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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF RIVERSIDE**

LOLITA GALVAN, individually, and on  
behalf of other members of the general  
public similarly situated and on behalf of  
other aggrieved employees pursuant to the  
California Private Attorneys General Act;

Plaintiff,

vs.

INLAND RESPITE, INC., a California  
corporation; and DOES 1 through 100,  
inclusive,

Defendants.

Case No. CVRI2103857

Honorable Harold W. Hopp  
Department 1

**CLASS ACTION**

**DECLARATION OF YASMIN HOSSEINI IN  
SUPPORT OF PLAINTIFF'S MOTION FOR  
PRELIMINARY APPROVAL OF CLASS  
ACTION AND PAGA SETTLEMENT**

Date: May 12, 2025  
Time: 8:30 a.m.  
Department: 1

Complaint Filed: August 24, 2021  
FAC Filed: December 16, 2024  
Trial Date: None Set

**DECLARATION OF YASMIN HOSSEINI**

I, Yasmin Hosseini, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers for Justice, PC, attorneys of record for Plaintiff Lolita Galvan (“Plaintiff”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

**PROCEDURAL HISTORY**

2. On August 24, 2021, Plaintiff filed a putative Class Action Complaint for Damages in the Superior Court for the County of Riverside, thereby commencing the above-captioned lawsuit.

3. On January 11, 2021, Defendant filed its Answer to Plaintiff’s Class Action Complaint for Damages.

4. On September 6, 2023, Plaintiff provided written notice by certified mail to the Labor and Workforce Development Agency (“LWDA”) and Inland Respite, Inc. (“Defendant”) of the specific provisions of the California Labor Code that were alleged to be violated (“PAGA Notice”) thereby commencing LWDA Case No. LWDA-CM-980048-23. Marked and attached hereto as “**EXHIBIT 1**” is a true and correct copy of Plaintiff’s PAGA Notice

5. On December 16, 2024, Plaintiff Lolita Galvan filed a First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“First Amended Complaint” or “Operative Complaint”) against Defendant in the above-captioned lawsuit.

**THE PROPOSED SETTLEMENT**

6. Marked and attached hereto as “**EXHIBIT 2**” is a true and correct copy of the Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement,” or “Settlement Agreement”) entered into by and between Plaintiff, individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendant, on the other hand (together, the “Parties”). The Parties and their counsel have approved the proposed Notice of Class Action Settlement (“Class Notice”), which is attached to the Settlement Agreement as “Exhibit A” and respectfully request that the Court approve it as well.

7. Based on information provided by Defendant, the Class is estimated to consist of approximately seven thousand and thirty-seven (7,037) individuals, the Pay Periods are estimated to be three hundred seventy-three thousand and eighty-five (373,085), and the PAGA Group Members are estimated to consist of four thousand three hundred and sixty-four (4,364) individuals.

8. The Settlement provides for a Total Settlement Amount of \$4,275,000.00 to be paid in two installments on a non-reversionary basis. Defendant will make a deposit of one-half (1/2) of the Total Settlement Amount (i.e., \$2,137,500.00) into a settlement account established by the Settlement Administrator ("First Installment") thirty (30) calendar days after Final Approval. Within one (1) year after payment of the First Installment, Defendant will make a deposit of the remaining one-half (1/2) of the Total Settlement Amount (i.e., \$2,137,500.00) plus an amount sufficient for Employer's Taxes into a settlement account established by the Settlement Administrator ("Second Installment"). The Net Settlement Amount is the Total Settlement Fund less the following amounts, subject to approval by the Court: Attorneys' Fees of up to \$1,496,250.00 (if the Total Settlement Amount remains \$4,275,000.00) and Costs not to exceed \$15,000.00 to Class Counsel, Class Representative Enhancement Award to Plaintiff of \$15,000.00, Settlement Administration Costs to the Settlement Administrator not to exceed \$35,000.00, and the PAGA Penalty Amount of \$213,750.00. Assuming that the amounts allocated under the Settlement toward these payments are awarded by the Court, the Net Settlement Amount that will be available for distribution to Settlement Class Members is currently \$2,500,000.00. Additionally, 25% of the PAGA Penalty Amount (i.e., PAGA Group Member Amount), which is \$53,437.50 out of \$213,750.00, will be distributed to the PAGA Group Members, for their respective portion of the PAGA Group Member Amount. The Total Settlement Amount will be fully distributed in accordance with the terms of the Settlement and there is no reversion to Defendant.

9. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to 35% of the Total Settlement Amount (i.e., \$1,496,250.00, if the Total Settlement Fund remains \$4,275,000.00) and expenses and costs of not more than \$15,000.00, which will be paid out of the Total Settlement Amount, subject to approval by the Court. It should be noted that Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation

1 until recovery is obtained. A description of the qualifications of Class Counsel, the work performed  
2 by Class Counsel, and the results achieved by Class Counsel in this matter can be found in  
3 paragraphs 13 through 21, *infra*.

4 10. The Settlement Agreement provides for payment of up to \$15,000.00 to Plaintiff as  
5 a Class Representative Enhancement Award, to be paid out of the Total Settlement Amount subject  
6 to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents  
7 and past employment records and to provide the facts and evidence necessary to attempt to prove  
8 the allegations. Plaintiff was available whenever Class Counsel needed her and actively tried to  
9 obtain information that would benefit the Class. Accordingly, it is appropriate and just for Plaintiff  
10 to receive a Class Representative Enhancement Award, in addition to her individual settlement  
11 payment, for her services on behalf of the Class, PAGA Group Members, and State of California.

12 11. The Parties have agreed to retain Simpluris, Inc., (“Settlement Administrator”) to  
13 handle the notice and settlement administration process. The Parties respectfully request that the  
14 Court appoint Simpluris to handle these procedures and serve as the Settlement Administrator.  
15 Defendant will provide Simpluris with the Class List, and the Settlement Administrator will calculate  
16 each Class Member’s estimated share of the Net Settlement Amount (“Individual Settlement  
17 Payment”) and each PAGA Group Member’s estimated *pro rata* share of the 25% portion of the  
18 PAGA Penalty Amount. The Settlement Administrator will be responsible for translating the Class  
19 Notice into Spanish, printing, distributing, and tracking Class Notices and other documents for the  
20 Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-  
21 2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing  
22 necessary reports and declarations, and other duties and responsibilities set forth to process the  
23 Settlement, and as requested by the Parties. Settlement Administration Costs are currently estimated  
24 not to exceed \$35,000.00 and will be paid out of the Total Settlement Amount, subject to approval  
25 of the Court.

26 12. Under the Settlement Agreement, Defendant is responsible for any employer-side tax  
27 obligations associated with the Total Settlement Amount and will deposit that amount into the  
28 settlement fund in addition to the Total Settlement Amount. Each Settlement Class Member’s

Individual Settlement Share will be allocated 20% to wages and 80% to penalties, interest, and non-wage damages. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares.

**EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC**

13. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, the firm is the attorney of record in over a dozen employment-related putative class actions in both state and federal courts in the State of California. The firm is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act ("PAGA") representative actions. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California. Below is a summary of the experience and qualifications of the attorneys at Lawyers *for* Justice, PC who most recently and primarily have been responsible for the representation of Plaintiff in connection with the resolution of above-captioned matter. Additional attorney and non-attorney staff have also worked on the above-captioned matter.

14. Edwin Aiwarzian is a Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From approximately June 2002 to approximately

1 August 2002, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California  
2 Court of Appeal for the Second Appellate District. In December of 2004, he obtained a license to  
3 practice law from the California State Bar. For over a decade, through his work at Lawyers *for*  
4 Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment  
5 class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or  
6 consumer fraud. Together with other attorneys at the firm, and in many cases in conjunction with  
7 co-counsel, he has successfully litigated cases involving the executive, administrative, and other  
8 overtime exemptions to the State of California and federal overtime compensation requirements.  
9 Under his supervision, Lawyers *for* Justice, PC has successfully obtained class certification by  
10 contested motion practice in approximately fifteen (15) cases in the last decade, and litigated over  
11 1,000 class action or representative action cases.

12 15. Arby Aiwarzian is a Shareholder of Lawyers *for* Justice, PC. He received his Bachelor  
13 of Arts degree from University of California, Los Angeles and graduated magna cum laude. He  
14 earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May  
15 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr.  
16 of the California Court of Appeal for the Second Appellate District. From approximately August  
17 2008 to approximately December 2008 he served as a Judicial Extern to the Honorable Kim McLane  
18 Wardlaw of the United State Court of Appeals for the Ninth Circuit. He was admitted to practice  
19 law in California in 2010. He is admitted to practice before all courts of the State of California and  
20 all United States District Courts in the State of California. He has worked on many wage-and-hour  
21 class action and representative action cases, taking the lead in taking and defending depositions,  
22 arguing motions, and attending mediations. He has played an integral role in preparing matters for  
23 class certification, including, and not limited to, successful certification of a class in *Upson v. Sur*  
24 *La Table* (Los Angeles County Superior Court Case No. BC424012), *Montazemi v. Regus*  
25 *Management* (Los Angeles County Superior Court Case No. BC478769), and *Abdulhaqq v. Urban*  
26 *Outfitters* (Alameda County Superior Court Case No. RG13680477). He has worked on over one  
27 hundred (100) class action or representative action cases which have resulted in settlement.

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16. Joanna Ghosh is a Senior Member of Lawyers *for* Justice, PC. She received a Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010) and in New York (since 2013) and is also admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of depositions and successfully handled motion practice in class action cases regarding discovery (including and not limited to, regarding class contact information), class certification (both contested class certification and stipulated class certification), arbitration agreements, coordination, intervention. She has successfully handled briefing and oral argument on appeal and obtained notable decisions regarding the Private Attorneys General Act and employer efforts to compel arbitration, e.g., *Betancourt v. Prudential Overall Supply*, (Cal., May 24, 2017) 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied, cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019). She also has extensive experience with class action and/or representative action settlements. Under her and Edwin Aiwazian's supervision, the firm has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. She is a member of the California Employment Lawyers Association.

17. I, Yasmin Hosseini, am a Member of Lawyers *for* Justice, PC. I received my Bachelor of Arts degree from University of California, Santa Barbara in 2013 and earned my Juris Doctor degree from Pepperdine University School of Law in 2017. I was admitted to practice law in California in 2019. I was admitted to practice before all courts of the State of California and all federal district courts in the State of California. I have worked on many wage and hour class action and PAGA representative matters, and my work has included, *inter alia*, researching and drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing stipulations and settlement agreements, engaging in motion practice, claims evaluation and analysis, and making court appearances. Prior to working at Lawyers *for* Justice, PC, I represented filmmakers and talent, negotiating and structuring various types of agreements on their behalf. I am a member of the

1 California Employment Lawyers Association, Beverly Hills Bar Association, and Iranian American  
2 Bar Association.

3 **THE SETTLEMENT AND SUMMARY OF WORKED PERFORMED**

4 18. The effectiveness of Lawyers for Justice, PC (“Class Counsel”) in prosecuting this  
5 matter has translated into tangible monetary benefits for the Class Members in the following  
6 respects: (1) Class Members recover over a reasonably short period of time as opposed to waiting  
7 additional years for the same, or possibly worse, result; (2) a guaranteed result that compares  
8 favorably with other similar class action settlements of this type given the strengths and weaknesses  
9 of the case; and (3) significant savings in Class Counsel’s fees and/or costs that would have only  
10 increased significantly had the case progressed through certification, trial, and/or appeals.

11 19. Class Counsel has litigated the matter for over 3 years and was actively preparing the  
12 matter for class certification and trial. The Parties have engaged in extensive settlement negotiations  
13 and participated in two (2) mediations conducted by the Honorable Lesley Green (Ret.), a well-  
14 respected mediator experienced in mediating complex labor and employment matters. In the course  
15 of the litigation and in connection with the mediations and settlement discussions, the Parties  
16 exchanged extensive information and engaged in discussions regarding their evaluations of the case  
17 and various aspects of the case, including but not limited to, the risks and delays of further litigation,  
18 the risks to the Parties of proceeding with class certification and/or representative adjudication, the  
19 law relating to off-the-clock theory, meal and rest periods, PAGA representative actions, and state  
20 wage-and-hour law and enforcement, as well as the evidence produced and analyzed, and the  
21 possibility of appeals, among other things. During all settlement discussions, the Parties conducted  
22 their negotiations at arm’s length in an adversarial position. Arriving at a settlement that was  
23 acceptable to all Parties was not easy. Defendant and its counsel felt strongly about their ability to  
24 prevail on the merits and at certification, and Plaintiff and Class Counsel believed that they would  
25 be able to obtain class certification and prevail at trial. After conducting investigations and informal  
26 discovery and exchange of information, extensive settlement negotiations, and with the aid of the  
27 mediator’s evaluation, the Parties have agreed that the matter is well-suited for settlement given the  
28 legal issues relating to Plaintiff’s principal claims, as well as the costs and risks to both sides that

1 would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of the  
2 Released Class Claims of Plaintiff and Settlement Class Members, and of the Released PAGA  
3 Claims of Plaintiff, PAGA Group Members, and the State of California against the Released Parties.

4       20. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength,  
5 and scope of the claims, and was preparing the action for class certification and trial. Plaintiff  
6 conducted significant investigation and informal discovery regarding the facts of the case, including  
7 and not limited to, the exchange, review, and analysis of a large volume of documents and data  
8 obtained from Defendant, Plaintiff, and other sources. The volume of data and documents that Class  
9 Counsel reviewed and analyzed included and was not limited to: a sampling of Class Members' time  
10 and payroll data, Plaintiff's personnel records, Defendant's Handbook, earning statements, company  
11 policy acknowledgements (including but not limited to On-Duty Meal Period Agreement, Employee  
12 Handbook Acknowledgment/Agreement, Time Card Procedures Acknowledgment,  
13 Acknowledgment of Sick Leave Policy Receipt, Confidentiality Agreement, At-Will Statement,  
14 Child and Elder/Dependent Adult Abuse Reporting Law Acknowledgment, Sexual Harassment  
15 Acknowledgment, California Code of Regulations Client Right's Acknowledgement/Receipt,  
16 California Welfare & Institutions Code Client Right's Acknowledgement/Receipt,  
17 Acknowledgment of Safety Policy), job descriptions, Defendant's operations and employment  
18 practice, policies, and procedures (including but not limited to Non-Discrimination Policy, Drug-  
19 Free Work Place Procedure, Direct Deposit Set-Up Form), among other information and documents.  
20 Class Counsel had the opportunity to interview Plaintiff and other Class Members to gather facts  
21 and to identify potential witnesses. Counsel for the Parties also met and conferred on numerous  
22 occasions, e.g., to discuss issues relating to the pleadings, and the production of documents and data  
23 prior to the mediations. Class Counsel also drafted pleadings and the mediation briefs and prepared  
24 for and attended court proceedings, two (2) mediations, and settlement negotiations, among other  
25 tasks.

26       21. Counsel for the Parties have also invested time researching and investigating the  
27 applicable law, which is constantly evolving as it relates to class certification, representative PAGA  
28 claims, off-the-clock theory, meal and rest periods, state wage-and-hour law and enforcement,

1 Plaintiff's claims and damages, and Defendant's defenses thereto, as well as facts discovered. Based  
2 on our analysis, I submit that the result achieved in this litigation is fair, adequate, and reasonable.

3         22. Class Counsel is aware of the defenses and position of Defendant but believes that  
4 Plaintiff could potentially obtain class certification despite many obstacles. Plaintiff and Class  
5 Counsel have also taken into account the uncertainty and risk of the outcome of further litigation,  
6 and the difficulties and delays inherent in such litigation, including those involved in class  
7 certification and/or representative adjudication. Plaintiff further recognizes the burdens of proof  
8 necessary to establish liability for the claims asserted in the lawsuit, Defendant's defenses, and the  
9 difficulties in establishing entitlement to monetary recovery. Plaintiff and Class Counsel have also  
10 considered the Parties' settlement discussions, as well as the evaluations of the mediator, who is  
11 experienced and well-regarded in complex labor and employment matters.

12         23. Defendant, on the other hand, denied and continues to deny any liability and  
13 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further denies that the  
14 lawsuit is appropriate for class treatment or representative adjudication for any purpose other than  
15 this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides have  
16 also had the opportunity to interview witnesses and review documents and information relating to  
17 Plaintiff's, Class Members', and PAGA Group Members' employment with Defendant, and  
18 Defendant's operations and employment policies, practices, and procedures. The Parties also  
19 reviewed and analyzed a volume of documents and data to determine the potential value and strength  
20 of the claims. The available information enabled Class Counsel to assess and value the class and  
21 PAGA claims and prepare violation, damages, and penalties analyses models. Accordingly, the  
22 Parties have conducted adequate investigation and discovery to be sufficiently informed of the nature  
23 and extent of the Class Members' claims, and to enable both sides to fully evaluate the Settlement  
24 for its fairness, adequacy, and reasonableness. The Settlement takes into account the strengths and  
25 weaknesses of each side's position and the uncertainty of how the case might have concluded at  
26 certification, trial, and/or appeals.

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**ESTIMATE OF THE VALUE OF THE CLAIMS**

24. Plaintiff's action alleges that Defendant has violated the California Labor Code and Industrial Welfare Commission Wage Orders by engaging in a uniform policy and systematic scheme of wage abuse against Plaintiff and the putative class members, including *inter alia*, failing to properly compensate overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment, failing to timely pay wages upon termination and associated waiting-time penalties, failing to provide compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary business expenses.

25. Based on data provided by Defendant, the total number of putative class members during the Class Period was estimated to be seven thousand and thirty-seven (7,037) individuals who worked an estimated total of three hundred seventy-three thousand and eighty-five (373,085) Pay Periods with an average hourly rate of pay of \$15.02.

26. Plaintiff contended that Defendant required putative class members to perform work before clocking-in and after clocking-out of their scheduled shifts and during meal and rest periods. Plaintiff contended that Defendant discouraged the recordation of overtime hours and required putative class members to perform work off-the-clock. Plaintiff contended that Defendant failed to include non-discretionary bonuses and incentives in the calculation of the regular rate when paying overtime wages. Plaintiff also contended that meal and rest periods were regularly missed, later, shortened, and/or interrupted, that putative class members were required to remain on premises during rest breaks, readily available to assist with work tasks, and that Defendant failed to properly pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiff alleged that Defendant intentionally and willfully failed to pay Plaintiff and putative class members all wages due to them while they were employed by Defendant, within the time period permissible under California law, and that Defendant failed to pay all wages due upon termination, within the time period permissible under California law, thereby triggering waiting-time penalties under California Labor Code section 203. Plaintiff contended that, based on the violations described herein, the wage statements provided by Defendant and the payroll records kept by Defendant were inaccurate.

1 Finally, Plaintiff contended that Defendant failed to reimburse Plaintiff and the other putative class  
2 members for necessary business expenses, including, but not limited to, the costs associated with the  
3 usage of personal cell phones for work duties, the usage of personal vehicles for work duties, the  
4 costs of purchasing supplies for work duties, and costs of purchasing work-appropriate footwear.

5 27. Class Counsel considered defense arguments, e.g., that the employer's practices,  
6 policies, and procedures complied with the law, that Plaintiff and putative class members waived  
7 unpaid meal periods by signing an On-Duty Meal Period Agreement, that Defendant correctly paid  
8 overtime for all overtime hours worked, that no waiting-time penalties were due because waiting-  
9 time penalties only arise from "willful" failure to pay wages due and owing at the time of termination  
10 or resignation, that Plaintiff and putative class members suffered no actual injury from the alleged  
11 wage statement violations and that this alleged violation and the alleged recordkeeping violation are  
12 entirely derivative of the other causes of action, and that a policy and practice of reimbursing  
13 employees for necessary business-related expenses exists. Class Counsel also considered the  
14 likelihood of Plaintiff's success in establishing that any of provisions of the California Labor Code,  
15 on which the civil penalties under the PAGA claim are predicated, were violated and that such  
16 violations were injurious and/or warranted imposition of civil penalties. Class Counsel also  
17 considered that trial courts have wide discretion when assessing penalties under PAGA, and that it  
18 could be determined that individual liability issues predominate (e.g., due to purported variation in  
19 shifts, locations, job duties, and other circumstances which could raise individualized questions of  
20 fact) and could pose challenges to certification, manageability, and the merits of Plaintiff's claims.

21 28. Class Counsel considered information, data, and documents obtained from Plaintiff,  
22 Defendant, and other sources, and created violation, damages, and penalties valuations and models  
23 prior to reaching the Settlement. Based thereon, Plaintiff calculated the potential value of the claims.  
24 However, the potential value of each claim assumed an exposure based on the above-captioned  
25 action having been certified and Plaintiff having proven all elements of the claims and entitlement  
26 to monetary recovery in the above-captioned action (on a class-wide and a representative basis),  
27 despite risks associated with obtaining and maintaining certification and demonstrating  
28 manageability, risks to establishing liability and any underlying California Labor Code and IWC

1 Wage Order violations and damages, and significant additional costs that would have to be incurred  
2 in order to certify the above captioned action and establish liability, damages, and penalties amounts  
3 in the case. Plaintiff faced the risk of the Court finding that individualized issues predominate, such  
4 that the case is not suitable for class treatment. While Class Counsel disagreed with Defendant's  
5 arguments and factual contentions, Class Counsel recognized the circumstances and realities of the  
6 case, applicable case law and regulations, the extensive time and pay records produced by Defendant,  
7 the costs and expenses of further litigation and certification, and risks to recovery, and applied  
8 appropriate discounts for them. Class Counsel calculated the potential and realistic values of each  
9 claim as follows:

10 **a. Failure to Pay Overtime and Minimum Wages**

11 i. Plaintiff alleged that Defendant failed to pay overtime and minimum wages  
12 to her and other putative class members. Plaintiff contended that that Defendant's uniform policies,  
13 practices, and procedures required putative class members to perform work during meal periods and  
14 before clocking-in and after clocking-out. Plaintiff contended that Defendant also exerted class-  
15 wide pressure on putative class members to reduce the amount of recorded overtime, requiring them  
16 to complete unreasonable workloads within scheduled hours only, obtain pre-approval prior to  
17 working overtime or in excess of their scheduled work hours, and subjecting those who recorded  
18 overtime without preapproval to discipline. Plaintiff also contended that Defendant incorrectly  
19 calculated the regular rate of pay for purposes of calculating overtime compensation by failing to  
20 include non-discretionary forms of pay including bonuses and incentives in its regular rate  
21 calculations. Plaintiff contended that, as a result of the aforementioned, Defendant failed to properly  
22 compensate Plaintiff and putative class members at their applicable minimum, regular, or overtime  
23 rates for all of the hours that they worked.

24 ii. Based on Class Counsel's investigations and analysis, the claims for unpaid  
25 wages centered on off-the-clock work prior to clocking-in and after clocking-out for their shifts, and  
26 during meal periods, and the improper calculation of the regular rate for purposes of paying overtime.  
27 For example, before clocking in for their scheduled shifts, investigations show that Plaintiff and  
28 other putative class members were required to arrive at least (5) to ten (10) minutes prior to their

1 scheduled start times to receive instructions from their clients' primary caregivers. Additionally,  
2 Plaintiff and other putative class members regularly worked up to one (1) hour off-the-clock after  
3 their scheduled end times as the clients' primary caregivers would be delayed in returning home.  
4 Additionally, an analysis of a sampling of pay data reflected that Defendant paid overtime wages to  
5 putative class members, however, the overtime wages were based on one-and-half times the base  
6 hourly rate of pay even when putative class members earned non-discretionary pay.

7           iii. Defendant denied Plaintiff's allegations and asserted numerous defenses to  
8 Plaintiff's claims and allegations, and maintained that its policies and practices were at all times  
9 compliant with California law. Defendant contended that its employees are classified as "personal  
10 attendants" per Wage Order No. 15-2001 (2)(J), and are therefore exempt from California overtime  
11 compensation requirements. In addition, investigations showed that Plaintiff and putative class  
12 members clocked overtime and received overtime pay at one-and-a-half (1.5) times the regular rate,  
13 which was evidenced by records obtained from Defendant.

14           iv. Taking into account these facts, the potential value of the overtime claim was  
15 estimated to be \$8,405,605.05 (based on a violation rate of one (1) hour of unpaid overtime wages  
16 every workweek) and the risk-adjusted discounted value of this claim was estimated to be  
17 \$529,553.12. Taking into account these facts, the potential value of the minimum wage claim was  
18 estimated to be \$5,603,736.70 (based on a violation rate of one (1) hour of unpaid minimum wages  
19 every workweek) and the risk-adjusted discounted value of this claim was estimated to be  
20 \$353,035.41.

21           **b. Failure to Provide Compliant Meal Periods and Associated Premiums**

22           i. Plaintiff's theory of liability was based on Defendant's failure to provide  
23 timely, full, and/or uninterrupted meal periods. Plaintiff contended, *inter alia*, that Defendant's  
24 policies, practices, and procedures required employees to perform job duties during their meal  
25 periods and prevented them from regularly receiving compliant meal periods. Plaintiff further  
26 contended that Defendant failed to pay a meal premium for missed, late, short, or interrupted meal  
27 periods.

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1                   ii.           Based on Class Counsel’s investigations and analysis, the meal period claim  
2 centered on the following issues: Plaintiff and putative class members regularly suffered short, late,  
3 or missed meal periods due to them having to remain regularly available to assist their clients, and  
4 that Defendant failed to pay them meal period premiums. Investigations show that Plaintiff and  
5 putative class members were regularly pressured to suffer non-compliant meal periods in order to  
6 ensure their clients had constant support, so much so that meal periods were regularly missed  
7 entirely. An analysis of a sampling of time data reflected that over 90.33% of eligible shifts reflect  
8 at least one type of recorded meal period violation. Over 89% of first meal periods were missed and  
9 approximately 74% of eligible shifts reflect a missed second meal period.

10                   iii.          Defendant contended that it had practices, policies, and procedures to provide  
11 meal periods every workday to its employees that fully complied with California law. To the extent  
12 that Plaintiff and putative class members failed to take their meal periods or took a short or late meal,  
13 Defendant contended that they did so voluntarily and that all applicable meal periods were still  
14 permitted and provided to them. Further, Defendant contended that Plaintiff and putative class  
15 members signed an On-Duty Meal Period Agreement, therefore waving such unpaid meal periods.  
16 Thus, Defendant argued that it did not act unlawfully to deprive putative class members of meal  
17 periods.

18                   iv.          Taking into account these facts, the potential value of the meal period claim  
19 was estimated to be \$11,207,473.40 (based on a violation rate of two (2) meal period premiums  
20 every workweek) and the risk-adjusted discounted value of this claim was determined to be  
21 \$549,166.20.

22           **c.          Failure to Provide Compliant Rest Periods and Associated Premiums**

23                   i.           Plaintiff’s theory of liability was based on Defendant’s failure to provide  
24 Plaintiff and other putative class members with timely, full, and/or uninterrupted rest periods.  
25 Plaintiff contended that Defendant’s employment policies, practices, and procedures required  
26 employees to perform job duties during their rest periods and prevented them from regularly  
27 receiving compliant rest periods. Plaintiff contended that they and other putative class members were  
28 required to remain on premises during rest periods and that Defendant failed to pay them rest period

1 premiums.

2           ii.       Based on Class Counsel's investigations, the rest period claims centered on  
3 the following: Plaintiff and other putative class members were expected to skip their rest periods or  
4 remain on premises during rest periods, in order to remain readily available to care for their clients.  
5 Investigations show that Plaintiff and putative class members never received a single rest period or  
6 rest period premiums during their employment with Defendant.

7           iii.       Defendant contended that to the extent Plaintiff and putative class members  
8 failed to take their rest periods, they did so voluntarily and that all applicable rest periods were still  
9 permitted and provided to them.

10          iv.       Taking this into account, the potential value of this claim was estimated to be  
11 \$11,207,473.40 (based on a violation rate of two (2) rest period premiums every workweek) and the  
12 risk-adjusted discounted value of this claim was estimated to be \$353,035.41.

13          **d.       Wages Not Timely Paid During Employment**

14          i.       Plaintiff contended that Defendant intentionally and willfully failed to timely  
15 pay Plaintiff and putative class members all wages due to them during employment, under California  
16 Labor Code sections 204 and 210. Under California Labor Code section 210, either a statutory  
17 penalty or a civil penalty through PAGA may be recovered for a violation of California Labor Code  
18 section 204, but not both. Therefore, the value of this claim is considered as a part of the valuation  
19 of the PAGA claim contained *infra*.

20          **e.       Wages Not Timely Paid After Termination (and Waiting-Time Penalties)**

21          i.       Plaintiff contended that Defendant intentionally and willfully failed to pay  
22 Plaintiff and putative class members all wages due to them upon termination, within the time period  
23 permissible under California law, thereby triggering waiting-time penalties under California Labor  
24 Code sections 203. For example, Plaintiff alleged that she and putative class members are entitled  
25 to unpaid wages arising from, *inter alia*, off-the-clock work, as well as meal and rest period  
26 premiums.

27          ii.       Defendant was adamant that no waiting-time penalties should be awarded.  
28 Defendant pointed out that waiting-time penalties are derivative of each and every other underlying

1 alleged California Labor Code violation. Defendant further contended that it paid the terminated  
2 employees all wages due and owing, and that even if Plaintiff and putative class members are due  
3 some amount, there is a good faith dispute as to the amount of such further compensation.  
4 Additionally, Defendant argued that waiting-time penalties are barred because the premium  
5 payments called for by Labor Code section 226.7 do not constitute wages. Moreover, Defendant  
6 emphasized that, under California Labor Code section 203, employees are only obligated to pay  
7 waiting-time penalties if the failure to pay wages is “willful” and that there was no willful failure to  
8 pay wages in this case.

9           iii.       The value of this claim was calculated based on the fact that approximately  
10 seven hundred twelve (712) putative class members had been terminated during the three-year  
11 statute of limitations (i.e., from August 24, 2018). Based on Class Counsel’s investigations and  
12 analysis, if all of these individuals were not timely paid all wages due to them upon termination, the  
13 potential value of waiting-time penalties was estimated to be \$2,566,617.60 collectively (712  
14 individuals x [30 days x hourly rate of \$15.02 x 8 hours]), or approximately \$3,604.80 per individual,  
15 and the risk-adjusted discounted value of this claim was estimated to be \$80,848.46.

16           **f.       Failure to Provide Compliant Wage Statements**

17           i.       Plaintiff alleged that Defendant failed to provide accurate and itemized wage  
18 statements to Plaintiff and putative class members. Plaintiff’s wage statement claim is derivative of  
19 the allegations that Defendant failed to accurately account for all hours worked by, and pay all  
20 compensation due to, putative class members, i.e., the claims for unpaid wages, meal violations, and  
21 rest violations, discussed above.

22           ii.       Defendant contended that Plaintiff and putative class members suffered no  
23 actual injury from the alleged wage statement violations, and that to the extent any wage statements  
24 were inaccurate, they were not inaccurate due to a knowing and intentional violation. Defendant also  
25 contended that this alleged violation is entirely derivative of the foregoing allegations.

26           iii.       The value of this claim was calculated based on the fact that approximately  
27 four thousand three hundred and sixty-four (4,364) putative class members worked during the one-  
28 year statutory limitations period (i.e., from September 6, 2022 to March 20, 2024), and that these

putative class members worked a total of one hundred and one thousand two hundred and seventy-one (101,271) PAGA pay periods. Based on Class Counsel's investigations and analysis, it was determined that the estimated potential value of this claim is \$9,908,900.00 ([4,364 initial violations x \$50 statutory penalty] + [96,907 subsequent violations x \$100 statutory penalty]) and the risk-adjusted discounted value of this claim was estimated to be \$312,130.35.

**g. Failure to Maintain Requisite Payroll Records**

i. Plaintiff alleged that Defendant had intentionally and willfully failed to keep accurate and complete payroll records showing the hours worked daily by, and the wages paid to, Plaintiff and the putative class members, by failing to account for all time worked by and pay all wages due to Plaintiff and putative class members. Plaintiff's payroll records claim is derivative of the allegations that Defendant failed to accurately account for all hours worked by, and pay all compensation due to, putative class members, i.e., the claims for unpaid wages, meal violations, and rest violations, discussed above. Plaintiff also alleged that Defendant's intentional and willful failure to keep accurate payroll records violated the statutorily-protected right to accurate and complete payrolls records, and that Plaintiff and the putative class members have suffered injury and damage as a result.

ii. Under California Labor Code section 1174.5, a willful violation of the employer's recordkeeping obligations set forth in Labor Code 1174(d) is subject to a civil penalty of \$500. Arguably, however, this civil penalty would only be recoverable by the Labor Commissioner. Therefore, the value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.

**h. Failure to Reimburse Necessary Business Expenses**

i. Plaintiff contended she and other putative class members were required to incur expenses in the course of their work, and that Defendant failed to reimburse them for these expenses.

ii. Defendant contended that its policies and practices complied with California law in that they required reimbursement of all necessary business expenses.

///

1           iii.       Based on Class Counsel’s investigations and analysis, the expense  
2 reimbursement claim centered on the following: the costs associated with the use of personal cell  
3 phones for work duties, the costs associated with the usage of personal vehicles for work duties, the  
4 costs of purchasing supplies for work duties, and the costs of purchasing work-appropriate footwear,  
5 and these alleged unreimbursed expenses totaled, on average, approximately \$738 annually for each  
6 person.

7           iv.       Taking into account these facts, the potential value of this claim was estimated  
8 to be \$5,223,190.00 (using a violation rate of \$14.00 unreimbursed expenses per workweek) and the  
9 risk-adjusted discounted value of this claim was estimated to be \$97,934.81.

10           i.       **PAGA Penalties**

11           i.       Plaintiff contended that Defendant’s above-discussed conduct, namely,  
12 failure to pay for all hours worked, provide compliant meal and rest periods, timely pay wages,  
13 provide compliant wage statements, maintain payroll records, reimburse expenses, etc., gave rise to  
14 civil penalties recoverable under the Private Attorneys General Act, California Labor Code sections  
15 2698, *et seq.* A PAGA recovery at trial would represent a recovery of civil penalties (as opposed to  
16 compensation for individual damages), normally only recoverable by the State of California, and  
17 would be distributed 75% to the State of California and 25% to the aggrieved employees. Cal. Lab.  
18 Code § 2699(i).

19           ii.       Defendant contended that violations of multiple provisions of the California  
20 Labor Code do not give rise to cumulative penalties for each separate California Labor Code  
21 provision that is, arguably, violated during a pay period. Defendant also contended that the trial court  
22 exercises discretion and may reduce the penalties to be assessed against the employer and that the  
23 trial court was unlikely to assess cumulative penalties for the maximum number of possible, separate  
24 California Labor Code violations. Cal. Lab. Code § 2699(e)(1); Cal. Lab. Code § 2699(e)(2)(“[A]  
25 court may award a lesser amount than the maximum civil penalty amount specified by this part if,  
26 based on the facts and circumstances of the particular case, to do otherwise would result in an award  
27 that is unjust, arbitrary and oppressive, or confiscatory); *Thurman v. Bayshore Transit Management,*  
28 *Inc.* (2012) 203 Cal.App.4th 1112, 1136 (holding that a court may reduce the amount of PAGA

1 penalties awarded to an employee based upon discretionary factors other than the employer's ability  
2 to pay.). Defendant also maintained and continues to maintain that it had legally-compliant  
3 employment policies and practices throughout the statutory period. Defendant denied and continues  
4 to deny that it ever violated any provision of the California Labor Code and argued, that, even if,  
5 *arguendo*, such violations occurred, Defendant will not be treated as having engaged in subsequent  
6 violations giving rise to heightened penalties unless it could be shown to have notice that it was  
7 violating the law. See, e.g., *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.4th 1157, 1209. Defendant  
8 argued that it would be able to show a lack of willfulness in the violations, such that the alleged  
9 California Labor Code violations would not be considered "willful."

10           iii.           Importantly, Class Counsel took into consideration that, to prevail on the  
11 PAGA claim, some courts have required plaintiffs to show at the outset that they have suffered  
12 injury, in order to establish standing, and that Plaintiff would also have to prove all requisite elements  
13 to prove violations of the underlying California Labor Code provisions, in order to show that  
14 Defendant's conduct gives rise to penalties. There was the risk of possible bifurcation of discovery  
15 and/or trial of the PAGA claim—multiple courts have taken such an approach. See *Amalgamated*  
16 *Transit Union, Local 1756 v. Superior Court* (2009) 46 Cal.4th 993, 1001 (Noting that PAGA  
17 "require[s] a plaintiff to have suffered an injury resulting from an unlawful action"); *Stafford v.*  
18 *Dollar Tree Stores, Inc.* (E.D. Cal. Nov. 21, 2014) 2014 WL 6633396, \*4 (Court found that judicial  
19 economy supported bifurcation because of the difficulties and inherent uncertainties of being able  
20 to establish liability with respect to a large number of potentially aggrieved employees and noted  
21 that "PAGA's public purpose would be ill-served if the court finds [the plaintiff] has not been  
22 aggrieved by a Labor Code violation"); *Grappo v. Coventry Fin. Corp.* (1991) 235 Cal.App.3d 496,  
23 504 (Trial courts have "broad discretion to determine the order of proof in the interest of judicial  
24 economy"); see also Cal. Code Civ. Proc. § 598 (The court may "when the convenience of witnesses,  
25 the ends of justice, or the economy and efficiency of handling the litigation would be promoted  
26 thereby, on motion of a party, after notice and hearing, make an order. . . that the trial of any issue  
27 or any part thereof shall precede the trial of any other issue or any part thereof in the case[.]"); Cal.  
28 Code Civ. Proc. § 1048(b) (Court can separate trial of any cause of action or of any separate issue

1 in the interest of convenience or to avoid prejudice); Cal. Code Civ. Proc. § 2019.020(b) (Courts  
2 have the power to “establish the sequence and timing of discovery for the convenience of parties and  
3 witnesses and in the interests of justice”); see *Horton v. Jones* (1972) 26 Cal.App.3d 952, 955  
4 (Bifurcation and sequencing of litigation is allowed to avoid waste of time and money on trial and  
5 litigation of issues could be rendered made moot.)

6 iv. Defendant aggressively contended that Plaintiff did not meet legal  
7 requirements to be able to pursue civil penalties under PAGA. Defendant argued that Plaintiff would  
8 not be able to establish violations of the underlying California Labor Code provisions and the  
9 fundamental allegations regarding overtime and meal and rest periods. For the reasons discussed  
10 above, there were substantial challenges to showing liability and exposure for these claims.  
11 Defendant pointed to case law that held that, given the derivative nature of a PAGA claim, it would  
12 stand or fall based on the claims from which it derives, and the success of showing, *inter alia*, off-  
13 the-clock work, failure to properly pay wages, failure to reimburse for expenses, etc.

14 v. Class Counsel was also aware of case law indicating that courts have  
15 attributed little separate value to PAGA claims, for example, allowing them to be resolved for \$0  
16 where the other underlying California Labor Code claims are being resolved, or, assessing much  
17 lower amounts of civil penalties against employers than are sought. See *e.g.*, *Magadia v. Wal-Mart*  
18 *Assocs.* (N.D. Cal. 2019) 384 F. Supp. 3d 1058, 1100-1101, 1103-1104, 1111 (finding that, under  
19 Labor Code § 2699(e)(2), “the Court has broad discretion to award PAGA penalties as the Court  
20 sees fit” and reducing the PAGA penalty award significantly from the maximum penalties possible;  
21 *Morales v Bridgestone Retail Operations LLC*, Orange County Superior Court No. 30-2017-  
22 00900244 (Aug. 2, 2018) (of \$7 million PAGA penalties requested, the court awarded \$425,000);  
23 *Carrington v Starbucks Corp.* (2018) 30 Cal.App.5th 504, 517, 529 (of \$75 million in penalties  
24 sought, the court affirmed the trial court’s \$150,000 PAGA penalty award based on 30,000  
25 violations, which reduced the penalty rate to \$5 per violation); *Arnold v San Diego Second Chance*  
26 *Program*, San Diego County Superior Court No. 37-2016-00018375 (Dec. 18, 2017) (no PAGA  
27 penalties awarded); *Felczer v Apple Inc.*, San Diego County Superior Court No. 37-2011-00102593  
28 (Sept. 13, 2017) (no PAGA penalties awarded); *In re Taco Bell Wage and Hour Actions* (E.D. Cal.

Apr. 8, 2016) No. 1:07-cv-01314-SAB, 2016 U.S. Dist. LEXIS 48557 at \*41 (the court declined to award PAGA penalties after trial); *Allen v American Multi-Cinema*, Alameda County Superior Court No. RG11585502 (July 24, 2016) (no PAGA penalties awarded); *Atempa v Pama*, San Diego County Superior Court (July 31, 2015) (of PAGA penalties of \$456,133 sought, the court awarded \$197,434.00); *Driscoll v Granite Rock*, Santa Clara County Superior Court No. 1-08-cv-103426 (Sept. 20, 2011) (the court declined to award PAGA penalties); *Fleming v Covidien, Inc.*, No. ED CV10-01487 RGK (OPx) (C.D. Cal. Aug. 12, 2011) 2011 U.S. Dist. LEXIS 154590 at \*\*8-9 (of \$2,800,000 PAGA penalties requested, the court awarded \$500,000); *Thurman v Bayshore Transit Mgmt., Inc.* (2012) 203 Cal.App.4th 1112, 1119, 1135, disapproved on other grounds in *ZB, N.A. v Superior Court* (2019) 8 Cal. 5th 175, 196 n.8 (of \$512,000 PAGA penalties requested, the court awarded \$358,588); *Guifi Li v A Perfect Day Franchise, Inc.*, No. 5:10-CV-01189-LHK (N.D. Cal. June 15, 2012) 2012 U.S. Dist. LEXIS 83677 at \*\*51-52 (of \$3,334,942 PAGA penalties requested, the court ordered a \$2,764,896 default judgment after jury dismissed); *Aguirre v Genesis Logistics*, No. SACV 12-00687-JVS (ANx) (C.D. Cal. Dec. 30, 2013) 2013 U.S. Dist. LEXIS 189820 at \*\*6-7 (of \$1,800,000 PAGA penalties requested, the court awarded \$500,000); *Halevi v Aroma Bakery Café, Inc.*, Los Angeles County Superior Court No. 468146 (Aug. 30, 2013) (the court declined to award PAGA penalties after trial awarding wages to class on the basis that, *inter alia*, the lawsuit was not prompted by availability of PAGA penalties, penalties were not necessary to remedy ongoing or future violations, because corporate defendants corrected violations and were no longer in business, and plaintiffs did not offer evidence establishing imposition of penalties on individual defendants would not be confiscatory).

vi. The potential value of this claim was calculated based on the approximately four thousand three hundred and sixty-four (4,364) aggrieved employees who worked during the one-year statutory period; the potential value of civil penalties, which the Court could determine whether or not to assess and whether or not to reduce, were estimated to be approximately \$8,509,800.00 (using the statutorily-delineated penalty amounts under California Labor Code sections 558, 226.3, 1197.1, 210, 2699(f), and 1174.5, in the amount of \$1,950 per person) and the risk-adjusted discounted value of this claim was estimated to be \$223,382.25.

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

30. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of Plaintiff, the Class Members, and State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the case, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

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

Executed on this 18th day of April 2025, at Glendale, California.



Yasmin Hosseini

# **EXHIBIT 1**



September 6, 2023

**BY ONLINE SUBMISSION**

California Labor & Workforce Development Agency  
PAGAFilings@dir.ca.gov

**Re: INLAND RESPITE, INC.**

Dear Representative:

We have been retained to represent Lolita Galvan against Inland Respite, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as “(Inland”) for violations of California wage-and-hour laws. Ms. Galvan seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”) and all other remedies available under PAGA.

Ms. Galvan seeks these remedies on behalf of the State of California and “aggrieved employees,” as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Inland employed Ms. Galvan as an hourly-paid, non-exempt employee in the State of California. Ms. Galvan is an “aggrieved employee” as defined by California Labor Code section 2699 because she was employed by Inland and she suffered one or more of the alleged violations, as demonstrated below.

The “aggrieved employees” that Ms. Galvan may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, Inland has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders.

Inland required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Inland rounded the work time recorded by aggrieved employees in a manner that was not fair and neutral on its face and/or that favored Inland over time, resulting in aggrieved employees being underpaid for their time worked.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Ms. Galvan and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Ms. Galvan and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Inland required Ms. Galvan and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods. Inland also required aggrieved employees to stay on work premises during rest periods.

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, Inland failed to pay Ms. Galvan and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

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, Inland failed to pay Ms. Galvan and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Inland did not provide Ms. Galvan and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Inland were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Ms. Galvan and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Ms. Galvan and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Ms. Galvan and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Ms. Galvan and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Ms. Galvan and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 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, Inland failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Ms. Galvan and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Inland did not provide Ms. Galvan and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Inland failed to pay Ms. Galvan and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Ms. Galvan and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Inland failed to pay Ms. Galvan and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Ms. Galvan and the other aggrieved employees

were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee 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. During the relevant time period, Ms. Galvan and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Inland.

Therefore, on behalf of all aggrieved employees, Ms. Galvan seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,



Meg Razi, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

[Inland Respite, Inc.  
c/o William M. Betley  
Nicholas T. Spencer  
ATKINSON, ANDELSON, LOYA, RUUD & ROMO  
Attorneys  
3880 Lemon Street, Suite 350  
Riverside, California 92501-3667

# **EXHIBIT 2**

**JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE**

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Lolita Galvan (“Plaintiff” or “Class Representative”), individually, on behalf of all others similarly situated and on behalf of the State of California with respect to PAGA Group Members (as defined herein), and Defendant Inland Respite, Inc. (“Defendant”) (collectively, Plaintiff and Defendant are referred to as the “Parties”).

This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as defined herein), PAGA Group Members (as defined herein), the State of California with respect to PAGA Group Members (as set forth herein) and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

## RECITALS

1. On August 24, 2021, Plaintiff filed a Class Action Complaint for Damages, thereby commencing a putative class action entitled *Lolita Galvan v. Inland Respite, Inc.*, in the Superior Court of California for the County of Riverside, Case No. CVRI2103857 (“Action”) against Defendant. The Action alleges that Defendant failed to reimburse necessary business-related expenses in violations of the California Labor Code.

2. On September 6, 2023, Plaintiff provided notice by electronic upload to the Labor and Workforce Development Agency (“LWDA”) and written notice by certified mail to Defendant of the specific provisions of the California Labor Code that were violated (“PAGA Notice”).

3. The Parties agree that in order to effectuate the terms of the Settlement, Plaintiff filed or will file a First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* (“Operative Complaint”) to add causes of action against Defendant for violations of the California Labor Code for failure to pay minimum and overtime wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during and after employment and pay associated waiting-time penalties, provide compliant wage statements, maintain requisite payroll records, and for violations of California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil

penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* (“PAGA”) based on the aforementioned California Labor Code violations.

4. Defendant denies all material allegations set forth in the Action and Operative Complaint and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Action, the Released Class Claims, and the Released PAGA Claims.

5. Class Counsel in the Action diligently investigated the claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of a volume of information, data, and documents obtained from Plaintiff, Defendant, and other sources, and review of Defendant’s employment and operations policies, practices, and practices.

6. On November 9, 2023, the Parties participated in mediation with Honorable Lesley Green (Ret.) (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 settlement discussions were conducted at arm’s-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 the information, documents, and data obtained, and Class Counsel’s own independent 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 and the State of California 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.

7. 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 the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

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## DEFINITIONS

8. 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 for Class Counsel’s litigation and resolution of the Action and all actual costs incurred and to be incurred by Class Counsel in the Action, as set forth in Paragraph 10 below.

b. “Class Counsel” means Arby Aiwarzian, Joanna Ghosh, Yasmin Hosseini, and Arianna Razi of Lawyers *for* Justice, PC, who will seek to be appointed counsel for the Class.

c. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member’s last-known full name, mailing address, telephone number, Social Security Number, hire date, termination date and the number of Pay Periods and/or PAGA Pay Periods worked for Defendant in California during the Class Period and/or PAGA Period, and such other information as is necessary for the Settlement Administrator to calculate the workweeks during the time period from August 24, 2017, to October 31, 2023, and the Pay Periods and PAGA Pay Periods (as defined below).

d. “Class Member(s)” or “Class” means all current and former hourly-paid or non-exempt employees of Defendant within the State of California who performed work for Defendant at any time during the Class Period. Defendant represents that the number of Class Members is approximately 4,574 individuals.

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

f. “Class Period” means the time period from August 24, 2017, through March 20, 2024.

g. “Class Representative” or “Plaintiff” means Lolita Galvan.

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

i. “Court” means the Superior Court of the State of California for the County of Riverside.

j. “Defendant” means Inland Respite, Inc.

k. “Defendant’s Counsel” means William M. Betley and April Szabo of Atkinson, Andelson, Loya, Rudd & Romo.

l. “Effective Date” means the later of (a) the day after the last day on which any appeal might be filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date of successful resolution of any appeal(s) with respect to Final Approval Order and Judgment – including expiration of any time to seek reconsideration of further review.

m. “Employer Taxes” means the employer’s share of applicable payroll taxes due on the portion of Individual Settlement Shares allocated to wages, which shall be paid by Defendant in addition to the Total Settlement Amount.

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

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

p. “Individual PAGA Payment” means the *pro rata* share of the PAGA Group Member Amount that a PAGA Group Member may be eligible to receive for the PAGA Settlement, to be calculated in accordance with Paragraph 15.

q. “Individual Settlement Payment” means the net payment of each Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided herein.

r. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in accordance with Paragraph 14.

s. “LWDA Payment” means the amount of One Hundred Sixty Thousand Three Hundred and Twelve Dollars and Fifty Cents (\$160,312.50), i.e., 75% of the PAGA Penalty Amount,

1 that the Parties have agreed to pay to the State of California for the PAGA Settlement, as set forth in  
2 Paragraph 13.

3 t. “Net Settlement Amount” means the portion of the Total Settlement Amount that  
4 is available for distribution to Settlement Class Members, which is the Total Settlement Amount less the  
5 Court-approved Class Representative Enhancement Award, Settlement Administration Costs, PAGA  
6 Penalty Amount, and Attorneys’ Fees and Costs.

7 u. “Objection” means a Class Member’s objection to the Class Settlement, which can  
8 be made orally at the Final Approval Hearing and/or in writing on or before the Response Deadline. A  
9 written Objection must: (a) contain the case name and number of the Action; (b) contain the Class  
10 Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security  
11 Number; (c) contain a written statement of all grounds for the objection accompanied by any legal support  
12 for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection  
13 is based; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked  
14 on or before the Response Deadline. Only Class Members who do not opt out of the Class Settlement  
15 (i.e., Settlement Class Members) can object to the Class Settlement. Neither Class Members nor PAGA  
16 Group Members can object to the PAGA Settlement.

17 v. “PAGA Group Member(s)” or “PAGA Group” means all current and former  
18 hourly-paid or non-exempt employees of Defendant within the State of California who performed work  
19 for Defendant at any time during the PAGA Period.

20 w. “PAGA Group Member Amount” means the amount of Fifty-Three Thousand  
21 Four Hundred Thirty-Seven Dollars and Fifty Cents (\$53,437.50), i.e., 25% of the PAGA Penalty  
22 Amount, to be distributed to the PAGA Group Members on a *pro rata* basis based on their PAGA Pay  
23 Periods.

24 x. “PAGA Penalty Amount” means the allocation of Two Hundred Thirteen  
25 Thousand Seven Hundred and Fifty Dollars (\$213,750.00) from the Total Settlement Amount for the  
26 settlement and resolution of the Released PAGA Claims. Seventy-five percent (75%) of the PAGA  
27 Allocation, or \$160,312.50, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining  
28

twenty-five percent (25%), or \$53,437.50, will be distributed to PAGA Group Members (i.e., the PAGA Group Member Amount).

y. “PAGA Period” means September 6, 2022, through March 20, 2024.

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

aa. “PAGA Pay Periods” means PAGA Group Members’ number of Pay Periods (as defined below) during the PAGA Period.

bb. “Pay Periods” means the number of calendar pay periods each Class Member performed work for Defendant as an hourly-paid or non-exempt employee in California during the Class Period, which will be calculated by the Settlement Administrator by verifying the number of bi-weekly wage statements received by each Class Member during the Class Period. “Pay Periods” means any pay period for which a Class Member received a wage statement, during the Class Period.

cc. “Pay Periods Dispute” means a Class Member’s written letter disputing the pre-printed information on the Class Notice as to his or her Pay Periods, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) clearly state that the Class Member disputes of the number of Pay Periods credited to him or her and what he or she contends is the correct number to be credited to him or her; (d) attach any documentation that he or she has to support the dispute; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

dd. “Parties” means Plaintiff and Defendant, collectively, and “Party” means either Plaintiff or Defendant.

ee. “Preliminary Approval” means entry of the Court order granting preliminary approval of the Settlement Agreement.

ff. “Released Class Claims” means all claims under state, federal, or local law which are pled in the Operative Complaint or that could have been pled based on the factual allegations in the Operative Complaint, arising during the Class Period, including and not limited to, claims under the California Labor Code, Wage Orders, regulations, and/or other provisions of law for: (1) failure to pay

overtime wages under Labor Code Sec. 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums under Labor Code Sec. 226.7, 512; (3) failure to provide rest periods and/or pay rest period premiums under Labor Code Sec. 226.7; (4) failure to pay minimum wages under Labor Code Sec. 1194, 1197, 1197.1; (5) failure to timely pay wages upon termination under Labor Code Sec. 201, 202; (6) failure to timely pay wages during employment under Labor Code Sec. 204; (7) failure to provide accurate, itemized wage statements under Labor Code Sec. 226; (8) failure to keep requisite payroll records under Labor Code Sec. 1174(d); (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802; (10) violation of California’s unfair competition law under Business and Professions Code Sec. 17200 for the aforementioned.

gg. “Released PAGA Claims” means all claims for civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”) alleged in the contemplated PAGA notice letter and Operative Complaint, arising during the PAGA Period, for Defendant’s alleged (1) failure to pay overtime wages under Labor Code Sec. 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums under Labor Code Sec. 226.7, 512; (3) failure to provide rest periods and/or pay rest period premiums under Labor Code Sec. 226.7; (4) failure to pay minimum wages under Labor Code Sec. 1194, 1197, 1197.1; (5) failure to timely pay wages upon termination under Labor Code Sec. 201, 202; (6) failure to timely pay wages during employment under Labor Code Sec. 204; (7) failure to provide accurate, itemized wage statements under Labor Code Sec. 226; (8) failure to keep requisite payroll records under Labor Code Sec. 1174(d); (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802.

hh. “Released Parties” means Defendant and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Settlement Class Members or PAGA Group Members, as well as each of their officers, directors, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns or legal representatives.

ii. “Request for Exclusion” means a Class Member’s written request to be excluded from the Class Settlement. A Request for Exclusion must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four

(4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. In accordance with California law, PAGA Group Members may not exclude themselves from the PAGA Settlement.

jj. “Response Deadline” means the deadline by which Class Members must submit a Request for Exclusion, written Objection, and/or Pay Periods Dispute, which shall be the date that is sixty (60) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the 60<sup>th</sup> day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen (15) calendar days from the initial Response Deadline.

kk. “Settlement Administrator” means Simpluris, Inc., or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering this Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest. Defendant and Defendant’s counsel shall not enter into any contractual relationship with the Settlement Administrator.

ll. “Settlement Administration Costs” means the costs payable from the Total Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this Settlement, as set forth in Paragraph 12 below.

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

nn. “Total Settlement Amount” means the amount of Four Million Two Hundred and Seventy-Five Thousand Dollars (\$4,275,000.00) to be paid by Defendant in full resolution of all Released Class Claims, Released PAGA Claims, and the Action, which includes all Attorneys’ Fees and Costs, Class Representative Enhancement Award, PAGA Penalty Amount to be paid to the State of California and PAGA Group Members, Net Settlement Amount to be paid to the Settlement Class Members, and Settlement Administration Costs. Defendant shall pay the Employer Taxes separately and in addition to

1 the Total Settlement Amount. The Total Settlement Amount is subject to increase, as provided in  
2 Paragraph 35 below. Defendant shall provide any documents or declarations required by the Court to  
3 support claims of financial distress as necessary to support approval of the Settlement.

4 **CLASS CERTIFICATION**

5 9. For the purposes of this settlement only, the Parties stipulate to the certification of the  
6 Class.

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

13 **TERMS OF AGREEMENT**

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

16 11. Funding and Disbursement of the Total Settlement Amount. Within fifteen (15) calendar  
17 days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting  
18 estimate of the amounts to be paid by Defendant pursuant to the terms of the Settlement and establish a  
19 qualified settlement account for administration of the Settlement. Defendant will make a deposit of one-  
20 half (1/2) of the Total Settlement Amount (i.e., \$2,137,500.00) into a settlement account established by  
21 the Settlement Administrator ("First Installment") thirty (30) calendar days after Final Approval. Within  
22 one (1) year after payment of the First Installment, Defendant will make a deposit of the remaining one-  
23 half (1/2) of the Total Settlement Amount (i.e., \$2,137,500.00) plus an amount sufficient for Employer's  
24 Taxes into a settlement account established by the Settlement Administrator ("Second Installment").  
25 Within seven (7) calendar days of full funding of the Total Settlement Amount and an amount sufficient  
26 for Employer Taxes, the Settlement Administrator will issue payments due under the Settlement and  
27 approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members;  
28 (b) Individual PAGA Payments to PAGA Group Members; (c) LWDA Payment to the State of

1 California; (d) Class Representative Enhancement Award to Plaintiff; (e) Attorneys' Fees and Costs to  
2 Class Counsel; and (f) Settlement Administration Costs to itself (the Settlement Administrator). The  
3 Settlement Administrator will also undertake filings and remittances in connection with the employee's  
4 share of taxes on the wages portion of Individual Settlement Shares and the Employer Taxes, that are  
5 necessary for administration of the Settlement.

6 12. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose  
7 attorneys' fees of up to thirty-five percent (35%) of the Total Settlement Amount (i.e., up to  
8 \$1,496,250.00 if the Total Settlement Amount is \$4,275,000.00) and reimbursement of actual costs and  
9 expenses associated with Class Counsel's litigation and settlement of the Action, supported by  
10 declaration, in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00), both of which will be  
11 paid from the Total Settlement Amount subject to Court approval. These amounts will cover any and  
12 all work performed and any and all costs incurred by Class Counsel in connection with the litigation of  
13 the Action, including without limitation all work performed and costs incurred to date, and all work to  
14 be performed and all costs to be incurred in connection with obtaining the Court's approval of this  
15 Settlement Agreement, including any objections raised and any appeals necessitated by those objections.  
16 Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for  
17 tax purposes and for paying any taxes on the amounts received. With respect to the Attorneys' Fees and  
18 Costs to Class Counsel, the Settlement Administrator may purchase an annuity to utilize United States  
19 Treasuries and bonds or utilize other attorney fee deferral vehicles, for Class Counsel and any additional  
20 expenses for doing so shall be paid separately by Class Counsel and shall not be included within the  
21 Settlement Administration Costs. Defendant and Defendant's Counsel shall not be liable for any  
22 expenses associated with the purchase or use of any attorney fee deferral vehicles for Class Counsel by  
23 the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested  
24 the Attorneys' Fees and Costs to Class Counsel, neither Plaintiff nor Class Counsel shall have the right  
25 to revoke this Agreement, and it will remain binding. Any portion of the Attorneys' Fees and Costs not  
26 awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit of Settlement  
27 Class Members.  
28

1           13.    Class Representative Enhancement Award. In recognition of his efforts and work in  
2 prosecuting the Action, Defendant agrees not to oppose or impede any application or motion for an  
3 Enhancement Award to Plaintiff in an amount up to Fifteen Thousand Dollars (\$15,000.00). The Class  
4 Representative Enhancement Award, which will be paid from the Total Settlement Amount, subject to  
5 Court approval, will be in addition to his Individual Settlement Payment and Individual PAGA Payment  
6 that is to be paid pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099  
7 to Plaintiff for the Enhancement Award, and Plaintiff shall be solely and legally responsible for correctly  
8 characterizing this compensation for tax purposes and for paying any taxes on the amounts received.  
9 Should the Court approve the Class Representative Enhancement Award to Plaintiff in an amount that  
10 is less than that set forth above, Plaintiff shall not have the right to revoke this Agreement, and it will  
11 remain binding, and the difference between the lesser amount approved by the Court and the amount  
12 allocated toward the Class Representative Enhancement Award will be part of the Net Settlement  
13 Amount for the benefit of Settlement Class Members.

14           14.    Settlement Administration Costs. The Settlement Administrator will be paid for the  
15 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,  
16 which is currently estimated not to exceed Thirty-Five Thousand Dollars (\$35,000.00). These costs,  
17 which will be paid from the Total Settlement Amount, subject to Court approval, will include, *inter alia*,  
18 translating the Class Notice into Spanish, printing, distributing, and tracking Class Notices and other  
19 documents for this Settlement, calculating and distributing payments due under the Settlement, issuing  
20 of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances,  
21 providing necessary reports and declarations, and other duties and responsibilities set forth herein to  
22 process this Settlement, and as requested by the Parties. To the extent actual Settlement Administration  
23 Costs are greater than the estimated amount stated herein, such excess amount will be deducted from the  
24 Total Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated,  
25 and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the  
26 Settlement Administrator to undertake the requirement settlement administration duties will be part of  
27 the Net Settlement Amount for the benefit of Settlement Class Members. Plaintiff, Class Counsel,  
28 Defendant, and Defendant's Counsel shall not bear any responsibility for the Settlement Administrator's

errors or omissions in the calculation or distribution of the payments under the Settlement or the development of the list of recipients of payments under the Settlement.

15. PAGA Penalty Amount. Subject to approval by the Court, the Parties agree that the amount of Two Hundred Thirteen Thousand Seven Hundred and Fifty Dollars (\$213,750.00) from the Total Settlement Amount will be allocated toward penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* (i.e., the PAGA Penalty Amount), of which seventy-five percent (75%), or \$160,312.50, will be paid to the State of California (i.e., the LWDA Payment) and twenty-five percent (25%) or, \$53,437.50, will be distributed to PAGA Group Members (i.e., the PAGA Group Member Amount) on a *pro rata* basis, based on their number of PAGA Pay Periods (i.e., the Individual PAGA Payment).

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

a. After Preliminary Approval of the Settlement, to determine the estimated Individual Settlement Shares (for purposes of mailing the Class Notice), the Settlement Administrator will use the following formula: Net Settlement Amount will be divided by the aggregate total number of Pay Periods of all Class Members, resulting in the "Estimated Pay Period Value." Each Class Member's estimated Individual Settlement Share will then be calculated by multiplying each individual Class Member's total number of Pay Periods by the Estimated Pay Period Value.

b. After Final Approval of the Settlement, to determine the final Individual Settlement Share (for purposes of distribution of payments under the Settlement), the Settlement Administrator will divide the final, Court-approved Net Settlement Amount by the Pay Periods of all Settlement Class Members to yield the "Final Pay Period Value," and multiply each Settlement Class Member's individual Pay Periods by the Final Pay Period Value to yield his or her Individual Settlement Share.

17. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Group Member Amount based on the PAGA Group Members' number of PAGA Pay Period (i.e., Pay Periods during the PAGA Period) as follows: The Settlement

1 Administrator will divide the PAGA Group Member Amount, i.e., 25% of the PAGA Penalty Amount,  
2 by the total number of PAGA Pay Periods of all PAGA Group Members to yield the “PAGA Pay Period  
3 Value,” and multiply each PAGA Group Member’s individual Pay Periods by the PAGA Aggrieved Pay  
4 Period Value to yield his or her Individual PAGA Payment.

5 18. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the  
6 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually  
7 are issued to the payee. It is expressly understood and agreed that payments made under this Settlement  
8 shall not in any way entitle Plaintiff, Settlement Class Members, or PAGA Group Members to additional  
9 compensation or benefits under any new or additional compensation or benefits, or any bonus, contest  
10 or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle  
11 Plaintiff, Settlement Class Members, or PAGA Group Members to any increased retirement, 401(k)  
12 benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary  
13 language or agreement in any benefit or compensation plan document that might have been in effect  
14 during the Class Period).

15 19. Delivery of the Class List. Within twenty-one (21) calendar days of Preliminary  
16 Approval, Defendant will provide the Class List to the Settlement Administrator.

17 20. Notice by First-Class U.S. Mail.

18 a. Within fourteen (14) calendar days after receiving the Class List from Defendant,  
19 the Settlement Administrator will perform a search based on the National Change of Address Database  
20 or any other similar services available, such as provided by Experian, for information to update and  
21 correct for any known or identifiable address changes, and will mail the Court-approved Class Notice  
22 in English and Spanish to all Class Members via First-Class U.S. Mail, using the most current, known  
23 mailing addresses identified by the Settlement Administrator.

24 b. With respect to Class Notices that are returned as undeliverable on or before the  
25 Response Deadline, the Settlement Administrator will re-mail the Class Notices within five (5) calendar  
26 days to any forwarding address that is indicated on the returned Class Notice, or in the event that no  
27 such forwarding address is indicated, then, the Settlement Administrator will search for an alternate  
28

address by way of skip-trace and, if an alternate address is located, will re-mail the Class Notice within five (5) calendar days.

c. Dispute Regarding Pay Periods. The Class Notice will include the procedure by which a Class Member and/or PAGA Group Member may dispute the number of Pay Periods and/or PAGA Pay Periods allocated to him or her by submitting a timely and valid Pay Periods Dispute. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Pay Periods and/or PAGA Pay Periods to be credited to a disputing Class Member and/or PAGA Group Member, Defendant's records will be presumed correct and determinative of the dispute. However, if a Class Member or PAGA Group 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 Pay Periods and/or PAGA Pay Periods that the disputing Class Member and/or PAGA Group Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

21. Settlement Checks. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA Group Members in accordance with this Settlement Agreement. When issuing payments, the Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one check if the intended recipient for both payments is one individual. 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. All funds remaining in the Qualified Settlement Fund in connection with canceled checks shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, in the names of and for the benefit of those Settlement Class Members and/or PAGA Group Members who did not cash, deposit, or otherwise negotiate their checks, until such time that they claim their property. The Parties agree that this disposition results in no "unpaid residue"

1 under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to  
2 Settlement Class Members, whether or not they all cash, deposit, or otherwise negotiate their settlement  
3 payment checks. The Settlement Administrator shall mail a reminder postcard by First Class U.S. Mail  
4 to any Settlement Class Member and/or PAGA Group Member whose Individual Settlement Payment  
5 check and/or Individual PAGA Payment check has not been negotiated within sixty (60) calendar days  
6 after the date of mailing. The Settlement Administrator shall undertake amended and/or supplemental  
7 tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated  
8 due to the cancellation of any Individual Settlement Payment or Individual PAGA Payment checks.  
9 Settlement Class Members whose Individual Settlement Payment checks are canceled shall, nevertheless,  
10 be bound by the Class Settlement. PAGA Group Members whose Individual PAGA Payment checks are  
11 cancelled, shall, nevertheless, be bound by the PAGA Settlement.

12 22. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member  
13 wishing to be excluded from the Class Settlement must submit a Request for Exclusion to the Settlement  
14 Administrator, by mail, on or before the Response Deadline. The date of the postmark on the return  
15 mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been  
16 timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's  
17 Counsel the Requests for Exclusion that were timely submitted, and also identify the individuals who  
18 have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the  
19 Court in advance of the Final Approval Hearing. Any Class Member who submits a timely and valid  
20 Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class  
21 Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement  
22 and will not be issued an Individual Settlement Payment. However, all PAGA Group Members will be  
23 bound to the release of the PAGA Settlement and will still be issued an Individual PAGA Payment,  
24 irrespective of whether they submit a Request for Exclusion.

25 23. Procedures for Objecting to the Class Settlement. Class Members who have not opted  
26 out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement orally at  
27 the Final Approval Hearing and/or in writing on or before the Response Deadline. A written Objection  
28 must either be presented by completing and submitting the Objection Form by mail to the Settlement

1 Administrator at the specified address, postmarked on or before the Response Deadline, or by way of  
2 writing that must be signed by the Settlement Class Member and contain all information required by this  
3 Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the  
4 Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise  
5 encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval  
6 Order and Judgment. Settlement Class Members may present their objection orally at the Final  
7 Approval Hearing, irrespective of whether they submit a written Objection. The Settlement  
8 Administrator will certify jointly to Class Counsel and Defendant's Counsel the written Objections that  
9 were timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court  
10 in advance of the Final Approval Hearing.

11 24. Reports and Declarations by the Settlement Administrator Regarding Settlement  
12 Administration. The Settlement Administrator will provide Defendant's Counsel and Class Counsel a  
13 weekly report which certifies: (a) the number of Class Members and/or PAGA Group Members who  
14 have submitted a Pay Periods Dispute; (b) the number of Class Members who have submitted timely and  
15 valid Requests for Exclusion from the Class Settlement or timely and complete written Objections to  
16 the Class Settlement; and (c) the number of undeliverable and re-mailed Class Notices. Additionally,  
17 the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the  
18 administration of the Settlement Agreement as needed or requested, and immediately notify the Parties  
19 when it receives a request from an individual or any other entity regarding inclusion in the Class and/or  
20 Settlement.

21 25. Certification of Completion. Upon completion of administration of the Settlement, the  
22 Settlement Administrator will provide a written declaration under oath to certify such completion to the  
23 Court and counsel for all Parties.

24 26. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each  
25 Individual Settlement Share will be allocated as follows: twenty percent (20%) wages ("Wage Portion")  
26 and eighty percent (80%) penalties, interest, and non-wage damages ("Non-Wage Portion"). The Wage  
27 Portion will be reported on an IRS Form W-2 and the Non-Wage Portion will be reported on an IRS  
28 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 Wage 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 the employee's share of taxes and withholdings on the wages portion of their Individual Settlement Share). The Employer Taxes will be paid separately and in addition to the Total 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.

27. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Group Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all payroll taxes, contributions, and withholdings to the appropriate government authorities.

28. 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 Group Members understand and agree that, except for Defendant's payment of Employer Taxes, they will be solely responsible for correctly characterizing any compensation received under the Settlement on his/her personal income tax returns and paying any and all taxes due for any and all amounts paid to them under the Settlement.

29. 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

1 AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS,  
2 HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING  
3 TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT  
4 ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION  
5 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND  
6 (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY  
7 ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY  
8 BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO  
9 ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE  
10 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES  
11 (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON  
12 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX  
13 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED  
14 BY THIS SETTLEMENT AGREEMENT.

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

19 31. Release of Claims by Settlement Class Members and the State of California.

20 a. Release of Released Class Claims. Upon the Effective Date and full funding of  
21 the Total Settlement Amount, Plaintiff and all Class Members who do not submit a timely and valid  
22 Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever  
23 released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class  
24 Claims, whether known or unknown. However, to be clear, the scope of the release is limited to the  
25 Released Class Claims. By virtue of this Agreement, Plaintiff and the Settlement Class Members shall be  
26 deemed to have, and by operation of the Final Approval Order and Judgment and upon the Effective Date  
27 and full funding of the Total Settlement Amount, shall have, fully, finally, and forever settled and released  
28 all of the Released Class Claims. The Parties understand and specifically agree that the scope of the

1 release described in this paragraph is a material part of the consideration for this Agreement; was critical  
2 in justifying the agreed upon economic value of this settlement and without it Defendant would not have  
3 agreed to the consideration provided; and is narrowly drafted and necessary to ensure that Defendant is  
4 obtaining peace of mind regarding the resolution of claims that were or could have been alleged based on  
5 the facts, causes of action, and legal theories contained in the Operative Complaint.

6           b.     Release of Released PAGA Claims. Upon the Effective Date and full funding of  
7 the Total Settlement Amount, Plaintiff, and the State of California with respect to the PAGA Group  
8 Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished,  
9 and discharged the Released Parties of all Released PAGA Claims. However, to be clear, the scope of  
10 the release is limited to the Released PAGA Claims. By virtue of this Agreement, Plaintiff and the State  
11 of California with respect to the PAGA Group Members shall be deemed to have, and by operation of  
12 the Final Approval Order and Judgment and upon the Effective Date and full funding of the Total  
13 Settlement Amount, shall have, fully, finally, and forever settled and released all of the Released PAGA  
14 Claims. The Parties understand and specifically agree that the scope of the release described in this  
15 paragraph is a material part of the consideration for this Agreement; was critical in justifying the agreed  
16 upon economic value of this settlement and without it Defendant would not have agreed to the  
17 consideration provided; and is narrowly drafted and necessary to ensure that Defendant is obtaining peace  
18 of mind regarding the resolution of claims that were or could have been alleged based on the facts, causes  
19 of action, and legal theories contained in the Operative Complaint.

20           c.     The *res judicata* effect of the Final Approval Order and Judgment will be the  
21 same as that of the Class Settlement (and release of Released Class Claims), with respect to the  
22 Settlement Class Members. The *res judicata* effect of the Final Approval Order and Judgment will be  
23 the same as that of the PAGA Settlement (and release of Released PAGA Claims), with respect to the  
24 State of California and PAGA Group Members.

25           32.     General Release of Claims by Plaintiff. In addition, upon the Effective Date and full  
26 funding of the Total Settlement Amount, Plaintiff will be deemed to have fully released and discharged  
27 the Released Parties of and from all claims arising from her application for employment with Defendant,  
28 employment with Defendant, separation of employment from Defendant, and any acts that have or could

1 have been asserted in any legal action or proceeding against Defendant, whether known or unknown,  
2 arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under the  
3 California Labor Code, Industrial Welfare Commission Wage Orders, Fair Labor Standards Act,  
4 Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income  
5 Security Act, National Labor Relations Act, California Corporations Code, California Business and  
6 Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended),  
7 and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination,  
8 lost wages, benefits, other employment compensation, emotional distress, medical expenses, other  
9 economic and non-economic damages, interest, attorney fees, and costs, arising on or before the date of  
10 execution of the Settlement Agreement. With respect to those claims released by Plaintiff in an individual  
11 capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California  
12 Civil Code Section 1542, which provides:

13 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR  
14 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR  
15 HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF  
16 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER  
17 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

18 Plaintiff understands and agrees that claims or facts in addition to or different from those which are now  
19 known or believed by her to exist may hereafter be discovered. It is Plaintiff's intention to settle fully  
20 and release all claims she now has against the Released Parties, whether known or unknown, suspected  
21 or unsuspected. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for  
22 workers' compensation benefits, claims for unemployment benefits, or other claims that may not be  
23 released by law.

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

25 Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date for  
26 Plaintiff's motion for preliminary approval of the Settlement, which Plaintiff and Class Counsel will be  
27 responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion.  
28 Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion for review  
and approval at least three court days before filing it with the Court. Defendant agrees not to oppose  
the motion for preliminary approval of the Settlement consistent with this Settlement Agreement.

Defendant agrees to provide Class Counsel a draft of any required declarations in support of Plaintiff's motion for preliminary approval before Plaintiff's deadline to file the motion for preliminary approval. Said motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff as 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 to the Class 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; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate as to the Settlement Class Members, State of California, and PAGA Group Members.

34. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for (a) Individual Settlement Payments; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Class Representative Enhancement Award; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel a draft of the Final Approval motion for review and approval before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the mutually-agreed-upon proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in substantial part, the following:

- a. Approval of the Settlement as fair, reasonable, and adequate, and directing 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 Class Representative Enhancement Award to
- 4 Plaintiff;
- 5                   e.     Directing Defendant to fund all amounts due under the Settlement Agreement and
- 6 ordered by the Court; and
- 7                   f.     Entering judgment in this Action, while maintaining continuing jurisdiction, in
- 8 conformity with California Rules of Court 3.769 and the Settlement Agreement.

9           35.    Termination or Revocation of Settlement.

10                   a.     If the Court fails or refuses to issue the Final Approval Order and Judgment or fails

11 to approve any material condition of this Settlement Agreement which effects a fundamental change of

12 the Settlement Agreement (unless explicitly excepted herein), by way of writing that is provided to the

13 other Party within ten (10) calendar days thereof, the entire Settlement Agreement shall be rendered

14 voidable and unenforceable as to all Parties herein at the option of either Party.

15           36.    Effects of Termination of the Settlement. Termination of the Settlement Agreement shall

16 have the following effects:

17                   a.     The Settlement Agreement shall be void and shall have no force or effect, and no

18 Party shall be bound by any of its terms;

19                   b.     In the event the Settlement Agreement is terminated, Defendant shall have no

20 obligation to make any payments to any Party, Class Member, PAGA Group Member, or attorney, except

21 that the terminating Party shall pay the Settlement Administrator for services rendered up to the date the

22 Settlement Administrator is notified that the Settlement has been terminated;

23                   c.     The Preliminary Approval Order, Final Approval Order and Judgment, including

24 any order certifying the Class, shall be vacated;

25                   d.     The Settlement Agreement and all negotiations, statements, and proceedings

26 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored

27 to their respective positions in the Action prior to the execution of the Settlement Agreement;

28

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

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

8 g. If the Settlement is voided or fails for any reason other than revocation by  
9 Defendant, pursuant to Paragraph 33(a), above, any costs incurred by the Settlement Administrator shall  
10 be borne equally by the Parties.

11 37. Escalator Clause. Defendant represented at mediation that Class Members worked  
12 950,207 workweeks during the period from August 24, 2017, to and including October 31, 2023. Should  
13 the number of workweeks increase beyond 10% during the Class Period (i.e. increase beyond 1,045,227  
14 workweeks), then Defendant shall increase the Total Settlement Amount on a *pro rata* basis equal to  
15 the percentage increase in the number of workweeks above 10% (e.g., if the number of workweeks  
16 increases by 11% to 1.054.729 workweeks, the Total Settlement Amount will increase by 1%).

17 38. Continued Jurisdiction. After entry of judgment pursuant to the Settlement, the Court  
18 will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section  
19 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and  
20 enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-  
21 judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

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

25 40. Limitation on Publicity. Plaintiff and Plaintiff's Counsel agree not to disclose or  
26 publicize the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations  
27 underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except  
28 potential Class Members and as shall be contractually required to effectuate the terms of the Settlement.

1 For the avoidance of doubt, this section means Plaintiff and Plaintiff's Counsel agree not to issue press  
2 releases, communicate with, or respond to any media or publication entities, publish information in  
3 manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by  
4 print, video, recording or any other medium, with any person or entity concerning the Settlement,  
5 including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement,  
6 except as shall be contractually required to effectuate the terms of the Settlement. Class Counsel will  
7 take all steps necessary to ensure Plaintiff is aware of, and will encourage him to adhere to, the  
8 restriction against any publicity regarding the Settlement and against any media comment on the  
9 Settlement and its terms as described in this paragraph. Class Counsel further agrees not to use the  
10 Settlement or any of its terms for any marketing or promotional purposes. Nothing herein will restrict  
11 Class Counsel from including publicly available information regarding the Actions and/or the  
12 Settlement in future judicial submissions regarding Class Counsel's qualifications and experience.  
13 Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures and submissions  
14 required to be made to the LWDA in conformity with PAGA.

15 41. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the  
16 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements  
17 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code § 1625  
18 and California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be  
19 construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the  
20 Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or  
21 contradict the terms of this Settlement Agreement. This Settlement Agreement contains the entire  
22 agreement between the Parties relating to the settlement and transaction contemplated hereby, and all  
23 prior or contemporaneous agreements, understandings, representations, and statements, whether oral or  
24 written and whether by a Party or such Party's legal counsel, are merged herein.

25 42. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the  
26 Action (including, and not limited to, the deadline to bring the Action to trial under California Code of  
27 Civil Procedure section 583.310), except such proceedings necessary to implement and complete the  
28 Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

1           43.    Waiver and Amendment. Parties may amend or modify any provision of this Settlement  
2 Agreement by way of written instrument signed by counsel for all of the Parties, subject to Court  
3 approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a  
4 waiver of any other provision.

5           44.    Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and  
6 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement  
7 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant  
8 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
9 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have  
10 full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement  
11 will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to  
12 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality  
13 provisions that otherwise might apply under state or federal law.

14           45.    Signatories. It is agreed that because the members of the Class are so numerous, it is  
15 impossible or impractical to have each Settlement Class Member or PAGA Group Member execute this  
16 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the  
17 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement as  
18 to the PAGA Group Members, and the release shall have the same force and effect as if this Settlement  
19 Agreement were executed by each Settlement Class Member and PAGA Group Member.

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

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

24           48.    Execution and Counterparts. This Settlement Agreement is subject only to the execution  
25 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All  
26 executed counterparts and each of them, including facsimile, electronic, and scanned copies of the  
27 signature page, will be deemed to be one and the same instrument.  
28

1           49.   Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this  
2 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action, Released Class  
3 Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations  
4 and in the context of adversarial litigation, taking into account all relevant factors, present and potential.  
5 The Parties further acknowledge that they are each represented by competent counsel and that they have  
6 had an opportunity to consult with their counsel regarding the fairness and reasonableness of this  
7 Settlement Agreement. In addition, if necessary to obtain approval of the Settlement, the Mediator may  
8 execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court  
9 may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement  
10 is objectively fair and reasonable.

11           50.   Invalidity of Any Provision. Before declaring any provision of this Settlement  
12 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
13 possible consistent with applicable precedents so as to find all provisions of this Settlement Agreement  
14 valid and enforceable.

15           51.   Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by  
16 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate to  
17 implement the Settlement.

18           52.   Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve  
19 the dispute that has arisen between them and to avoid the burden, expense, and risk of continued  
20 litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies,  
21 that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated  
22 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any  
23 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in  
24 any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any  
25 of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an  
26 admission or concession by Defendant of any such violations or failures to comply with any applicable  
27 law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this  
28 Settlement Agreement and its terms and provisions shall not be offered as evidence in any action or

proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with state, federal, local or other applicable law.

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

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

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

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

57. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiff and Class Counsel:

Arby Aiwazian  
Joanna Ghosh  
Yasmin Hosseini  
Arianna Razi  
**LAWYERS for JUSTICE, PC**  
450 North Brand Boulevard, Suite 900  
Glendale, California 91203

To Defendant:

William M. Betley  
April Szabo  
**ATKINSON, ANDELSON, LOYA, RUUD & ROMO**  
3880 Lemon Street, Suite 350  
Riverside, California 92501

58. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,

1 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for  
2 sixty (60) calendar days. This will satisfy California Rules of Court 3.771(b), and no individualized  
3 notice of the Final Approval Order and Judgment to the Class will be required.

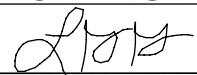
4 59. Cooperation and Execution of Necessary Documents. All Parties and their counsel will  
5 cooperate with each other in good faith and use their best efforts to implement the Settlement, including  
6 and not limited to, executing all documents to the extent reasonably necessary to effectuate the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

11 60. No Unalleged Claims. Plaintiff and Class Counsel represent that they, as of the date of  
12 execution of this Settlement, are not currently aware of any: (a) unalleged claims in addition to, or different  
13 from, those which are finally and forever settled and released against the Released Parties by this  
14 Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be  
15 brought against Defendant, except such facts and theories specifically alleged in the Operative Complaint  
16 in the Action. Plaintiff and Class Counsel further represent that, other than the Action, they have no  
17 current intention of asserting any other claims against Defendant in any judicial or administrative forum;  
18 they do not currently know of or represent any persons who have expressed any interest in pursuing  
19 litigation or seeking any recovery against Defendant in any future-initiated proceeding. The Parties  
20 acknowledge, understand, and agree that the representations described in this paragraph are essential to  
21 the Agreement and that this Agreement would not have been entered into were it not for these  
22 representations.

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

25 **IT IS SO AGREED.**

26  
27 Dated: 03/05/2025, 2025

28  
**PLAINTIFF LOLITA GALVAN**  
Electronically Signed  
  
Wintex AssureSign® 2025-03-06 00:47:28 UTC · 174.195.134.146  
2097ca1-2049-4cd5-8fb9-62970151ed94

Lolita Galvan, Plaintiff

**DEFENDANT INLAND RESPITE, INC.**

Dated: March 10, 2025

Paul M. Santillan

Full Name: Paul M. Santillan

Title: President/Owner

On behalf of Inland Respite, Inc.

**APPROVED AS TO FORM**

**LAWYERS *for* JUSTICE, PC**

Dated: \_\_\_\_\_, 2025

\_\_\_\_\_

Arby Aiwarzian

Joanna Ghosh

Yasmin Hosseini

Arianna Razi

*Attorneys for Plaintiff Lolita Galvan and Proposed Class Counsel*

**ATKINSON, ANDELSON, LOYA, RUUD & ROMO**

Dated: March 12, 2025

April Szabo

William M. Betley

April L. Szabo

*Attorneys for Defendant Inland Respite, Inc.*

**DEFENDANT INLAND RESPITE, INC.**

Dated: \_\_\_\_\_, 2025

Full Name: \_\_\_\_\_

Title: \_\_\_\_\_

On behalf of Inland Respite, Inc.

**APPROVED AS TO FORM**

**LAWYERS *for* JUSTICE, PC**

Dated: March 12, 2025



Arby Aiwanian

Joanna Ghosh

Yasmin Hosseini

Arianna Razi

*Attorneys for* Plaintiff Lolita Galvan and Proposed Class  
Counsel

**ATKINSON, ANDELSON, LOYA, RUUD & ROMO**

Dated: \_\_\_\_\_, 2025

William M. Betley

April L. Szabo

*Attorneys for* Defendant Inland Respite, Inc.

# EXHIBIT A

## **NOTICE OF CLASS ACTION SETTLEMENT**

***Lolita Galvan v. Inland Respite, Inc.***  
**Superior Court of California for the County of Riverside, Case No. CVRI2103857**

### **PLEASE READ THIS NOTICE CAREFULLY.**

**You have received this 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 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 Pay Periods that you are credited with, if you so choose.**

**YOU ARE NOTIFIED THAT:** A class and representative action settlement has been reached between Plaintiff Lolita Galvan ("Plaintiff") and Defendant Inland Respite, Inc. ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties"), in the case entitled *Lolita Galvan v. Inland Respite, Inc.*, Riverside County Superior Court, Case No. CVRI2103857 (the "Action"), which may affect your legal rights. On [REDACTED], the Court granted preliminary approval of the settlement and scheduled a hearing on [REDACTED] at [REDACTED] (the "Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

### **I. IMPORTANT DEFINITIONS**

**"Class"** means all current and former hourly-paid or non-exempt employees of Defendant within the State of California who performed work for Defendant at any time during the Class Period.

**"Class Member"** means a member of the Class.

**"Class Period"** means the time period from August 24, 2017 through March 20, 2024.

**"Class Settlement"** means the settlement and resolution of all Released Class Claims (described in Section III.D below).

**"PAGA Group"** all current and former hourly-paid or non-exempt employees of Defendant within the State of California who performed work for Defendant at any time during the PAGA Period.

**"PAGA Period"** means the time period from September 6, 2022 through March 20, 2024.

**"PAGA Settlement"** means the settlement and resolution of Released PAGA Claims (described in Section III.D below).

### **II. BACKGROUND OF THE LAWSUIT**

On August 24, 2021, Plaintiff commenced a class action lawsuit by filing the Class Action Complaint for Damages in the Action. On September 6, 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 Notice") in connection with the Private Attorneys General Act ("PAGA"), Labor Code Section 2698-2699.8. PAGA authorizes aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and the State of California for California Labor Code violations.

On December 16, 2024, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act ("Operative Complaint"). Plaintiff alleges that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and related premium wages, timely pay wages during employment and pay related waiting-time penalties, timely pay wages during employment, provide compliant wage statements, maintain required payroll records, reimburse necessary business expenses, and comply with unfair competition laws under California Business & Professions Code, and conduct that gives rise to penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid minimum and overtime wages, 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 and denies that it violated any relevant law with respect to the Class.

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 the Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement," "Agreement," or "Settlement Agreement").

On [REDACTED], the Court entered an order preliminarily approving the Settlement. The Court has appointed **Simpluris, Inc.** as the administrator of the Settlement ("Settlement Administrator"), Plaintiff Lolita Galvan as representative of the Class ("Class Representative"), and the following Plaintiff's attorneys as counsel for the Class ("Class Counsel"):

Arby Aiwazian  
Joanna Ghosh  
Yasmin Hosseini  
Arianna Razi  
**Lawyers for Justice, PC**  
450 North Brand Boulevard, Suite 900  
Glendale, California 91203  
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you do not need to 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 Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Group Member, you do not need to take any action to receive an Individual PAGA Payment.

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 Group Members. 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 Class Members and PAGA Group Members. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes may be appropriate under California law. The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval Hearing.

### **III. SUMMARY OF THE PROPOSED SETTLEMENT**

#### **A. Settlement Formula**

The total settlement amount is Four Million Two Hundred and Seventy-Five Thousand Dollars (\$4,275,000.00) (the "Total Settlement Amount"). The portion of the Total 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 Total Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys' fees, in an amount not to exceed 35% of the Total Settlement Amount (i.e., \$1,496,250.00 if the Total Settlement Amount remains \$4,275,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00) (collectively, "Attorneys' Fees and Costs") to Class Counsel; (2) Enhancement Award in an amount not to exceed Fifteen Thousand Dollars (\$15,000) to Plaintiff for her services in the Action; (3) the amount of Two Hundred Thirteen Thousand Seven Hundred and Fifty Dollars (\$213,750.00) allocated toward civil penalties under PAGA ("PAGA Penalty Amount"); and (4) Settlement Administration Costs in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000.00) to the Settlement Administrator. By law, the PAGA Amount will be distributed 75% to the LWDA (i.e., \$160,312.50) ("LWDA Payment") and the remaining 25% (i.e., \$53,437.50) will be distributed to PAGA Group Members ("PAGA Group Member Amount").

Class Members are eligible to receive payment under the Class Settlement of their proportional share of the Net Settlement Amount ("Individual Settlement Share") based on the number of calendar pay periods each Class Member performed work for Defendant as an hourly-paid or non-exempt employee in California during the Class Period ("Pay Periods"), divided by

the total number of pay periods that all Class Members collectively were employed during the Class Period.

The Settlement Administrator has divided the Net Settlement Amount by the Pay Periods of all Class Members to calculate the “Estimated Pay Period Value,” and multiplied each Class Member’s individual Pay Periods by the Estimated Pay Period Value to calculate his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below).

Each Individual Settlement Share will be allocated as twenty percent (20%) wages, which will be reported on an IRS Form W-2, and eighty percent (80%) interest, penalties, 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 Share (the net payment is referred to as “Individual Settlement Payment”). Conversely, the employer’s share of taxes and contributions in connection with the wages portion of the Individual Settlement Shares (“Employer Taxes”) shall be paid by Defendant separately and in addition to the Total Settlement Amount.

PAGA Group Members are eligible to receive payment under the PAGA Settlement of their proportional share of the PAGA Group Member Amount (“Individual PAGA Payment”) based on the number of calendar pay periods each PAGA Group Member performed worked for Defendant as an hourly-paid or non-exempt employee in California during the PAGA Period (“PAGA Pay Periods”), divided by the total number of pay periods that all PAGA Group Members collectively were employed during the PAGA Period.

The Settlement Administrator has divided the PAGA Group Member Amount, i.e., 25% of the PAGA Penalty Amount, by the total number of PAGA Pay Periods of all PAGA Group Members during the PAGA Period to calculate the “PAGA Pay Period Value,” and multiplied each PAGA Group Member’s individual PAGA Pay Periods during the PAGA Period by the PAGA Pay Period Value to calculate his or her Individual PAGA Payment (which is listed in Section III.C below).

Each Individual PAGA Payment will be allocated as 100% penalties, which 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 Group Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this 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 Pay Periods Based on Defendant's Records**

According to Defendant's records,

- **During the Class Period, you are credited as having [REDACTED] Pay Periods.**
- **During the PAGA Period, you are credited as having [REDACTED] PAGA Pay Periods.**

If you wish to dispute the above Pay Periods credited to you, you must submit a written letter (“Pay Periods Dispute”), which must: (a) contain the case name and number of the Action (*Lolita Galvan v. Inland Respite, Inc.*, Case No. CVRI2103857); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) clearly state that you dispute the number of Pay Periods credited to you and what you contend is the correct number which should be credited to you; (d) attach any documentation that you may have to support the dispute; and (e) be submitted 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/or Individual PAGA Payment**

As explained above, your estimated Individual Settlement Share and/or or Individual PAGA Payment is based on the number of Pay Periods 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.**

**Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED].**

The settlement approval process may take multiple months. Your Individual Settlement Share and/or Individual PAGA Payment (if applicable) reflected in this Notice is only an estimate. Your actual Individual Settlement Share and/or Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

**D. Release of Claims**

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and all Class Members who do not submit a timely and valid Request for Exclusion (i.e., 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 whether known or unknown.

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and the State of California will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims whether known or unknown. Plaintiff does not release any PAGA Group Member's claim for wages or damages. However, PAGA Group Members who are also Settlement Class Members will also be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims whether known or unknown.

"Released Class Claims" means all claims under state, federal, or local law which are pled in the Operative Complaint or that could have been pled based on the factual allegations in the Operative Complaint, arising during the Class Period, including and not limited to, claims under the California Labor Code, Wage Orders, regulations, and/or other provisions of law for: (1) failure to pay overtime wages under Labor Code Sec. 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums under Labor Code Sec. 226.7, 512; (3) failure to provide rest periods and/or pay rest period premiums under Labor Code Sec. 226.7; (4) failure to pay minimum wages under Labor Code Sec. 1194, 1197, 1197.1; (5) failure to timely pay wages upon termination under Labor Code Sec. 201, 202; (6) failure to timely pay wages during employment under Labor Code Sec. 204; (7) failure to provide accurate, itemized wage statements under Labor Code Sec. 226; (8) failure to keep requisite payroll records under Labor Code Sec. 1174(d); (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802; (10) violation of California's unfair competition law under Business and Professions Code Sec. 17200 for the aforementioned.

"Released PAGA Claims" means all claims for civil penalties under the California Labor Code Private Attorneys General Act ("PAGA") alleged in the contemplated PAGA notice letter and Operative Complaint, arising during the PAGA Period, for Defendant's alleged (1) failure to pay overtime wages under Labor Code Sec. 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums under Labor Code Sec. 226.7, 512; (3) failure to provide rest periods and/or pay rest period premiums under Labor Code Sec. 226.7; (4) failure to pay minimum wages under Labor Code Sec. 1194, 1197, 1197.1; (5) failure to timely pay wages upon termination under Labor Code Sec. 201, 202; (6) failure to timely pay wages during employment under Labor Code Sec. 204; (7) failure to provide accurate, itemized wage statements under Labor Code Sec. 226; (8) failure to keep requisite payroll records under Labor Code Sec. 1174(d); (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802.

"Released Parties" means Defendant and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Settlement Class Members or PAGA Group Members, as well as each of their officers, directors, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns or legal representatives.

**E. Attorneys' Fees and Costs to Class Counsel**

Class Counsel will seek attorneys' fees in an amount not to exceed thirty-five percent (35%) of the Total Settlement Amount

(i.e., \$1,496,250.00, if the Total Settlement Amount remains \$4,275,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00) (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 Total Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Group Members on a contingency fee basis (i.e., without being paid any money to date) and has been paying all litigation costs and expenses to date.

**F. Enhancement Payment to Plaintiff**

Plaintiff will seek the amount of up to Fifteen Thousand Dollars (\$15,000.00) (“Enhancement Payment”), in recognition of her services in connection with the Action. The Enhancement Payment will be paid from the Total Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to any individual settlement payments that she is entitled to under the Settlement.

**G. Settlement Administration Costs to Settlement Administrator**

Payment to the Settlement Administrator is estimated not to exceed Thirty-Five Thousand Dollars (\$35,000.00) (“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, Objections, and Pay Periods Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement. The Settlement Administration Costs shall be paid from the Total 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 Settlement and receive money from the 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, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based on the Class Settlement, and you will release the Released Class Claims described in Section III.D above.

If you are a PAGA Group Member, 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 on the PAGA Settlement, and you will release the Released PAGA Claims described in Section III.D above.

Class Members and PAGA Group Members will not be separately responsible for payment of attorney’s fees or litigation costs and expenses, unless they retain their own counsel in which event they are responsible for their own fees and expenses.

**B. Request Exclusion from the Class Settlement**

Class Members may request to be excluded from the Class Settlement by submitting a written letter indicating a request to be excluded from the Class Settlement, as described below (“Request for Exclusion”) to the Settlement Administrator.

A Request for Exclusion must: (a) contain the case name and number of the Action (*Lolita Galvan v. Inland Respite, Inc.*, Case No. CVRI2103857); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) contain a clear written statement indicating that you seek exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address below, postmarked on or before **[Response Deadline]**.

**[Settlement Administrator]**  
**[Mailing Address]**

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion

will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement or 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 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. PAGA Group Members 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. PAGA Group Members may not submit a Request for Exclusion as to the PAGA Settlement.

### **C. Object to the Class Settlement**

Class Members may object to the Class Settlement as long as they have not submitted a Request for Exclusion (i.e., as long as they are Settlement Class Members), by submitting a written objection to the Settlement Administrator, as described below (“Objection”) to the Settlement Administrator, or by presenting their objection orally at the Final Approval Hearing.

An Objection must: (a) contain the case name and number of the Action (*Lolita Galvan v. Inland Respite, Inc.*, Case No. CVRI2103857); (b) contain the your full name, signature, address, telephone number, and last four (4) digits of your Social Security 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, if any, upon which the objection is based; and (e) be submitted by mail to the Settlement Administrator at the specified address listed in section IV.B. above, postmarked on or before [Response Deadline].

### **V. FINAL APPROVAL HEARING**

The Court will hold a Final Approval Hearing in Department 1 of the Riverside County Superior Court, located at the Riverside Historic Courthouse, 4050 Main Street, Riverside, CA 92501, on [REDACTED], [REDACTED], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will be asked to approve the Attorneys’ Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to. Personal appearances and telephonic appearances are an option.

Please visit the Court’s website for the most up-to-date information regarding the impact of COVID-19 on the operations of the Court and any requirements that may apply for accessing Court facilities:  
<https://www.riverside.courts.ca.gov/PublicNotices/COVID-19-Court-Operations.php>

On the Court’s website, you can find information regarding appearing remotely via Zoom online (for the Final Approval Hearing that is scheduled to be held in Department 1 of the Historic Courthouse of the Riverside County Superior Court):  
<https://www.riverside.courts.ca.gov/PublicNotices/remote-appearances.php>.

### **VI. ADDITIONAL INFORMATION**

The above summarizes the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you may review the detailed Joint Stipulation of Class Action and PAGA Settlement and Release, and other papers which are on file with the Records Management Division of the Riverside County Superior Court, located at the Riverside Historic Courthouse, 4050 Main Street, Riverside, California 92501. Some documents and information regarding the Action can also be accessed online for a fee or at a minimal charge at the Riverside County Superior Court’s website (<https://epublic-access.riverside.courts.ca.gov/public-portal/>). To look up and access documents and information on the Court’s systems, you will need to use the case number for the Action (Case No. CVRI2103857).

**PLEASE DO NOT TELEPHONE THE COURT 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.**