, following ten
9 years of working with two well-known plaintiff-side wage and hour law firms in Los Angeles. I
10 obtained my Bachelor of Arts degree in Political Science from the University of California at Los
11 Angeles in 1992. Thereafter, I received my law degree from Loyola Law School in 1996 and was
12 admitted to the California State Bar in December 1996. Since my admission to the Bar, I have devoted
13 my practice to a wide variety of litigation matters on both the plaintiff and defense side, including
14 general business, toxic tort, medical device, and pharmaceutical matters. Since 2010, my practice has
15 been devoted almost entirely to employment litigation consisting of wage and hour class actions and
16 representative actions pursuant to PAGA, as well as individual actions based on violations of the Fair
17 Employment and Housing Act ("FEHA"). Approximately 75% of my work in this regard has been on
18 behalf of employees (plaintiffs), while the remaining 25% was on behalf of employers/businesses. On
19 many of those cases, I was the senior lead attorney managing the litigation and overseeing other
20 attorneys. In that capacity, I obtained extensive experience analyzing potential wage and hour and
21 wrongful termination claims for viability; took and defended hundreds of depositions; propounded
22 and responded to discovery; prepared and opposed a wide variety of motions and pleadings, including
23 dispositive and certification motions, as well as settlement approval motions; strategized on all cases;
24 participated in and directed communication with class members; attended hearings; led and
25 participated in mediations; coordinated with class action administrators; prepared and worked with
26 experts; and engaged in all other related aspects of litigation in state, federal, complex, and appellate
27 courts.

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1 5. Joana Fang is a highly skilled eight-year lawyer who is part of the team at Blackstone
2 Law, APC that litigated this matter. She is a 2015 graduate of Loyola Law School, and a 2011 graduate
3 of University of California, Berkeley where she was a double major in Legal Studies and Media
4 Studies. Since passing the Bar, Ms. Fang has exclusively represented plaintiffs in wage and hour
5 litigation, as well as catastrophic injury complex litigation. She is admitted to the State of California,
6 all federal district courts of California, and the U.S. Court of Appeals for the 9th Circuit. She was
7 most recently recognized as a 2025 Southern California Rising Star by Super Lawyers.

8 6. Alexandra Rose joined Blackstone Law, APC from a highly reputable employment law
9 firm. She graduated from the University of California, Los Angeles with a Bachelor of Arts degree in
10 2016 and from New England Law | Boston with a Juris Doctor degree in 2019. She was admitted to
11 the State Bar of California in December of 2019 and the State Bars of New York and New Jersey in
12 2023. She is additionally licensed in all federal district courts of California. She has worked on many
13 wage and hour class action and PAGA representative matters, and her work has included, *inter alia*,
14 researching and drafting pleadings, administrative notice exhaustion, drafting, negotiating, and
15 finalizing stipulations and settlement agreements, engaging in motion practice, claims evaluation and
16 analysis, and making court appearances.

17 7. Jared C. Osborne joined Blackstone also from a highly reputable employment law firm.
18 He graduated from New York University with a Bachelor of Arts degree in 2009 and from University
19 of Southern California Gould School of Law (USC) with a Juris Doctor degree in 2020. While at
20 USC, he was an Executive Senior Editor on the Southern California Law Review and graduated in the
21 top 10% of his class. He was admitted to the State Bar of California in February 2021. Since his
22 admittance, he has worked exclusively as a Plaintiff's side employment attorney handling both
23 individual and class action cases. He was most recently recognized as a 2025 Southern California
24 Rising Star by Super Lawyers.

25 8. Blackstone Law, APC has been counsel of record on several class action and PAGA
26 actions that have since been resolved, the most recent of which are attached hereto as **Exhibit 1**.

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Procedural History of the Action

9. On August 14, 2023, Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) by online submission and to Defendant Included Health, Inc., formerly known as Grand Rounds, Inc. (“Defendant”) by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specified provisions of the California Labor Code alleged to have been violated by Defendant (“PAGA Letter”). A true and correct copy of the PAGA Letter is attached hereto as **Exhibit 2**.

10. On August 15, 2023, Plaintiff filed a Class Action Complaint for Damages in the action entitled *Quincy O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, San Francisco County Superior Court Case No. CGC-23-608391 (“Action”), thereby commencing a putative class action against Included Health, Inc., Grand Rounds Health, and Doctor on Demand Professionals of California.

11. On October 17, 2023, pursuant to the joint stipulation of Plaintiff and Defendant (together, the “Parties”), the Court dismissed Doctor on Demand Professionals of California without prejudice.

12. On October 20, 2023, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 Et Seq. against Defendant in the action entitled *Quincy O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, San Francisco County Superior Court Case No. CGC-23-609901 (“PAGA Action”).

13. On January 2, 2024, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698 Et Seq. (“Operative Complaint”) in the Action against Defendant, which, *inter alia*, added a cause of action under PAGA and all the allegations alleged in the PAGA Action. The Operative Complaint alleges ten (10) causes of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment, failure to provide accurate wage statements, failure to timely pay wages upon termination, and failure to reimburse necessary business

1 expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on
2 the aforementioned California Labor Code violations, and for civil penalties under PAGA based on
3 the aforementioned California Labor Code violations.

4 14. On March 15, 2024, the Parties participated in a formal mediation conducted by
5 Monique Ngo-Bonnici, Esq. (“Mediator”), a neutral and respected mediator with extensive experience
6 in complex wage and hour matters, and with the assistance of the Mediator’s evaluations, the Parties
7 were able to reach an agreement to resolve this dispute on a class and representative basis. The Parties
8 then worked diligently to negotiate and memorialize the terms in a long form settlement agreement.

9 15. On April 5, 2024, pursuant to Plaintiff’s motion to dismiss, the court entered an Order,
10 which dismissed the PAGA Action without prejudice.

11 16. On October 7, 2024, the Parties executed the Joint Stipulation of Class Action and
12 PAGA Settlement (“Original Agreement”).

13 **Motion for Preliminary Approval**

14 17. On October 7, 2024, Plaintiff filed a Motion for Preliminary Approval of Class Action
15 and PAGA Settlement (“Motion for Preliminary Approval”) and supporting documents seeking
16 approval of the Original Agreement.

17 18. On November 8, 2024, the Court entered an Order Continuing Preliminary Approval
18 Hearing and Vacating Case Management Conference (“First Order Continuing MPA Hearing”), which
19 raised points of inquiry with regards to the Motion for Preliminary Approval and Original Agreement.
20 The Court did not hold a hearing on the Motion for Preliminary Approval.

21 19. On November 25, 2024, the Parties filed supplemental declarations to address the
22 Court’s points of inquiry in its First Order Continuing MPA Hearing.

23 20. On December 23, 2024, the Court entered an Order Continuing Preliminary Approval
24 Hearing (“Second Order Continuing MPA Hearing”), which again raised points of inquiry with
25 regards to the Motion for Preliminary Approval and Original Agreement. The Court did not hold a
26 hearing on the Motion for Preliminary Approval.

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21. On January 3, 2025, the Parties filed additional supplemental declarations to address the Court's points of inquiry in its Second Order Continuing MPA Hearing.

22. On January 14, 2025, the Court entered an Order Denying Plaintiff's Motion for Preliminary Approval Without Prejudice ("Order Denying MPA Without Prejudice"). The Court did not hold a hearing on the Motion for Preliminary Approval. A true and correct copy of the Order Denying MPA Without Prejudice is attached hereto as **Exhibit 3**.

23. On January 30, 2025, pursuant to the Court's concerns in its Order Denying MPA Without Prejudice, the Parties executed the First Amended Joint Stipulation of Class Action and PAGA Settlement ("Settlement" or "Settlement Agreement"), which removed the general release language that the Court determined was overbroad. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 4**.

Summary of the Terms of the Settlement Agreement

24. For purposes of settlement only, the Parties have agreed that the Class shall be defined as "all current and former non-exempt employees who worked for Defendant in the State of California at any time during the Class Period ("Class Members" or "Class"). The Class Period is defined as the period from August 15, 2019 through June 30, 2024. Based on information provided by Defendant, it is estimated that there are a total of one hundred and twenty-two (122) Class Members.

25. The Parties have agreed to settle the class and PAGA claims at issue in the Operative Complaint for a non-reversionary Gross Settlement Amount of Four Hundred Fifteen Thousand Dollars and Zero Cents (\$415,000.00), exclusive of employer-side payroll taxes. The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees, and other allocations. The Gross Settlement Amount includes: (1) Class Counsel's fees in the amount of one-third (1/3) of the Gross Settlement Amount (i.e., \$138,333.33 if the Gross Settlement Amount is \$415,000.00); (2) Class Counsel's actual litigation costs and expenses, not to exceed Eighteen Thousand Dollars and Zero Cents (\$18,000.00); (3) Settlement Administration Costs, not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00); (4) Enhancement Payment in the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00); and (5) PAGA Amount in the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00). After the above-estimated amounts are deducted from

1 the Gross Settlement Amount, the Net Settlement Amount that will be available for Class Members is
2 currently estimated to be One Hundred Ninety-One Thousand Six Hundred Sixty-Six Dollars and
3 Sixty-Six Cents (\$191,666.67). Additionally, 25% of the PAGA Amount (“PAGA Employee
4 Amount”), which is \$12,500.00 out of \$50,000.00 will be fully distributed to all current and former
5 non-exempt employees who worked for Defendant in the State of California at any time during the
6 PAGA Period (“PAGA Employees”). The “PAGA Period” is defined as the period from August 14,
7 2022 through June 30, 2024.

8 26. The Net Settlement Amount will be distributed and paid to all Class Members who do
9 not submit a timely and valid Request for Exclusion (“Settlement Class Members”) on a *pro rata* basis
10 based on the number of weeks each Class Member worked for Defendant as a non-exempt employee
11 in California during the Class Period (“Workweeks”). In order to be counted as a Workweek, the
12 Class Member must have worked at least one day in that week. The *pro rata* share of the Net
13 Settlement Amount that a Class Member may be eligible to receive under the Class Settlement
14 (“Individual Settlement Share”) will be calculated by the Settlement Administrator, in accordance with
15 the Settlement Agreement.

16 27. The PAGA Employee Amount will be distributed and paid to all PAGA Employees on
17 a *pro rata* basis based on the number of weeks each PAGA Employee worked for Defendant as a non-
18 exempt employee in California during the PAGA Period (“PAGA Workweeks”). In order to be
19 counted as a PAGA Workweek, the PAGA Employee must have worked at least one day in that week.
20 The *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive
21 under the PAGA Settlement (“Individual PAGA Payment”) will be calculated by the Settlement
22 Administrator, in accordance with the Settlement Agreement.

23 28. Each Individual Settlement Share will be allocated as ten percent (10%) wages and
24 ninety percent (90%) penalties, interest, and non-wage damages. The portion allocated to wages will
25 be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage
26 damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The
27 Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect
28 to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class

Members for their net payment of their Individual Settlement Share (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares will be paid by Defendant separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

29. The Settlement Agreement is a non-reversionary and non-claims made settlement. The Net Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount will be fully distributed to the LWDA and PAGA Employees, in accordance with the Settlement Agreement. No money will revert to Defendant.

30. Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds associated with such canceled checks will be distributed by the Settlement Administrator to the State of California’s Unclaimed Property Fund in the name of the Settlement Class Member and/or PAGA Employee.

The Settlement is Reasonable

Informed Arms-Length Negotiations

31. To be clear, there has been no collusive behavior between the Parties or counsel in reaching the Settlement. Plaintiff’s counsel actively litigated, investigated, and settled this matter at all times at arm’s length from defense counsel. Any implication to the contrary by the Order Denying MPA Without Prejudice is unfounded.

32. The Parties’ settlement negotiations were at all times made at arm’s-length and were adversarial. The Settlement was reached following a full day of mediation with a highly respected mediator with substantial experience mediating wage and hour cases, and Plaintiff engaged in additional negotiations in order to finalize the long-form agreement presently before the Court.

33. The Parties engaged in extensive informal discovery prior to reaching a settlement. Prior to mediation, Defendant produced all of the putative class members’ pay data, a sampling of the putative class members’ time data, Defendant’s relevant wage and hour policies and employee handbooks, and information regarding the total number of putative class members, the number of

1 current versus former employees, the total workweeks worked by the putative class members, and the
2 average rate of pay for the putative class members.

3 34. This allowed Class Counsel to conduct an informed assessment and analysis of the
4 strengths and weaknesses of the claims and the potential class-wide damages.

5 35. Based on the information exchanged, the Parties extensively briefed the strengths and
6 weaknesses of issues regarding class certification and liability and provided their analyses to the
7 Mediator who helped the Parties debate the strengths and weakness of their respective positions.

8 *Estimate of Potential Value of Claims*

9 36. Class Counsel analyzed all available data and estimated Defendant's potential exposure
10 to be approximately \$2,421,682, assuming the litigation was successful at trial on all claims at issue
11 and assuming in order to reach that dollar figure that every employee suffered a violation for each
12 claim on every shift worked. To further explain, this estimate is the sum of the estimated maximum
13 liability for all claims at issue and the total aggregate workweeks during the relevant time period, less
14 interest, and based on the analysis of the data which was extrapolated out for all class members across
15 the entire putative class period as follows: \$28,450 less meal period premiums paid; \$1,077,299 for
16 rest period violations at a 100% violation rate; \$362,614 for unpaid off-the-clock work for 1 hour per
17 workweek of off-the-clock work; \$8,679 for unpaid overtime wages at the required regular rate of pay;
18 \$6,521 for unpaid meal break premiums and sick pay at the required regular rate of pay; \$84,033 for
19 unpaid split shift premiums for 1 hour per split shift at the hourly rate; \$172,140 for unreimbursed
20 business expenses; \$498,396 for waiting time penalties; and \$183,550 for wage statement penalties.
21 Plaintiff further estimated that Defendant faced an additional exposure of \$187,500 in potential, non-
22 stacked (i.e., one penalty, per employee, per pay period during the PAGA statutory period) PAGA
23 penalties. Together with the PAGA penalties, Defendant's maximum potential exposure totaled
24 \$2,609,182 in damages

25 37. This maximum potential analysis is certainly not the amount of damages that would
26 have been proven as it is unlikely that every employee suffered every single violation on every shift
27 each employee worked. Rather, it is what is referred to in wage and hour matters as a "soaking wet"
28 damages analysis. Many courts ask plaintiffs to provide this amount in their motions to approve the

1 settlement purely to indicate the theoretical maximum amount of damages. It should not be viewed
2 as an actual attainable basis for actual damages.

3 38. Based thereon, for the analysis for approval, the theoretical maximum damage amount
4 was then reduced based on the challenges facing the likelihood of obtaining class certification,
5 prevailing at trial, and other attendant risks.

6 ***Specific Risks Considered***

7 39. Although the investigation and information discovered supports Plaintiff's contentions,
8 Defendant raised potential defenses and other circumstances that impacted the risk of being able to
9 proceed on all claims on a class-wide basis. On occasion, the litigation and investigation into the
10 claims alleged in wage and hour class action matters reveal facts and circumstances that present
11 significant challenges to success on the merits. Consideration of these risks factored heavily into the
12 negotiations and the decision to enter the Settlement in this matter.

13 40. My colleagues and I were aware of Defendant's defenses and arguments and took into
14 account the uncertainty and risk of the outcome of further litigation and the difficulties and delays
15 inherent in such litigation, including those involved in class and/or representative adjudication.
16 Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted
17 in the Action, Defendant's defenses, and the difficulties in establishing entitlement to monetary
18 recovery. Plaintiff has also considered the Parties' settlement discussions, as well as the evaluations
19 of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

20 41. Defendant denied and continues to deny any liability and wrongdoing of any kind
21 associated with the claims alleged in the Action and further denies that class certification is appropriate
22 for any purpose other than the Settlement. Defendant believes that it would ultimately prevail in the
23 Action. Defendant proffered defenses to both certification and to the merits of Plaintiff's claims.
24 Defendant contended that Plaintiff's claims are not suitable for class certification because individual
25 issues would predominate should this case go to trial. As with all class actions, these complex cases
26 raise difficult management and proof issues and, accordingly, there is a significant risk that the Court
27 may deny class certification.

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42. For example, Plaintiff alleged Defendant failed to provide lawful meal periods. However, meal period claims have been increasingly difficult to certify in recent years. Plaintiff's theory of liability for meal period violations was based on allegations that Defendant had failed to implement its policies and that its practices failed to allow Class Members to take meal breaks in the manner required under California law. Plaintiff's analysis of the time data revealed that only 28.1% of all shifts showed a unique meal period violation. However, the data also showed that Defendant had paid meal premiums for 91.2% of the recorded meal break violations (i.e., almost all of the meal breaks appearing in Defendant's records, totaling \$294,773 in meal period premiums paid), which significantly and drastically reduced the potential value of the claims. In addition, Defendant's timekeeping system was and is set up to automatically pay meal period premiums when an employee's timekeeping punches reveal a violation. Defendant therefore argued that liability and damages for this claim were next to nothing. Based thereon, it was determined that the net percentage of unique meal period violations in all shifts after offsetting for the meal period premiums Defendant paid was only 2.5%.

43. Defendant further contended that its policies and practices at all times during the Class Period were lawful, and that the rate of purported meal period violations reflected in the data would require individualized inquiry, making it extremely difficult to certify a class. We therefore had to consider the risk that the Court would find validity in the individualized proof defense to certification of Plaintiff's meal period claim and if so, the claim would likely not have been certified to proceed on a class-wide basis.

44. Accordingly, Class Counsel considered the risks of further litigating the case, including the significant additional costs that will be incurred by both sides if the case does not settle, as litigating a class action through class certification, trial, and/or appeals is very expensive. Moreover, litigating meal period claims is inherently difficult as an employer's records, as is the case here, do not usually indicate when a meal period is interrupted. While Class Counsel disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, costs and expenses of further litigation and certification, and risks of records, and applied appropriate discounts for them. Accordingly, for the reasons stated above,

1 Class Counsel determined that a discount of 60% was appropriate to apply to the maximum potential
2 value of this claim in order to account for the risks associated with obtaining class certification,
3 proving the underlying violations and reducing them by the premiums Defendant was shown to have
4 paid, as well as the cost and delay in recovering the alleged potential damages. This process brought
5 the value of the violations rate for this claim closer to \$11,380, after which a discount of 50% was
6 applied to account for the risks associated with succeeding on the merits and establishing liability,
7 bringing the value of this claim closer to \$5,690.

8 45. Additionally, a large portion of Defendant's overall liability stemmed from Plaintiff's
9 rest period allegations. Plaintiff's damage analysis on this claim was based on an alleged 100%
10 violation rate for every employee, on every shift throughout the entire Class Period. As with the meal
11 period allegations, Defendant contended that it had a lawful written rest period policy, provided
12 compliant rest breaks, and relieved Class Members of all duties as required under California law.
13 Defendant further argued that the reasons why a Class Member failed to receive a compliant rest period
14 raised individual issues that could not be certified. Additionally, this claim was even more uncertain
15 given the difficulties associated with proving the alleged rest period violations, as Defendant was not
16 legally required to record rest breaks. Given the lack of records demonstrating rest period violations,
17 there were legitimate concerns Plaintiff would not be able to certify these claims or prove substantial
18 damages with requisite certainty, which made the estimated value of this claim subject to much
19 challenge.

20 46. Accordingly, Class Counsel considered the risk of further litigating the case, as well as
21 significant additional costs that will be incurred by both sides if the case does not settle, as litigating a
22 class action through class certification, trial, and/or appeals is very expensive. Moreover, litigating
23 rest period claims is inherently difficult as an employer's records, as is the case here, do not usually
24 indicate when a rest period is short, late, interrupted or missed entirely. While Class Counsel disagreed
25 with Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and
26 realities of the case, applicable case law and regulations, the costs and expenses associated with further
27 litigation and certification, and risks to recovery, and applied appropriate discounts for them.
28 Accordingly, for the reasons stated above, Class Counsel determined that a discount of 60% was

appropriate to apply to account for the risks associated with obtaining class certification, thereafter proving the underlying violations, and the cost and delay in recovering the alleged potential damages, bringing the value of this claim closer to \$430,919. Thereafter, a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability, bringing the value of this claim closer to \$215,460.

47. Plaintiff also faced challenges certifying and proving liability for his minimum wage and overtime claims. These claims were largely based on Defendant's unrecorded, off-the-clock work performed by the Class Members during purported meal and rest periods. For example, during specific times, including when Defendant signed a new client, Plaintiff and the other Class Members were swamped with calls in the queue which caused them to work off-the-clock during their purported meal periods to attend to the calls. However, this claim faced serious challenges. First, the individualized nature of why this work was performed and the individualized nature of damages presented substantial concerns regarding the manageability of the case and the risk the Court could find these issues prevented certification, and the estimated damages for this claim were based on an assumption that all Class Members worked off the clock for at least one hour per week. In addition, investigations showed that Plaintiff and the Class Members were paid overtime, which was evidenced by records obtained from Defendant.

48. The estimated exposure for this claim was based on a class having been certified and Plaintiff having proven all elements of the overtime and minimum wage claims, despite risks associated with obtaining and maintaining certification, risks to establishing liability, and significant additional costs that would have to be incurred in order to certify a class and establish liability. Had the Parties not settled, Plaintiff also faced the risk of the Court finding that individualized issues predominate, such that class treatment is not suitable. While Class Counsel disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, the costs and expenses of further litigation and certification, and risks to recovery, and applied appropriate discounts for them. Accordingly, for the reasons stated above, Class Counsel determined that a discount of 60% was appropriate to apply to account for the risks associated with obtaining class certification, thereafter proving the underlying

violations, and the cost and delay in recovering the alleged potential damages, bringing the value of this claim closer to \$145,045, after which Class Counsel determined that a second discount of 50% was appropriate to apply in order to account for the risks associated with succeeding on the merits and establishing liability, bringing the value of this claim closer to \$72,523.

49. Plaintiff's unpaid wage claim was based on Defendant having failed to factor all forms of non-discretionary compensation into the regular rate of pay for the purpose of paying overtime compensation, meal period premiums, and sick pay. Defendant contended that it correctly factored in all forms of non-discretionary compensation into the regular rate of pay for the purpose of paying overtime compensation. More importantly, Plaintiff determined that Defendant's alleged failure to include all forms of non-discretionary compensation into the regular rate of pay only affected 31 Class Members, which totaled \$414.

50. The estimated exposure for this claim was based on a class having been certified and Plaintiff having proven all elements of the unpaid wage claim, despite risks associated with obtaining and maintaining certification, risks to establishing liability, and significant additional costs that would have to be incurred in order to certify a class and establish liability. Had the Parties not settled, Plaintiff also faced the risk of the Court finding that individualized issues predominate, such that class treatment is not suitable. While Class Counsel disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, the costs and expenses of further litigation and certification, and risks to recovery, and applied appropriate discounts for them. Accordingly, for the reasons stated above, Class Counsel determined that a discount of 60% was appropriate to apply to account for the risks associated with obtaining class certification, thereafter proving the underlying violations, and the cost and delay in recovering the alleged potential damages, bringing the value of this claim closer to \$6,080, and Class Counsel determined that a discount of 50% was appropriate to apply to account for the risks associated with succeeding on the merits and establishing liability, bringing the value of this claim closer to \$3,040.

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1 51. Plaintiff's unpaid split shift premiums claims were based on Defendant having failed
2 to pay premiums for the split shifts that the Class Members worked during the putative class period.
3 The estimated damages for this claim were calculated based on 1 hour per split shift at the hourly rate.
4 However, it was determined Plaintiff's analysis of the data revealed that split shifts were rare and only
5 occurred in 7.3% of all the shifts analyzed.

6 52. The estimated exposure for this claim was based on a class having been certified and
7 Plaintiff having proven all elements of the unpaid split shift premiums claim, despite risks associated
8 with obtaining and maintaining certification, risks to establishing liability, and significant additional
9 costs that would have to be incurred in order to certify a class and establish liability. Had the Parties
10 not settled, Plaintiff also faced the risk of the Court finding that individualized issues predominate,
11 such that class treatment is not suitable. While Class Counsel disagreed with Defendant's arguments
12 and factual contentions, Class Counsel recognized the circumstances and realities of the case,
13 applicable case law and regulations, the costs and expenses of further litigation and certification, and
14 risks to recovery, and applied appropriate discounts for them. Accordingly, for the reasons stated
15 above, Class Counsel determined that a discount of 60% was appropriate to apply to account for the
16 risks associated with obtaining class certification, thereafter proving the underlying violations, and the
17 cost and delay in recovering the alleged potential damages, bringing the value of this claim closer to
18 \$33,613, and Class Counsel determined that a discount of 50% was applied to account for the risks
19 associated with succeeding on the merits and establishing liability, bringing the value of this claim
20 closer to \$16,806.

21 53. Plaintiff also alleged that Defendant failed to reimburse necessary business expenses,
22 including for the usage of home internet for work-related purposes and the purchase of home office
23 equipment. Plaintiff used a reasonable estimate of \$30 per month to estimate unreimbursed business
24 expenses. However, Defendant asserted that it had policies and practices that in fact did reimburse
25 employees for necessary business expenses. For example, Defendant contended that it provides
26 internet for Class Members who do not live in the same geographic area as Defendant. Defendant
27 further contended that it provides a monthly allowance of \$150-\$180 to Class Members, depending
28 on their full time or part time status, which can be used for home office, work-related needs.

1 54. Class Counsel also took into consideration that, not only would it have to be established
2 that expenses were incurred, but also that the nature of the expenses were such that Defendant was
3 required to reimburse them. While Class Counsel disagreed with Defendant's arguments and factual
4 contentions, Class Counsel considered Defendant's arguments, applicable case law and regulations,
5 the costs and expenses associated with further litigation and certification, the circumstances and
6 realities of the case, and risks to recovery, and applied appropriate discounts for them. Accordingly,
7 for the reasons stated above, Class Counsel determined that a discount of 60% was appropriate to
8 apply to account for the risks associated with obtaining class certification, thereafter proving the
9 underlying violations, and the cost and delay in recovering the alleged potential damages. This further
10 analysis reduced the value of this claim closer to \$68,856, after which Class Counsel determined that
11 a discount of 50% was appropriate to apply to account for the risks associated with succeeding on the
12 merits and establishing liability, bringing the value of this claim closer to \$34,428.

13 55. There were also substantial risks associated with Plaintiff's waiting time penalties and
14 wage statement claims. First, these claims were derivative of Plaintiff's claims for unpaid meal period
15 premiums, unpaid rest period premiums, unpaid minimum wages, and unpaid overtime wages, and if
16 certification was denied on those underlying claims, these derivative claims for penalties would also
17 likely fail. Further, even if Plaintiff prevailed on his underlying claims, he would still be required to
18 demonstrate that Defendant's violations of California Labor Code section 203 were *willful* violations.
19 Wage statement claims have also the amount of wages due to each Class Member would seen varying
20 treatment at the appellate level because such claims have an element of discretion attached to them
21 rather than a pure calculation of damages after liability is proven. Accordingly, these derivative
22 claims, which comprised a substantial portion of Defendant's estimated liability, were therefore
23 uncertain.

24 56. Class Counsel took into consideration the chances of prevailing on each of the
25 underlying causes of action, the derivative nature of these claims, as well as the additional hurdles of
26 prevailing on the claim for waiting-time penalties, including the inherent difficulty in proving the
27 "willful" prong of section 203, applicable case law, costs and expenses associated with further
28 litigation and certification, the circumstances and realities of the case, and risks to recovery, and

1 applied appropriate discounts for them. Accordingly, for the reasons stated above, Class Counsel
2 determined that a discount of 60% was appropriate to apply to account for the risks associated with
3 obtaining class certification, thereafter proving the underlying violations, and the cost and delay in
4 recovering the alleged potential damages, bringing the value of this claim closer to \$272,778, and then
5 Class Counsel determined that a discount of 50% was appropriate to apply to account for the risks
6 associated with succeeding on the merits and establishing liability, bringing the value of this claim
7 closer to \$136,389.

8 57. My office also recognized that, even if Plaintiff prevailed at class certification, proving
9 be an expensive, time-consuming, and extremely uncertain proposition. In order to prove liability and
10 damages, my office will need to request and analyze thousands of pages of documents, obtain the
11 Class Members' contact information, contact them, and obtain declarations at great expense.
12 Obtaining the cooperation of current employees would also be difficult, given the likely reluctance to
13 aid prosecution of a lawsuit against a current employer. On the other hand, Defendant would likely
14 be able to obtain the cooperation of their employees. Moreover, even if Plaintiff prevailed at class
15 certification and trial, possible appeals would substantially delay any recovery by the Class.

16 58. My office also separately contemplated the risks of proceeding with the PAGA claims
17 and potential liability Defendant could face from these claims as part of the global resolution. Existing
18 case law makes PAGA claims subject to the same defenses and risks as Plaintiff's underlying wage
19 claims. We also anticipated that even if successful on the merits at trial, the imposition of cumulative
20 civil penalties based on the alleged wage and hour violations could be considered unjust, arbitrary and
21 oppressive, or confiscatory. Class Counsel also anticipated Defendant would argue that it made a
22 good faith attempt to comply with its legal obligations and that the violations per pay period were low,
23 warranting an additional reduction in civil penalties. Finally, we were also mindful of the fact that
24 PAGA is fundamentally not intended to be compensatory in nature but is instead intended to facilitate
25 enforcement of California's labor laws by financing state activities and educating and deterring non-
26 compliance.

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1 59. However, Class Counsel recognized the realities of Defendant's arguments, evidence
2 and information obtained through investigations as well as from Plaintiff, Defendant, and other
3 sources, the circumstances and realities of the case, the costs of continued litigation, and the risks to
4 recovery, and applied appropriate discounts for them. Accordingly, for the reasons stated above, Class
5 Counsel determined that a 60% discount was appropriate to apply to account for the risks associated
6 with proving the underlying violations and the cost and delay in recovering the alleged potential
7 penalties, bringing the value of this claim closer to \$75,000. Class Counsel then determined that a
8 second discount of 50% was appropriate to apply to account for the risks associated with succeeding
9 on the merits and establishing liability, bringing the value of this claim closer to \$37,500.

10 60. The foregoing discussion confirms that the amount of the Settlement is adequate in
11 light of Plaintiff's allegations and causes of action, the evidence at issue with respect to those
12 allegations and causes of action, and legal and factual arguments and circumstances which pose
13 challenges to certification, manageability, merits, and monetary recovery. The conclusion to be drawn
14 from the foregoing analysis is that neither class certification, manageability, liability, nor the ability
15 to adjudicate and/or recover monetary relief on a class-wide or representative basis is clear-cut, which
16 is why the Parties elected to settle this matter. Class Counsel also recognized the present value of
17 obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future
18 after further litigation. Class Counsel recognized the circumstances and realities of the case, applicable
19 case law and regulations, and risks to recovery and applied appropriate discounts.

20 61. Therefore, Class Counsel estimated that the potential value to be recovered if Plaintiff
21 was successful at trial on all of the claims, prior to applying any adjustments for the risks Plaintiff
22 faced in certifying his claims and then succeeding on those claims post-certification, is \$2,609,182.
23 The total value that could reasonably be expected to be awarded at trial, after taking into account the
24 risks faced in prevailing on certification and substantively thereafter is \$521,836. Seen in this light,
25 the Gross Settlement Amount of \$415,000 represents 15.91% of the potential undiscounted maximum
26 value and 79.53% of the risk-adjusted value of the claims.

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62. Class Counsel feels that it has adequately provided evidence to the Court to establish that a thorough investigation was conducted into all of the claims that are encompassed by the releases in the Settlement Agreement. Class Counsel would also like to point out that the Court preliminarily approved (with no ordered supplemental briefing), and ultimately finally approved, the settlement in the case entitled *Sitara Nayabkhil v. San Francisco SPCA, dba, SFSPCA*, San Francisco County Superior Court Case No. CGC-23-609950, in which the gross settlement amount of \$1,950,000 represented approximately 18.17% of the potential undiscounted maximum value and approximately 82.61% of the risk-adjusted value of the claims. Based on a comparison of this case and the *Nayabkhil* case, Class Counsel struggles with understanding why the Court has denied the Motion for Preliminary Approval and what more Class Counsel should provide especially with being denied a hearing on the Motion for Preliminary Approval three times. Accordingly, should the Court determine that Class Counsel still has not provided sufficient information, Class Counsel respectfully requests that the Court hold a hearing so that Class Counsel can better understand and address the Court's inquiries.

Enhancement Payment

63. As part of the Settlement Agreement, Plaintiff is requesting a reasonable Enhancement Payment of Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff Quincy O’Neal. This Enhancement Payment is eminently reasonable given the time and effort Plaintiff spent on this case, and the benefit to the Class Members as a result of Plaintiff’s actions. Notice of the requested Enhancement Payment is disclosed to the Class Members in the Class Notice.

64. Enhancement awards in wage and hour cases typically range from \$5,000.00 to \$20,000.00, although some awards are higher. Often, multiple class representatives receive awards in this range. (See e.g., *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 412 [approving an enhancement request of \$10,000.00 per named plaintiff in a 188 member class]). In determining whether to make enhancement payments, courts consider the following factors: (1) the risk to the class representative in commencing the suit, both financial and otherwise; (2) the notoriety and personal difficulties encountered by the class representative; (3) the amount of time and efforts spent by the class representative; (4) the duration of the litigation; and (5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. (*Vranken v. Atlantic*

1 *Richfield Co.* (N.D. Cal. 1995) 901 F.Supp. 294, 299 (approving \$50,000 participation award to a
2 single class representative).

3 65. Plaintiff has performed considerable services on behalf of the Class during the
4 litigation. Class Counsel cannot understate the importance of the role of an employee who is willing
5 to search out an attorney and step forward to assume the risk of litigation and retaliation in order to
6 represent a class and put the interests of the class before his or her interests. Plaintiff has understood
7 that this is a class action where he is serving as the Class Representative and in that role, must pursue
8 and protect the Class Members' interests above his own. Plaintiff is the catalyst to the benefit reached
9 for the Class Members and he has actively protected the Class Members' interests during the pendency
10 of this matter and will continue to do so even if the case was required to go to trial. Plaintiff spent
11 time participating in this matter by searching for an attorney, communicating with his attorneys on
12 numerous occasions, searching for and producing relevant documents related to his employment,
13 responding to his attorneys' inquiries, assisting his attorneys with preparation for mediation, providing
14 necessary information for settlement discussions, reviewing the settlement documents, and approving
15 the Settlement on behalf of all Class Members.

16 66. Plaintiff also undertook the significant risks associated with acting as a class
17 representative. He understood and accepted that he was putting himself at risk to pay costs of litigation
18 if the case was unsuccessful. Plaintiff also understood that he was at risk of loss of income due to
19 missing work to fulfill any responsibilities required to participate in litigation. Plaintiff also put
20 himself at risk for retaliation by future employers who may not approve that he sued his former
21 employer. In contrast, without having to take on any of the risk incurred by Plaintiff or time spent by
22 Plaintiff in litigating this matter, Settlement Class Members will automatically receive a payment for
23 their claims.

24 67. Additionally, Plaintiff provided a broader individual waiver and release of claims with
25 a California Civil Code Section 1542 waiver (set forth in Paragraph 40 of the Settlement Agreement).
26 Plaintiff's broader individual release of claims was a material term of the settlement between the
27 Parties; Defendant specifically bargained for Plaintiff's full and complete waiver and release of claims
28 that he could have brought in his individual capacity against Defendant and the Released Parties.

1 Additionally, as mentioned herein, the Parties executed the Settlement Agreement, which removed the
2 language in the general release that the Court determined was overbroad.

3 68. Thus, in light of the time and effort he spent in spearheading this Action, the fear and
4 stress associated with assuming the responsibility of serving as the Class Representative, the concrete
5 risks he assumed as the Class Representative, and his broader release of claims, an Enhancement
6 Payment of Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff is appropriate and
7 proportional to his efforts in this Action and what he will be giving up by way of the settlement.
8 However, should the Court decide not to grant the full Ten Thousand Dollars and Zero Cents
9 (\$10,000.00), Plaintiff respectfully requests that the Court decide this at the time at the time of final
10 approval. Additionally, Class Counsel informed Plaintiff at the time of settling this Action that
11 enhancement payments are completely subject to the Court's discretion and that he is not guaranteed
12 that he will receive the requested Ten Thousand Dollars and Zero Cents (\$10,000.00).

13 ***Attorneys' Fees and Costs***

14 69. The attorneys' fees incurred by Class Counsel are in line with the common fund
15 requested. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an
16 amount of up to one-third (1/3) of the Gross Settlement Amount (i.e., \$138,333.33 if the Gross
17 Settlement Amount is \$415,000.00) and actual litigation costs and expenses in an amount not to exceed
18 Eighteen Thousand Dollars and Zero Cents (\$18,000.00), which will be paid out of the Gross
19 Settlement Amount, subject to approval by the Court. Class Counsel has borne all of the risks and
20 costs of litigation and will not receive any compensation until recovery is obtained.

21 70. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated
22 into tangible monetary benefits as follows: (1) Class Members, the State of California, and PAGA
23 Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting
24 additional years for the same, or potentially worse, result; (2) a guaranteed result that compares
25 favorably with other similar class action settlements of this type, given the strengths and weaknesses
26 of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only
27 increased significantly had the case progress through certification, trial, and/or upon appeal.

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1 71. From the outset of the Action to the present, prosecution of this matter has involved
2 significant financial risk for Class Counsel. Class Counsel undertook this matter solely on a contingent
3 basis, with no guarantee of recovery. Class Counsel has placed its own resources at risk to prosecute
4 this matter with no guarantee of success. The risks of this matter are apparent in that class certification
5 would likely have been a hard-fought issue, especially given the uncertainty regarding certification of
6 cases such as this. Moreover, even if class certification were granted over Defendant's opposition,
7 there was no assurance that Plaintiff would succeed at trial. Despite such challenges, Class Counsel
8 was able to persuade Defendant that it faced significant liability exposure such that it was willing to
9 pay \$415,000 to settle the Class Members' claims.

10 72. As California law recognizes, Class Counsel's commitment to this litigation should not
11 be assessed in a vacuum. (*See Serrano v. Priest* (1977) 20 Cal.3d 25, at 49). A relevant factor in
12 determining attorneys' fees is whether the litigation required Class Counsel to forego other
13 employment. (*See ibid*). Class Counsel had to consider its workload during this litigation when
14 considering taking on additional work that was available, and which Class Counsel had to forego in
15 order to devote the time necessary to pursue this litigation. One difficulty in determining the hourly
16 rate of attorneys of similar skill and experience in the relevant community is the scarcity of hourly fee-
17 paying clients in class action litigation. As a practical matter, few if any employees or consumers pay
18 attorneys' fees on an hourly basis for such extensive litigation, and thus retainer agreements in such
19 cases are based on a stepped-up contingency fee (with the percentage increasing from one third to
20 forty-five – and sometimes even fifty percent, which is on par with personal injury contingency fee
21 agreements – if the case goes to trial). Therefore, there is no customary hourly billing rate for work
22 that is routinely based on a contingent fee relationship, but the nature of class action work should be
23 strongly considered by the Court. Wage and hour work presents a specialized and challenging area of
24 law that is not within the knowledge of many lawyers. This kind of class action work requires
25 specialized learning and the willingness to take large risks.

26 73. Class Counsel has litigated this matter for over a year and was actively preparing this
27 matter for class certification and trial. The Motion for Final Approval will elaborate on the nature of
28 the legal services provided, the time incurred in performing those services, and Class Counsel's hourly

1 rates. The Motion for Final Approval will also elaborate on the reimbursement costs sought by Class
2 Counsel. Notice of the requested Attorneys' Fees and Costs is disclosed to the Class Members in the
3 Class Notice. Should the Court decide not to grant the full requested attorneys' fees, Class Counsel
4 respectfully requests that the Court decide this at the time at the time of final approval.

5 *Notice to the Class*

6 74. The Parties have agreed to retain CAC Services Group, LLC ("CAC" or "Settlement
7 Administrator") to handle the notice and settlement administration process. The Parties respectfully
8 request that the Court appoint CAC to handle these procedures and to serve as the Settlement
9 Administrator. Defendant will provide CAC with the Class List and CAC will calculate each Class
10 Member's estimated Individual Settlement Share and each PAGA Employee's estimated Individual
11 PAGA Payment. ILYM will also receive and process Requests for Exclusion, Notices of Objection,
12 and Workweek Disputes; will provide necessary reports and declarations; will calculate, subtract, and
13 transmit necessary taxes and withholdings with respect to the wages portion of the Individual
14 Settlement Shares; will prepare and submit informational and other tax filings and documents; will
15 issue and transmit all payments provided for by the Settlement, including, but not limited to, mailing
16 Individual Settlement Payment checks to the Settlement Class Members and Individual PAGA
17 Payment checks to the PAGA Employees; and perform any other usual and customary duties for
18 administering a class action settlement.

19 75. I am not aware of an alternative method of providing notice to the Class which would
20 result in a higher likelihood of actual notice. The original source of the mailing addresses is from each
21 Class Member, who provided the information to Defendant. As a fail-safe to this highly reliable
22 method, skip tracing will be performed, if necessary.

23 *Notice of Settlement to the LWDA*

24 76. In accordance with California Labor Code section 2699(1)(2), on May 14, 2025, a copy
25 of the proposed Settlement was submitted to the LWDA via online submission through the LWDA's
26 website. A true and correct copy of the email from the LWDA confirming receipt is attached hereto
27 as **Exhibit 5**.

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

3 Executed on May 21, 2025, at Beverly Hills, California

4 Miriam L. Schimmel
5 Miriam L. Schimmel
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EXHIBIT 1

- *Mario Fosados v. Drew Chain Security Corp.*, Los Angeles County Superior Court Case No. 24STCV00519, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jose Manuel Amaro Bernal v. Joseph Holt Plastering, Inc.*, Los Angeles County Superior Court Case No. 24STCV15637, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Brandon Geston v. FRTO LLC, et al.*, Fresno County Superior Court Case No. 24CECG01292, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Alfonso Herrera v. W.L. Butler Construction, Inc., et al.*, Orange County Superior Court, Case No. 30-2023-01335445-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Emmanuel Caldera v. Zeb's World Famous Boathouse Inc. dba Goat Hill Tavern*, Orange County Superior Court, Case No. 30-2023-01310801-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jason McEntee v. Roche Molecular Systems, Inc.*, Alameda County Superior Court, Case No. 23CV041360, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexzander Roberts, et al. v. Lemonade Restaurant Group*, Los Angeles County Superior Court, Case No. 22STCV38302, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Halla Knotts v. Launch Technical Workforce Solutions, LLC*, San Bernardino County Superior Court, Case No. CIVSB2332568, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Armando Gastelum v. Premier Trailer Manufacturing, Inc.*, Tulare County Superior Court, Case No. VCU300333, approved as counsel in final settlement of wage and

hour class and PAGA action.

- *Tiffany Patterson v. Black Mountain Healthcare, LLC., d/b/a Seaport Home Health & Hospice*, San Diego County Superior Court, Case No. 37-2023-00037563-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Angel Rodriguez v. American Textile Maintenance*, Los Angeles County Superior Court, Case No. 22STCV17855, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rita Ray v. Families Together of Orange County*, Orange County Superior Court, Case No. 30-2023-01324555-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ly Hai v. Sunroad HS Auto, Inc.*, San Diego County Superior Court, Case No. 37-2022-00025788-CU-OE-CTL, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Anabel Perez v. Eureka Specialties, Inc.*, Los Angeles County Superior Court, Case No. 22STCV35940, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Galicia v. Virco, Inc., et al.*, Los Angeles County Superior Court, Case No. 23STCV29425, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Rene Umana v. Columbus Technologies*, Los Angeles County Superior Court, Case No. 22STCV16432, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Fernando Solis v. Tuff Shed, Inc.*, Los Angeles County Superior Court, Case No. 24VECV00368, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tyler Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz Superior Court, Case No.

24CV00244, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Vanessa Cortes v. Giti Tire (USA) LTD*, San Bernardino County Superior Court, Case No. CIVSB2332578, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jered Ortega v. YMCA of San Diego County*, San Diego County Superior Court, Case No. 37-2023-00043645-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Rodriguez v. Republique, LLC*, Los Angeles County Superior Court, Case No. 23STCV14521, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court,

Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.

- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action

pursuant to PAGA.

- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

EXHIBIT 2



August 14, 2023

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Quincy O’Neal v. Included Health, Inc., Grand Rounds Health, and Doctor on Demand Professionals of California*

Dear Representative:

This office represents Quincy O’Neal (“Claimant”) with respect to his claims under the California Labor Code against Included Health, Inc., Grand Rounds Health, and Doctor on Demand Professionals of California (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Claimant from approximately December 2020 to January 2023 as a non-exempt, hourly-paid employee. During his employment with Employers, Claimant was employed first as a Bilingual-Care Coordinator and then as a Senior Care Coordinator. Employer’s principal address is located at One California Street, Suite 2300, San Francisco, CA 94111.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”). Claimant is seeking penalties on behalf of himself and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant’s notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California’s wage and hour laws during Claimant’s employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders (“IWC Wage Order”) including, *inter alia*, IWC Wage Order

No. 4-2001. The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers have engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and IWC Wage Order No. 4-2001 require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and IWC Wage Order No. 4-2001 further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time period, Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock. This off-the-clock work included, amongst other things, requiring Claimant and other Aggrieved Employees to answer calls, help coordinate, and relay information on clients' medical care and needs. Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law.

In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) to Claimant and Aggrieved Employees.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimant and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week resulting in a failure to pay overtime compensation. Finally, Employers failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers have failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employers failed to provide Claimant and other Aggrieved Employees with legally-compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day, but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted, or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law.

Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 226.7, 512(a) and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes must for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take legally-compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and

other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law.

Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 226.7, and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers have failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown

as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimant and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimant and the Aggrieved Employees. Accordingly, Employers violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A); **Error! No se encuentra el origen de la referencia.** of IWC Wage Order No. 4-2001; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. IWC Wage Order No. 4-2001 requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that

were not fully reimbursed by Employers. These costs include but are not limited to the usage of home internet and phone for work-related purposes.

Accordingly, Employers violated IWC Order No. 4-2001 **¡Error! No se encuentra el origen de la referencia.** and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code

section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Miriam Schimmel

Miriam Schimmel, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

Included Health, Inc.
One California Street, Suite 2300
San Francisco, CA 94111

Included Health, Inc.
1505 Corporation CSC - LAWYERS INCORPORATING SERVICE, Agent for Service of
Process
2710 Gateway Oaks Drive
Sacramento, CA 95833

Grand Rounds Health
One California Street, Suite 2300
San Francisco, CA 94111

Doctor on Demand Professionals of California
One California Street, Suite 2300
San Francisco, CA 94111

Doctor on Demand Professionals of California
1505 Corporation CSC - LAWYERS INCORPORATING SERVICE, Agent for Service of
Process
2710 Gateway Oaks Drive
Sacramento, CA 95833

EXHIBIT 3



FILED
San Francisco County Superior Court

JAN 14 2025

CLERK OF THE COURT
BY: ERICKA LARNAUTI
Deputy Clerk

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO
DEPARTMENT 613

QUINCY O'NEAL, individually and on behalf of
other members of the general public similarly
situated,

Plaintiff,

v.

INCLUDED HEALTH, INC., a Delaware
corporation; GRAND ROUNDS HEALTH, a
California corporation; DOCTOR ON
DEMAND PROFESSIONALS OF
CALIFORNIA, a California corporation; and
DOES 1 through 25, inclusive,

Defendants.

Case No. CGC-23-608391

ORDER DENYING PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL
WITHOUT PREJUDICE

INTRODUCTION

This matter was regularly scheduled for hearing on January 16, 2025, at 9:30 a.m., in Department 613, the Honorable Andrew Y.S. Cheng presiding. Having reviewed and considered the parties' briefings and arguments, the Court determines that this matter can be decided without hearing, **VACATES** the January 16, 2025 hearing, and **DENIES** Plaintiff's motion for preliminary approval **WITHOUT PREJUDICE**.

///

1 **BACKGROUND**

2 Plaintiff Quincy O'Neal was employed by Defendant Included Health, Inc. as an hourly-paid, non-
3 exempt bilingual care coordinator and then as a senior care coordinator from approximately December
4 2020 to January 2023. (Compl. ¶ 19.) Defendant is a healthcare company that partners with leading
5 organizations, health plans, and employers to provide services, such as care guidance, help with billings
6 and claims, and virtual and in-person care. (MPA at p. 2.)

7 On October 7, 2024, Plaintiff filed a motion for preliminary approval of class action and PAGA
8 settlement.

9 On October 23, 2024, the Court continued the October 25, 2024 preliminary approval hearing to
10 November 8, 2024 because Plaintiff did not file the motion with a sufficient number of days before the
11 hearing. (Code Civ. Proc., § 1005(b).) The parties filed a stipulation to deem the motion timely, but the
12 notice period is not just for the parties, but also for absent class members.

13 On November 8, 2024, the Court continued the preliminary approval hearing to December 26,
14 2024 and requested supplemental briefing. The supplemental briefing requested a declaration from
15 Named Plaintiff addressing whether common issues predominate and his typicality and adequacy, further
16 declarations addressing the reasonableness of the settlement, minor changes to the Notice, and further
17 declarations addressing the Court's concerns with Plaintiff's general release being overbroad.

18 On November 25, 2024, the parties timely filed their supplemental briefing.

19 On December 23, 2024, the Court continued the preliminary approval hearing to January 16, 2025
20 and requested further supplemental briefing. The parties did not sufficiently address all of the Court's
21 concerns and the Court requested further briefing addressing the reasonableness of the settlement, which
22 remained as 15.91% of the maximum exposure, and the Court could not sufficiently determine the
23 reasonableness of the settlement and why counsel discounted the claims at 60% and then an additional
24 50%. (Supp. Genish Decl. ¶ 5(i).) Additionally, the Court still had concerns that Plaintiff's general
25 release was overbroad.

26 On January 3, 2025, the parties timely filed their supplemental briefing.

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Before granting preliminary approval, a court must determine that the proposed settlement presents a proper class for settlement purposes. In general, “[t]he party advocating class treatment must demonstrate the existence of an ascertainable and sufficiently numerous class, a well-defined community of interest, and substantial benefits that render proceeding as a class superior to the alternatives.” (*Brinker Rest. Corp. v. Super. Ct.* (2012) 53 Cal.4th 1004, 1021; Code Civ. Proc., § 382.) In the settlement context, class certification is properly subjected to a lesser standard of scrutiny because: (1) to the extent the class certification requirements are designed to keep a lawsuit manageable for trial, that purpose is inapposite in the settlement context; and (2) to the extent the class certification requirements are designed to protect the interests of non-representative class members, that purpose is addressed through the Court’s fairness analysis. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807, n. 19.) Before approving a class action settlement, the Court must determine that the terms of the settlement are “fair, adequate and reasonable.” (*Id.* at p. 1801.) In making this determination, there is a “presumption of fairness . . . where: (1) the settlement is reached through arm’s-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small.” (*Id.* at p. 1802.) To grant final approval, the trial court must “independently [satisfy] itself that the consideration . . . received for the release of the class members’ claims is reasonable in light of the strengths and weaknesses of the claims and the risks of the particular litigation.” (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 120.)

ANALYSIS AND DISCUSSION

After having reviewed the parties' motion and briefing, the Court determines that the settlement is not fair, adequate and reasonable and, thus, within a range subject to final approval.

The Court is most concerned about the reasonableness of the settlement. Class Counsel estimates that the total maximum recovery is \$2,609,182.00. (Further Supp. Decl. of Jonathan M. Genish ISO Plaintiff's Motion for Preliminary Approval of Class Action & PAGA Settlement, ¶ 19.) The Gross Settlement Amount is \$415,000.00, which is 15.91% of the total maximum recovery. (*Ibid.*) Plaintiff argues that the discounts were made to account of the risks associated with Plaintiff's ability and

1 likelihood of obtaining class certification and the risks associated with Plaintiff's ability to establish
2 liability and succeed on the merits of the claims if the claims were certified. (*Id.* ¶¶ 8–12.) Plaintiff
3 additionally argued that as to the discounts for the PAGA claim, Plaintiff made discounts to account for
4 the risks associated with proving the underlying violations and the cost and delay in recovering the
5 alleged potential penalties and the risks associated with succeeding on the merits and establishing
6 liability. (*Id.* ¶¶ 13–15.) The Court is not persuaded. It is expected that any defendant in any wage and
7 hour and PAGA case would raise these same defenses. Without more evidence establishing a thorough
8 investigation was conducted into all of the claims that are encompassed by the release, the Court
9 necessarily struggles to credit Plaintiff's risk assessment, especially where Plaintiff discounted the claims
10 at 60% and then an additional 50%. In sum, although there is necessarily some inherent risk in continued
11 litigation as compared to settlement, Plaintiff fails to provide a persuasive justification for the amount of
12 the settlement based on the particular circumstances and risks of litigation in this case and based on a
13 meaningful analysis or comparison of settlement trends or comparable settlements in analogous cases.

14 Next, the Court is concerned that counsel's request for fees of one-third of the settlement amount,
15 or \$138,333.33, is excessive, cannot be approved, and reflects that the settlement negotiations may have
16 been unduly colored by counsel's interest in recovering attorneys' fees at the expense of the class
17 members in this action. This case did not involve substantial motions practice or appeals. Counsel does
18 not identify any novel or difficult question of law or fact impacting the merits of the claims. The fact that
19 counsel can list off a large number of cases on a declaration does not aid the Court in making findings
20 about the level of skill possessed or utilized by counsel generally or in this particular case. Even without
21 implementing a lodestar cross-check, the Court is concerned by the percentage of the fund requested
22 given the limited information presented on novelty and difficulty, skill, and hours worked as well as the
23 limited litigation history. Employment counsel are not automatically entitled to one third of every
24 common fund. Rather, California courts have largely followed federal courts in using a 25 percent
25 benchmark and lodestar cross-check. (See, e.g., *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545,
26 557, n. 13.) While 33 percent or one third of a common fund is often cited as an *average* award, this
27 figure is not often verified with modern statistics nor does the existence of this average figure support the
28

1 proposition that an award of 33 percent is a *median* figure that should constitute the starting point for a
2 court's analysis. Ultimately, Plaintiff fails to justify the proposed fee award as an independent issue and
3 as relevant to whether the settlement is fair.

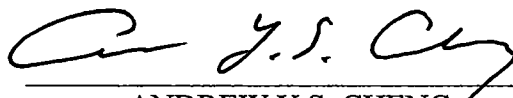
4 Further, there is the issue of the "service award." The declarations presented do not justify the
5 requested \$10,000.00 award. (See generally *Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th
6 1380, 1394–95 [describing factors to be considered by courts when making service awards].) The limited
7 information presented does not reflect that the Named Plaintiff was even deposed nor does the limited
8 litigation and motions practice in this case otherwise reflect substantial effort, involvement, and time
9 expenditure by the Named Plaintiff. Consequently, Named Plaintiff does not substantiate the request for
10 \$10,000.00 service award across the board nor does Named Plaintiff assuage concerns about the impact
11 this payment may have had on Named Plaintiff's negotiation of this settlement. (See *Radcliffe v.*
12 *Experian Information Solutions Inc.* (9th Cir. 2013) 715 F.3d 1157, 1164.)

13 Additionally, the Court has raised to the parties that Plaintiff's release is overbroad. Even after
14 having reviewed the supplemental declarations and the proposed changes to the settlement agreement, the
15 Court still finds the release to be overbroad and remains perplexed as to why certain Acts, which are not
16 in the Complaint or appear to be at issue in this lawsuit, are being released in the Settlement Agreement.
17 The Court notes that Plaintiff offered to remove the enumerated Acts from the general release language,
18 but Defendant has refused. (Further Supp. Genish Decl. ¶ 22; Second Supp. Decl. of David Cheng ISO
19 Plaintiff's Motion for Preliminary Approval, Ex. B.)

20 The combination of a settlement which is only 15.91% of the maximum potential liability, the
21 high attorneys' fees and costs¹ and service award, and Plaintiff's overbroad release leads the Court to find
22 that that the settlement is not fair, adequate, and reasonable.

23 IT IS SO ORDERED.

24 Dated: January 14, 2025

25 
26 ANDREW Y.S. CHENG
27 Judge of the Superior Court

28 ¹ The settlement allows for costs up to \$18,000.00. (SA ¶ 12.)

CERTIFICATE OF ELECTRONIC SERVICE
(CCP 1010.6(6) & CRC 2.251)

I, Ericka Larnauti, a Deputy Clerk of the Superior Court of the County of San Francisco, certify that I am not a party to the within action.

On January 14, 2025, I electronically served the attached document via File & ServeXpress on the recipients designated on the Transaction Receipt located on the File & ServeXpress website.

Dated: January 14, 2025

Brandon E. Riley, Clerk

By: 

Ericka Larnauti, Deputy Clerk

EXHIBIT 4

1 **FIRST AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This First Amended Joint Stipulation of Class Action and PAGA Settlement (“Settlement,”
3 “Agreement,” or “Settlement Agreement”) is made and entered into by and between Plaintiff Quincy
4 O’Neal (“Plaintiff” or “Class Representative”), individually, and on behalf of all others similarly
5 situated, and on behalf of aggrieved employees, and, the State of California with respect to aggrieved
6 employees, on the one hand, and Defendant Included Health, Inc., formerly known as Grand Rounds,
7 Inc. (“Defendant”), on the other hand (together, Plaintiff and Defendant are referred to as “Parties”
8 and individually as “Party”).

9 The Parties agree to supplant the Joint Stipulation of Class Action and PAGA Settlement
10 entered into by the Parties on or around October 7, 2024 with this First Amended Joint Stipulation of
11 Class Action and PAGA Settlement.

12 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as
13 defined herein), PAGA Employees, the State of California as to the employment of PAGA Employees
14 (as defined herein), and Defendant, subject to the terms and conditions hereof and the approval of the
15 Court.

16 **RECITALS**

17 1. On August 14, 2023, Plaintiff provided written notice to the Labor and Workforce
18 Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail,
19 pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor
20 Code alleged to have been violated by Defendant (“PAGA Letter”). On August 15, 2023, Plaintiff
21 filed a Class Action Complaint for Damages in the action entitled *Quincy O’Neal v. Included Health,*
22 *Inc., formerly known as Grand Rounds, Inc.*, San Francisco County Superior Court Case No. CGC-
23 23-608391 (“Action”), thereby commencing a putative class action against Included Health, Inc.,
24 Grand Rounds Health, and Doctor on Demand Professionals of California. On October 17, 2023,
25 pursuant to the Parties’ joint stipulation, the Court dismissed Doctor on Demand Professionals of
26 California without prejudice, with a waiver of fees and costs as against Doctor on Demand
27 Professionals of California.

28 ///

1 2. On October 20, 2023, Plaintiff filed a Complaint for Enforcement Action Under the
2 Private Attorneys General Act, Cal. Labor Code §§ 2698 Et Seq. against Defendant in the action
3 entitled *Quincy O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, San Francisco
4 County Superior Court Case No. CGC-23-609901 (“PAGA Action”).

5 3. On January 2, 2024, Plaintiff filed a First Amended Class Action Complaint for
6 Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code
7 §§ 2698 Et Seq. (“Operative Complaint”) in the Action against Defendant, which, *inter alia*, added a
8 cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code
9 Section 2698 *et seq.* (“PAGA”), and in which included all allegations alleged in the PAGA Action.
10 Subsequently, the PAGA Action was dismissed without prejudice on April 5, 2024.

11 4. The Operative Complaint alleges ten (10) causes of action for violations of the
12 California Labor Code for failure to pay minimum and overtime wages, failure to provide compliant
13 meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and
14 premiums payments in lieu thereof, failure to timely pay wages during employment and upon
15 termination, failure to provide accurate wage statements, and failure to reimburse necessary business
16 expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on
17 the aforementioned California Labor Code violations, including for off-the-clock work and time
18 rounding, and for failure to include all non-discretionary compensation in the regular rate of pay for
19 all wages required to be calculated at the regular rate of pay; and for civil penalties under PAGA based
20 on the aforementioned California Labor Code violations.

21 5. Defendant denies all materials allegations set forth in the Action and its underlying
22 Operative Complaint and has asserted numerous affirmative defenses. Notwithstanding, in the interest
23 of avoiding further litigation, the Parties desire to fully and finally settle the Action, Released Class
24 Claims (as defined herein), and Released PAGA Claims (as defined herein).

25 6. Class Counsel diligently investigated the class and PAGA claims against Defendant,
26 including any and all applicable defenses and the applicable law. The investigation included, *inter*
27 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.
28 The Parties have engaged in sufficient informal discovery and investigation to assess the relative

merits of the claims and contentions of the Parties.

7. On March 15, 2024, the Parties participated in mediation with Monique Ngo-Bonnici, Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The Parties’ settlement discussions were conducted at arms’ length, and the Settlement is the result of an informed and detailed analysis of Defendant’s potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on Class Counsel’s investigation and evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, State of California, and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

8. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

9. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective.

a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for Class Counsel’s litigation and resolution of the Action and all actual costs and expenses incurred and to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 12.

b. “Class” or “Class Member(s)” means all current and former non-exempt employees who worked for Defendant in the State of California at any time during the Class Period.

c. “Class Counsel” means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang, Alexandra Rose, and Jared C. Osborne of Blackstone Law, APC, who will seek to be appointed counsel for the Class.

1 d. “Class List” means a complete list of all Class Members that Defendant will
2 diligently and in good faith compile from its records and provide to the Settlement Administrator,
3 subject to a protective order entered in the Action but in the event the Court does not agree to sign the
4 protective order, the Class List will be produced subject to an agreement between Defendant and the
5 Settlement Administrator governing the dissemination, disclosure, and use of confidential
6 information. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet
7 containing the following information for each Class Member: (1) full name; (2) last known mailing
8 address; (3) Social Security number; (4) hire date; (5) termination date (if applicable); and (6) any
9 other information as is necessary for the Settlement Administrator to calculate Workweeks and PAGA
10 Workweeks (if applicable).

11 e. “Class Notice” means the Notice of Class Action Settlement, substantially in
12 the form attached hereto as “**Exhibit A**.”

13 f. “Class Period” means the period from August 15, 2019 through June 30, 2024.

14 g. “Class Settlement” means the settlement and resolution of all Released Class
15 Claims.

16 h. “Court” means the Superior Court of the State of California for the County of
17 San Francisco.

18 i. “Defendant’s Counsel” means David L. Cheng and Min K. Kim of Ford &
19 Harrison LLP.

20 j. “Effective Date” means the following: (i) if no Settlement Class Member
21 objects to the Class Settlement, then the Effective Date will be the date of Final Approval; or (ii) if
22 any Settlement Class Member objects to the Class Settlement, the Effective Date will be the sixty-
23 sixth (66th) calendar day after the date of Final Approval, provided no appeal is initiated by an
24 objector; or (iii) if a timely appeal is initiated by an objector, then the Effective Date will be the day
25 after final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari),
26 resulting in an exhaustion of appeals and final judicial approval of the Settlement.

27 k. “Employer Taxes” means the employer’s share of taxes in connection with the
28 wages portion of Individual Settlement Shares, which shall be paid by Defendant in addition to the

1 Gross Settlement Amount.

2 l. “Enhancement Payment” means the amount to be paid to Plaintiff, in
3 recognition of his effort and work in prosecuting the Action on behalf of Class Members, as set forth
4 in Paragraph 13.

5 m. “Final Approval” means the determination by the Court that the Settlement is
6 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

7 n. “Final Approval Hearing” means the hearing at which the Court will consider
8 and determine whether the Settlement should be granted Final Approval.

9 o. “Final Approval Order and Judgment” means the order granting final approval
10 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
11 Parties, and subject to approval by the Court.

12 p. “Gross Settlement Amount” means the amount of Four Hundred Fifteen
13 Thousand Dollars and Zero Cents (\$415,000.00) to be paid by Defendant in full satisfaction of the
14 Action, Released Class Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and
15 Costs, Enhancement Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement
16 Amount to be paid to the Settlement Class Members. Defendant shall pay the Employer Taxes
17 separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-
18 reversionary; no portion of the Gross Settlement Payment will return to Defendant. The Gross
19 Settlement Amount is subject to increase, as provided in Paragraph 16.

20 q. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee
21 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
22 calculated in accordance with Paragraph 18.

23 r. “Individual Settlement Payment” means the net payment of each Settlement
24 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
25 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
26 Paragraph 19.

27 s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
28 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated

1 in accordance with Paragraph 17.

2 t. “LWDA Payment” means the amount of Thirty-Seven Thousand Five Hundred
3 Dollars and Zero Cents (\$37,500.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to
4 pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 14.

5 u. “Net Settlement Amount” means the portion of the Gross Settlement Amount
6 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
7 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and
8 Settlement Administration Costs.

9 v. “Notice of Objection” means a Settlement Class Member’s written objection to
10 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the
11 objector’s full name, signature, address, and telephone number; (c) contain a written statement of all
12 grounds for the objection accompanied by any legal support for such objection; (d) contain copies of
13 any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail
14 to the Settlement Administrator at the specified address, postmarked on or before the Response
15 Deadline.

16 w. “PAGA Amount” means the allocation of Fifty Thousand Dollars and Zero
17 Cents (\$50,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five
18 percent (75%) of the PAGA Amount, or \$37,500.00, will be paid to the LWDA (i.e., the LWDA
19 Payment) and the remaining twenty-five percent (25%), or \$12,500.00, will be distributed to the
20 PAGA Employees (i.e., the PAGA Employee Amount).

21 x. “PAGA Employees” means all current and former non-exempt employees who
22 worked for Defendant in the State of California at any time during the PAGA Period.

23 y. “PAGA Employee Amount” means the amount of Twelve Thousand Five
24 Hundred Dollars and Zero Cents (\$12,500.00), i.e., 25% of the PAGA Amount, to be distributed to
25 PAGA Employees on a *pro rata* basis based on their PAGA Workweeks.

26 z. “PAGA Period” means the period from August 14, 2022 through June 30, 2024.

27 aa. “PAGA Settlement” means the settlement and resolution of all Released PAGA
28 Claims.

1 bb. “PAGA Workweeks” means the number of weeks each PAGA Employee
2 worked for Defendant as a non-exempt employee in California during the PAGA Period. The PAGA
3 Workweeks will be calculated by the Settlement Administrator based on each PAGA Employee’s start
4 date or the beginning of the PAGA Period, whichever is later, and separation date or the last day of
5 the PAGA Period, whichever is earlier, based on the Class List provided by Defendant. In order to be
6 counted as a PAGA Workweek, the PAGA Employee must have worked at least one day in that week.

7 cc. “Preliminary Approval” means the date on which the Court enters the
8 Preliminary Approval Order.

9 dd. “Preliminary Approval Order” means the order granting preliminary approval
10 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
11 the Court.

12 ee. “Released Class Claims” means any and all claims, debts, liabilities, demands,
13 obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were
14 alleged or which could have been alleged based on the factual allegations in the Operative Complaint,
15 arising during the Class Period, under any federal, state, or local law, and shall specifically include
16 claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal
17 and rest periods and associated premium payments, timely pay wages during employment and upon
18 termination, provide accurate wage statements, and reimburse necessary business-related expenses in
19 violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194,
20 1194.2, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage
21 Order, claims for recovery of unpaid wages in violation of California Business and Professions Code
22 sections 17200, *et seq.* based on the aforementioned California Labor Code violations, including for
23 off-the-clock work and time rounding, and for failure to include all non-discretionary compensation
24 in the regular rate of pay for all wages required to be calculated at the regular rate of pay, and all claims
25 for attorneys’ fees and costs and statutory interest in connection therewith, and any other claims,
26 including claims for statutory penalties, pertaining to the Class Members.

27 ff. “Released PAGA Claims” means any and all claims which were alleged or
28 which could have been alleged based on the factual allegations in the Operative Complaint and/or

1 PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General
2 Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys' fees and
3 costs related thereto, for Defendant's alleged failure to pay overtime and minimum wages, provide
4 compliant meal and rest periods and associated premium payments, timely pay wages during
5 employment and upon termination, provide complaint wage statements, maintain complete and
6 accurate payroll records, and reimburse necessary business-related expenses in violation of the
7 California Labor Code, including, without limitation, Sections 201, 202, 203, 204, 226(a), 226.7, 510,
8 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare
9 Commission Wage Order. This includes, without limitation, the non-payment of wages arising from
10 allegations of off-the-clock work, time rounding, unpaid meal break premiums, unpaid rest break
11 premiums, and for failure to include all non-discretionary compensation in the regular rate of pay for
12 all wages required to be calculated at the regular rate of pay.

13 gg. "Released Parties" means Defendant and all of its related entities, owners,
14 current and former officers, directors, employees who are not Class Members, members, insurers,
15 shareholders, parents, subsidiaries, affiliates, agents, predecessors, successors, and assigns.

16 hh. "Request for Exclusion" means a letter submitted by a Class Member indicating
17 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
18 of the Action; (b) contain the Class Member's full name, signature, address, and telephone number;
19 (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d)
20 be returned by mail to the Settlement Administrator at the specified address, postmarked on or before
21 the Response Deadline.

22 ii. "Response Deadline" means the deadline by which Class Members must submit
23 a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute, which shall be the date that
24 is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement
25 Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which
26 case the Response Deadline will be extended to the next day on which the United States Postal service
27 is open. The Response Deadline may also be extended by express agreement between Class Counsel
28 and Defendant's Counsel. Under no circumstances, however, will the Settlement Administrator have

1 the authority to extend the Response Deadline. In the event that a Class Notice is re-mailed to a Class
2 Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days
3 from the original Response Deadline.

4 jj. “Settlement Administrator” means CAC Services Group, LLC, or any other
5 third-party class action settlement administrator agreed to by the Parties and approved by the Court
6 for purposes of administering the Settlement. The Parties and their counsel each represent that they
7 do not have any financial interest in the Settlement Administrator or otherwise have a relationship
8 with the Settlement Administrator that could create a conflict of interest.

9 kk. “Settlement Administration Costs” means the costs payable from the Gross
10 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
11 Paragraph 15.

12 ll. “Settlement Class” or “Settlement Class Member(s)” means all Class Members
13 who do not submit a timely and valid Request for Exclusion.

14 mm. “Workweeks” means the number of weeks each Class Member worked for
15 Defendant as a non-exempt employee in California during the Class Period. The Workweeks will be
16 calculated by the Settlement Administrator based on each Class Member’s start date or the beginning
17 of the Class Period, whichever is later, and separation date or the last day of the Class Period,
18 whichever is earlier, based on the Class List provided by Defendant. In order to be counted as a
19 Workweek, the Class Member must have worked at least one day in that week.

20 nn. “Workweeks Dispute” means a letter submitted by a Class Member disputing
21 the number of Workweeks and/or PAGA Workweeks to which they have been credited, which must:
22 (a) contain the case name and number of the Action; (b) contain the Class Member’s full name,
23 signature, address, and telephone number; (c) clearly state that the Class Member disputes the number
24 of Workweeks and/or PAGA Workweeks credited to the Class Member and what the Class Member
25 contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the
26 specified address, postmarked on or before the Response Deadline.

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1 **CLASS CERTIFICATION**

2 10. For the purposes of this Settlement only, the Parties stipulate to the certification of the
3 Class.

4 11. The Parties agree that certification for the purpose of settlement is not an admission
5 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
6 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
7 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
8 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
9 non-settlement context.

10 **TERMS OF THE AGREEMENT**

11 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
12 forth herein, the Parties agree, subject to the Court's approval, as follows:

13 12. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application
14 or motion by Class Counsel for attorneys' fees in the amount up to one-third (1/3) of the Gross
15 Settlement Amount (i.e., \$138,333.33 if the Gross Settlement Amount is \$415,000.00) and
16 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
17 of the Action, in an amount not to exceed Eighteen Thousand Dollars and Zero Cents (\$18,000.00),
18 both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all
19 work performed and any and all costs incurred by Class Counsel in connection with the litigation of
20 the Action and PAGA Action, including without limitation all work performed and costs incurred to
21 date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's
22 approval of this Settlement Agreement, including any objections raised and any appeals necessitated
23 by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing
24 this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
25 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any
26 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel
27 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

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1 13. Enhancement Payment. Defendant agrees not to oppose or impede any application or
2 motion by Plaintiff for an Enhancement Payment in the amount up to Ten Thousand Dollars and Zero
3 Cents (\$10,000.00). The Enhancement Payment, which will be paid from the Gross Settlement
4 Amount, subject to Court approval, will be in addition to his Individual Settlement Payment as a
5 Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be
6 solely and legally responsible for correctly characterizing this compensation for tax purposes and for
7 paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form
8 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment
9 that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the
10 benefit of the Settlement Class Members.

11 14. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
12 Fifty Thousand Dollars and Zero Cents (\$50,000.00) shall be allocated from the Gross Settlement
13 Amount toward penalties under the Private Attorneys General Act, California Labor Code Section
14 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$37,500.00, will be
15 paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$12,500.00, will be
16 distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the
17 total number of PAGA Workweeks worked by each PAGA Employee during the PAGA Period (i.e.,
18 the Individual PAGA Payments).

19 15. Settlement Administration Costs. The Settlement Administrator will be paid for the
20 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
21 which is currently not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00). These costs,
22 which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter*
23 *alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement,
24 calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms
25 and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and
26 declarations, and other duties and responsibilities set forth herein to process the Settlement, and as
27 requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the
28 estimated amount stated herein, such excess amount will be deducted from the Gross Settlement

Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

16. Escalator Clause. Defendant has represented that the Class Members worked a total of 8,345 workweeks during the period from August 15, 2019 through March 11, 2024. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the above-referenced period of August 15, 2019 through March 11, 2024 actually exceeds 8,345 by more than 10% (i.e., by more than 9,179 Workweeks), then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11% to 9,263 Workweeks, then the Gross Settlement Amount will increase by 1%.

17. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks, as follows:

a. After Preliminary Approval, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield each Class Member's estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement.

b. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to each Settlement Class Member's final Individual Settlement Share.

18. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of PAGA Workweeks, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA

Employees to yield the “PAGA Workweek Value,” and multiply each PAGA Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee’s Individual PAGA Payment.

19. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: ten percent (10%) wages and ninety percent (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

20. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities.

21. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant’s Counsel do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement Class Members, and PAGA Employees are not relying on any statement, representation, or calculation by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Class Counsel, Settlement Class Members, and PAGA Employees understand and agree that Plaintiff, Class Counsel, Settlement Class Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiff, Class

Counsel, Settlement Class Members, and PAGA Employees should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

22. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT 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 WILL 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 SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT 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 ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’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 SETTLEMENT AGREEMENT.

23. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this

Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

24. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

Upon execution of this Settlement Agreement, Plaintiff will obtain a hearing date from the Court for Plaintiff's motion for preliminary approval of the Settlement, which Plaintiff and Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion before filing it with the Court, including any supporting papers. Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiff will apply for the entry of the Preliminary Approval Order seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff as the representative of the Class;
- d. Preliminarily appointing Class Counsel as counsel for the Class;
- e. Approving as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing by First Class U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice;
- g. Scheduling a Final Approval Hearing at which the Court will determine whether Final Approval of the Settlement should be granted.

25. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2), Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary

1 approval of the Settlement.

2 26. Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,
3 Defendant will provide the Class List to the Settlement Administrator subject to a protective order
4 entered in the Action but in the event the Court does not agree to sign the protective order, the Class
5 List will be produced subject to an agreement between Defendant and the Settlement Administrator
6 governing the dissemination, disclosure and use of confidential information. The names, addresses,
7 and Social Security numbers will only be disclosed to the Settlement Administrator and not to Class
8 Counsel. This information shall be kept confidential and shall not be disclosed, either in writing or
9 orally, by the Settlement Administrator. The Settlement Administrator shall use due care with respect
10 to the storage, custody, use, and/or dissemination of the confidential information. Such information
11 must be stored in a secure fashion and all persons who access the data must agree to keep it
12 confidential.

13 27. Notice by First-Class U.S. Mail.

14 a. Within seven (7) calendar days after receiving the Class List from Defendant,
15 the Settlement Administrator will perform a search based on the National Change of Address Database
16 or any other similar services available, such as provided by Experian, for information to update and
17 correct for any known or identifiable address changes, and will mail a Class Notice in English (in the
18 form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via First-Class U.S.
19 Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

20 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
21 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
22 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
23 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
24 attempt to determine the correct address using a skip-trace or other search, using the name, address,
25 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
26 calendar days.

27 c. Compliance with the procedures described herein above shall constitute due and
28 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.

Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to provide notice of the Settlement.

28. Disputes Regarding Workweeks and/or PAGA Workweeks. Class Members will have an opportunity to dispute the number of Workweeks and/or PAGA Workweeks to which they have been credited, as reflected in their respective Class Notices, by submitting a timely and valid Workweeks Dispute to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Workweeks Dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks and/or PAGA Workweeks to be credited to a disputing Class Member, Defendant's records will be presumed to be correct and determinative of the dispute. However, if a Class Member produces information and/or documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or PAGA Workweeks that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

29. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will

1 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively
2 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion,
3 regardless of whether they received a Class Notice, will be bound by all of the terms of the Class
4 Settlement, including and not limited to those pertaining to the Released Class Claims, as well as any
5 judgment that may be entered by the Court if it grants Final Approval to the Settlement.
6 Notwithstanding the above, all PAGA Employees will be bound to the PAGA Settlement and will be
7 issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

8 30. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
9 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
10 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
11 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
12 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's
13 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
14 and complete and which were not), and also attach them to a declaration that is to be filed with the
15 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
16 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
17 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or
18 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
19 whether they have submitted a Notice of Objection and without any prior notice. If the Settlement
20 Administrator receives both a Request for Exclusion and a Notice of Objection, the Settlement
21 Administrator will honor the submission that is received first and disregard the other.

22 31. Reports by the Settlement Administrator. The Settlement Administrator shall provide
23 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
24 Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the
25 number of Class Members who have submitted Requests for Exclusion; and (iv) the number of
26 Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement
27 Administrator will provide to counsel for the Parties any updated reports regarding the administration
28 of the Settlement Agreement as needed or requested, and immediately notify the Parties when it

1 receives a request from an individual or any other entity regarding inclusion in the Class and/or
2 Settlement or regarding a Workweeks Dispute.

3 32. Defendant's Right to Rescind. If more than ten percent (10%) of the Class Members
4 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement
5 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class
6 Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of
7 the number of Class Members who have submitted timely and valid Requests for Exclusion following
8 the Response Deadline. If Defendant exercises this option, the Settlement and conditional class
9 certification shall be considered void, and neither the Settlement, conditional class certification, nor
10 any of the related negotiations or proceedings, shall be of any force or effect, and the Parties shall
11 stand in the same position, without prejudice, as if this Settlement had been neither entered into nor
12 filed with the Court. Further, if Defendant exercises this option, it shall pay any costs of settlement
13 administration owed to the Settlement Administrator incurred up to that date.

14 33. Certification of Completion. Upon completion of administration of the Settlement, the
15 Settlement Administrator will provide a written declaration under oath to certify such completion to
16 the Court and counsel for all Parties.

17 34. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
18 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
19 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
20 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'
21 Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final
22 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.
23 Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the
24 Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion
25 before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the Final
26 Approval Order and Judgment, which will provide for, in substantial part, the following:

27 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
28 consummation of its terms and provisions;

- 1 b. Certification of the Settlement Class;
- 2 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 3 d. Approval of the application for Enhancement Payment to Plaintiff;
- 4 e. Directing Defendant to fund all amounts due under the Settlement Agreement
- 5 and ordered by the Court;
- 6 f. Directing Plaintiff to submit notice of the Final Approval Order and Judgment
- 7 to the LWDA in accordance with California Labor Code section 2699(1)(3); and
- 8 g. Entering judgment in the Action, while maintaining continuing jurisdiction, in
- 9 conformity with California Rules of Court 3.769 and the Settlement Agreement.

10 35. Funding of the Gross Settlement Amount. No later than thirty (30) calendar days after

11 the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified Settlement

12 Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established

13 by the Settlement Administrator. Defendant shall provide all information necessary for the Settlement

14 Administrator to calculate necessary payroll taxes including its official name, 8-digit state

15 unemployment insurance tax ID number, and other information requested by the Settlement

16 Administrator, no later than thirty (30) calendar days after the Effective Date. Additionally, no later

17 than five (5) calendar days after the Effective Date, Plaintiff, Class Counsel, and the Settlement

18 Administrator will transmit executed W-9 Forms to Defendant.

19 36. Distribution of the Gross Settlement Amount. Within five (5) business days of the

20 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual

21 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,

22 LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class

23 Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set

24 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and

25 timely forward these to the appropriate government authorities.

26 37. Settlement Checks. The Settlement Administrator will be responsible for undertaking

27 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way

28 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the

PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the

1 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
2 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
3 Members and PAGA Employees are not required to submit a claim to be issued an Individual
4 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
5 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
6 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
7 associated with such canceled checks shall be distributed by the Settlement Administrator to the State
8 of California's Unclaimed Property Fund in the name of the Settlement Class Member and/or PAGA
9 Employee. The Parties agree that this disposition results in no "unpaid residue" under California Civil
10 Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Settlement Class
11 Members, whether or not they cash their settlement checks. Therefore, Defendant will not be required
12 to pay any interest on such amounts. The Settlement Administrator shall undertake amended and/or
13 supplemental tax filings and reporting required under applicable local, state, and federal tax laws that
14 are necessitated due to the cancelation of any Individual Settlement Payment and/or Individual PAGA
15 Payment checks. Settlement Class Members whose Individual Settlement Payment checks are
16 canceled shall, nevertheless, be bound by the Class Settlement, and PAGA Employees whose
17 Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the PAGA Settlement.

18 38. Class Settlement Release. Upon the full funding of the Gross Settlement Amount,
19 Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released,
20 settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

21 39. PAGA Settlement Release. Upon the full funding of the Gross Settlement Amount,
22 Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will
23 be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and
24 discharged the Released Parties of all Released PAGA Claims.

25 40. Plaintiff's General Release. Upon the full funding of the Gross Settlement Amount,
26 Plaintiff, individually and on his own behalf, will be deemed to have fully, finally, and forever
27 released, settled, compromised, relinquished, and discharged the Released Parties from any and all
28 claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages,

1 or causes of action of any kind or nature whatsoever, known or unknown, suspected or unsuspected,
2 asserted or unasserted, which Plaintiff, at any time of execution of this Settlement Agreement, had or
3 claimed to have or may have, including but not limited to any and all claims arising out of, relating to,
4 or resulting from his employment and/or separation of employment with the Released Parties,
5 including any claims arising under any federal, state, or local law, statute, ordinance, rule, or regulation
6 or Executive Order relating to employment, including, but in no way limited to, all claims for wages
7 or penalties under the California Labor Code; Business and Professions Code sections 17200 *et seq.*;
8 all laws relating to violation of public policy, retaliation, or interference with legal rights; any and all
9 other employment or discrimination laws; whistleblower claims; any tort, fraud, or constitutional
10 claims; and any breach of contract claims or claims of promissory estoppel. It is agreed that this is a
11 general release and is to be broadly construed as a release of all claims, provided that, notwithstanding
12 the foregoing, this Paragraph expressly does not include a release of any claims that cannot be released
13 hereunder by law. Plaintiff understands and expressly agrees that this Settlement Agreement extends
14 to claims that he has against Defendant, of whatever nature and kind, known or unknown, suspected
15 or unsuspected, vested or contingent, past, present, or future, arising from or attributable to an incident
16 or event, occurring in whole or in part, on or before the execution of this Settlement Agreement. Any
17 and all rights granted under any state or federal law or regulation limiting the effect of this Settlement
18 Agreement, including the provisions of Section 1542 of the California Civil Code, ARE HEREBY
19 EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as follows:

20 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**
21 **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
22 **FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM**
23 **OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH**
24 **THE DEBTOR OR RELEASED PARTY.**

25 41. Final Approval Order and Judgment. The Parties shall provide the Settlement
26 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
27 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
28 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the

1 Class will be required.

2 42. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
3 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
4 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
5 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
6 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
7 Settlement Agreement.

8 43. Effects of Termination or Rescission of Settlement. Termination or rescission of the
9 Settlement Agreement shall have the following effects:

10 a. The Settlement Agreement shall be void and shall have no force or effect, and
11 no Party shall be bound by any of its terms;

12 b. In the event the Settlement Agreement is terminated, Defendant shall have no
13 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
14 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
15 Administrator is notified that the Settlement has been terminated;

16 c. The Preliminary Approval Order, Final Approval Order and Judgment,
17 including any order certifying the Class, shall be vacated;

18 d. The Settlement Agreement and all negotiations, statements, and proceedings
19 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
20 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

21 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
22 statements, or filings in furtherance of the Settlement (including all matters associated with the
23 mediation) shall be admissible or offered into evidence in the Action or any other action for any
24 purpose whatsoever; and

25 f. Any documents generated to bring the Settlement into effect, will be null and
26 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
27 likewise be treated as void from the beginning.

28 ///

1 44. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
2 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
3 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
4 of action or right herein released and discharged.

5 45. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
6 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
7 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

8 46. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
9 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
10 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
11 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
12 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
13 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),
14 which provide that a written agreement is to be construed according to its terms and may not be varied
15 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
16 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

17 47. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
18 the Action (including with respect to California Code of Civil Procedure § 583.310), except such
19 proceedings necessary to implement and complete this Settlement Agreement, pending the Final
20 Approval Hearing to be conducted by the Court.

21 48. Amendment or Modification. Prior to the filing of the motion for preliminary approval
22 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
23 except by written agreement signed by counsel for all Parties. After the filing of the motion for
24 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
25 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
26 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
27 constitute a waiver of any other provision.

28 49. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant

1 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
2 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
3 full authority to enter into this Settlement Agreement, and further intend that this Settlement
4 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
5 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
6 confidentiality provisions that otherwise might apply under state or federal law.

7 50. Signatories. It is agreed that because the members of the Class are so numerous, it is
8 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
9 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
10 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
11 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have
12 the same force and effect as if this Settlement Agreement were executed by each Settlement Class
Member and PAGA Employee.

13 51. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
14 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

15 52. California Law Governs. All terms of this Settlement Agreement and attached exhibits
16 hereto will be governed by and interpreted according to the laws of the State of California.

17 53. Execution and Counterparts. This Settlement Agreement is subject only to the
18 execution of all Parties. However, this Settlement Agreement may be executed in one or more
19 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
20 copies of the signature page, will be deemed to be one and the same instrument.

21 54. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
22 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
23 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
24 account all relevant factors, present and potential. The Parties further acknowledge that they are each
25 represented by competent counsel and that they have had an opportunity to consult with their counsel
26 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to
27 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement
28 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to

1 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

2 55. Invalidity of Any Provision. Before declaring any provision of this Settlement
3 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
4 possible consistent with applicable precedents so as to define all provisions of this Settlement
5 Agreement valid and enforceable.

6 56. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
7 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
8 to implement the Settlement.

9 57. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
10 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
11 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
12 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines
13 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
14 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;
15 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
16 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
17 construed as an admission or concession by Defendant of any such violations or failures to comply
18 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement
19 Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received
20 as evidence in any action or proceeding to establish any liability or admission on the part of Defendant
21 or to establish the existence of any condition constituting a violation of, or a non-compliance with,
22 federal, state, local or other applicable law.

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

26 59. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
27 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
28 construed more strictly against one Party than another merely by virtue of the fact that it may have

1 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
2 negotiations between the Parties, all Parties have contributed equally to the preparation of this
3 Settlement Agreement.

4 60. Representation By Counsel. The Parties acknowledge that they have been represented
5 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
6 that this Settlement Agreement has been executed with the consent and advice of counsel, and
7 reviewed in full.

8 61. All Terms Subject to Final Court Approval. All amounts and procedures described in
9 this Settlement Agreement herein will be subject to final Court approval.

10 62. Notices. All notices, demands, and other communications to be provided concerning
11 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
12 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
13 as follows:

14 To Plaintiff and Class Counsel:

15 Jonathan M. Genish

16 jgenish@blackstonepc.com

17 Miriam L. Schimmel

18 mschimmel@blackstonepc.com

19 Joana Fang

20 jfang@blackstonepc.com

21 Alexandra Rose

22 arose@blackstonepc.com

23 Jared C. Osborne

24 josborne@blackstonepc.com

25 **BLACKSTONE LAW, APC**

26 8383 Wilshire Boulevard, Suite 745

27 Beverly Hills, California 90211

28 Tel: (310) 622-4278 / Fax: (855) 786-6356

23 To Defendant:

24 David L. Cheng

25 dcheng@fordharrison.com

26 Min K. Kim

27 mkim@fordharrison.com

28 **FORD & HARRISON LLP**

350 South Grand Avenue, Suite 2300

Los Angeles, California 90071

Tel: (213) 237-2400 / Fax: (213) 237-2401

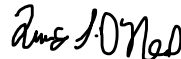
63. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

Dated: 01/29/2025

PLAINTIFF QUINCY O'NEAL



Plaintiff Quincy O'Neal

**DEFENDANT INCLUDED HEALTH, INC.,
FORMERLY KNOWN AS GROUND
ROUNDS, INC.**

Dated: _____

Full Name: _____

Title: _____
On behalf of Included Health, Inc., formerly
known as Grand Rounds, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: January 29, 2025



Jonathan M. Genish
Attorneys for Plaintiff Quincy O'Neal
and Proposed Class Counsel

FORD & HARRISON LLP

Dated: _____

David L. Cheng
Min K. Kim

63. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

PLAINTIFF QUINCY O'NEAL

Dated: _____

Plaintiff Quincy O'Neal

**DEFENDANT INCLUDED HEALTH, INC.,
FORMERLY KNOWN AS GROUND
ROUNDS, INC.**

Dated: Jan 30, 2025

Sara Sahni
Sara Sahni (Jan 30, 2025 09:32 EST)

Full Name: Sara Sahni

Title: Senior Counsel

On behalf of Included Health, Inc., formerly
known as Grand Rounds, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: _____

Jonathan M. Genish
Attorneys for Plaintiff Quincy O'Neal
and Proposed Class Counsel

FORD & HARRISON LLP

Dated: January 30, 2025



David L. Cheng
Min K. Kim

Attorneys for Defendant Included Health, Inc.,
formerly known as Grand Rounds, Inc.

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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Quincy O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.
Superior Court of California for the County of San Francisco, Case No. CGC-23-608391

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant’s records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or PAGA Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Quincy O’Neal (“Plaintiff”) and Defendant Included Health, Inc., formerly known as Grand Rounds, Inc. (“Defendant”) (Plaintiff and Defendant are collectively referred to as the “Parties”) in the case entitled *Quincy O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, San Francisco County Superior Court, Case No. CGC-23-608391 (“Action”), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] (“Final Approval Hearing”) to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

“**Class**” or “**Class Member**” means all current and former non-exempt employees who worked for Defendant in the State of California at any time during the Class Period.

“**Class Period**” means the period from August 15, 2019 through June 30, 2024.

“**Class Settlement**” means the settlement and resolution of all Released Class Claims.

“**PAGA Employees**” means all current and former non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period.

“**PAGA Period**” the period from August 14, 2022 through June 30, 2024.

“**PAGA Settlement**” means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On August 14, 2023, Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated (“PAGA Letter”). On August 15, 2023, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Action. On January 2, 2024, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698 Et Seq. (“Operative Complaint”) in the Action.

Plaintiff contends that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* (“PAGA”). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a First Amended Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed CAC Services Group, LLC as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Quincy O’Neal as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Miriam L. Schimmel
Joana Fang
Alexandra Rose
Jared C. Osborne
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or PAGA Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Four Hundred Fifteen Thousand Dollars and Zero Cents (\$415,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$138,333.33 if the Gross Settlement Amount is \$415,000.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Eighteen Thousand Dollars and Zero Cents (\$18,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff for his services in the Action; (3) the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$37,500.00) (“LWDA Payment”) and the remaining 25% (\$12,500.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendant as a non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below).

Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as ten percent (10%) as wages, which will be reported on an IRS Form W-2, and ninety percent (90%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of weeks each PAGA Employee worked for Defendant as a non-exempt employee in California during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA Employees to yield the “PAGA Workweek Value,” and multiplied each PAGA Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Workweeks (if applicable) Based on Defendant’s Records

According to Defendant’s records:

- **From August 15, 2019 through June 30, 2024 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From August 14, 2022 through June 30, 2024 (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Workweeks.**

If you wish to dispute the Workweeks and/or PAGA Workweeks credited to you, you must submit your dispute in writing to the Settlement Administrator (“Workweeks Dispute”). The Workweeks Dispute must: (a) contain the case name and number of the Action (*O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, Case No. CGC-23-608391); (b) contain your full name, signature, address, and telephone number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Workweeks credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Workweeks (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, under any federal, state, or local law, and shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide accurate wage statements, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order, claims for recovery of unpaid wages in violation of California Business and Professions Code sections 17200, *et seq.* based on the aforementioned California Labor Code violations, including for off-the-clock work and time rounding, and for failure to include all non-discretionary compensation in the regular rate of pay for all wages required to be calculated at the regular rate of pay, and all claims for attorneys’ fees and costs and statutory interest in connection therewith, and any other claims, including claims for statutory penalties, pertaining to the Class Members.

“Released PAGA Claims” means any and all claims which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint and/or PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys’ fees and costs related thereto, for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of the California Labor Code, including, without limitation, Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order. This includes, without limitation, the non-payment of wages arising from allegations of off-the-clock work, time rounding, unpaid meal break premiums, unpaid rest break premiums, and for failure to include all non-discretionary compensation in the regular rate of pay for all wages required to be calculated at the regular rate of pay.

“Released Parties” means Defendant and all of its related entities, owners, current and former officers, directors, employees who are not Class Members, members, insurers, shareholders, parents, subsidiaries, affiliates, agents, predecessors, successors, and assigns.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$138,333.33 if the Gross Settlement Amount is \$415,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Eighteen Thousand Dollars and Zero Cents (\$18,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, Case No. CGC-23-608391); (b) contain your full name, signature, address, and telephone number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*O’Neal v. Included Health, Inc., formerly known as Grand Rounds, Inc.*, Case No. CGC-23-608391); (b) contain your full name, signature, address, and telephone number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection and without any prior notice.

If you submit both a Request for Exclusion and Notice of Objection, the Settlement Administrator will honor the submission that is received first and disregard the other.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 613 of the San Francisco County Superior Court, located at Civil Center Courthouse, 400 McAllister St., San Francisco, California 94102, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

You can find more information regarding appearing remotely through CourtCall online at: <https://courtcall.com/schedule/>.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action for free by visiting The Civic Center Clerk’s Office located at Civil Center Courthouse, Civil Records Division, 400 McAllister St., Room 103, San Francisco, California 94012, during business hours, or online by visiting the following website: <https://sf.courts.ca.gov/online-services/case-information>, clicking “Access Now” under Civil Case Query and typing in the Court Case Number “CGC-23-608391.” **The Court’s website is free to use.**

You may also visit the Settlement Administrator’s website at **[redacted]** for key documents in the Action.

PLEASE DO NOT TELEPHONE THE COURT, THE JUDGE, OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**

EXHIBIT 5

Thank you for your Proposed Settlement Submission

Desde DIR PAGA Unit <no-reply@formassembly.com>

Fecha Mié 14 May 2025 09:04

Para Karina Hernandez <khernandez@blackstonepc.com>

[External Email].

05/14/2025 09:04:05 AM

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

Item submitted: Proposed Settlement

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: <http://labor.ca.gov/Private Attorneys General Act.htm>